2003 HOME OPERATIONS MANUAL

Tennessee Housing Development Agency

Community Programs Division

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CHAPTER ONE

GENERAL PROGRAM REQUIREMENTS

1. INTRODUCTION

1.1 The HOME Investment Partnership Act was approved on November 28, 1990 as Title II of the Cranston - Gonzalez National Affordable Housing Act. The program provides Federal funds to state and local Participating Jurisdictions to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing units and through tenant-based assistance. The purpose of the program is to expand the supply of decent, safe, sanitary and affordable housing for low and very low-income households. The State of Tennessee has chosen to focus its HOME program on homeowner rehabilitation projects and acquisition, rehabilitation and/or new construction of rental housing projects. For CDBG Entitlement communities and CHDOs, a limited form of homeownership is also considered an eligible activity.

1.2 The State of Tennessee operates the HOME program through local governments and non-profit organizations. This manual is designed to provide information about how to implement a HOME program at the local level. Each section describes each task needed to accomplish a HOME project. The supporting materials include samples of forms, documents, letters and file checklists.

1.3 The HOME program is governed by Title 24 Code of Federal Regulations, Part 92, as amended. Those regulations are incorporated by reference in this manual. The federal regulations take precedence over any material presented in this manual.

2. ELIGIBLE ACTIVITIES

2.1 **REHABILITATION** - For purposes of HOME, rehabilitation is defined as any construction work to an existing structure. For the 2003 HOME program, rehabilitation subsidies are capped at $25,000 per unit for all rehabilitation hard costs, plus soft costs and the costs required to treat lead paint hazards. This cap would not apply to instances of reconstruction.

2.2 **CONVERSION** - Conversion of an existing structure from an alternative use to affordable, residential housing is an eligible activity and is considered rehabilitation. If conversion involves additional units beyond the walls of an existing structure, the project will be deemed new construction. Conversion of a structure to commercial use is not eligible for HOME funds.

2.3 **RECONSTRUCTION** - Reconstruction is defined as rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. The reconstructed housing unit must be substantially similar (i.e., single or multi-family housing) to the original housing. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. *Reconstruction is rehabilitation for purposes of the HOME program.*

2.4 **NEW CONSTRUCTION** - New Construction is defined as (1) newly built projects; (2) existing projects which involve the addition of new units outside the existing walls of the structure; and (3) property completed within a one year period prior to commitment of HOME funds. Property completion is measured from date of initial certificate of occupancy.

2.5 **HOMEOWNERSHIP PROGRAMS BY CHDOS**

1. *Construction financing* - An up front source of funds (without interest costs) to build affordable, new single family units for sale to low income households. The CHDO must be the owner, sponsor or developer of the project. At the time of permanent financing the HOME funds are repaid to the CHDO and are treated as CHDO proceeds. The CHDO proceeds must then be used for other affordable housing activities.

2. *Acquisition and rehabilitation* - HOME funds are used to acquire existing units and to provide the necessary rehabilitation for resale to a low income household. At the time of permanent financing the HOME funds are repaid to the CHDO and are treated as CHDO proceeds. The CHDO proceeds must then be used for other affordable housing activities.

3. A CHDO can elect to have up to $14,999 of HOME funds remain with the unit as a soft second mortgage as necessary to qualify the household at the time of permanent financing.

2.6 **HOMEOWNERSHIP PROGAMS BY CITIES, COUNTIES AND NON-PROFIT ORGANIZATIONS (non-CHDO)** - Homeownership programs are restricted to soft second mortgages as necessary to qualify the household for permanent financing.

2.7 **TRANSITIONAL HOUSING** - Housing that is designed to provide housing and appropriate supportive services to persons, including (but not limited to) deinstitutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children. In addition, transitional housing has as its purpose facilitating the movement of individuals and families to independent living within a time period that is set by the participating jurisdiction or project owner before occupancy.

2.8 **ACQUISITION OF PROPERTY** - The acquisition of real estate must be undertaken only with respect to a particular housing project intended to provide affordable housing.

2.9 **MANUFACTURED HOUSING** - (92.205(a)(4)) Purchase and/or rehabilitation of a manufactured housing unit qualifies as affordable housing only if, at the time of project completion, the unit:

1. Is connected to permanent utility hook-ups;

2. Is located on land that is held in a fee simple title or long-term ground lease with a term at least equal to that of the appropriate affordability period; and

3. Is set upon a continuous block foundation or upon permanent piers with footings and underpinnings;

4. Must comply with the Tennessee Manufactured Home Anchoring Act, TCA Sections 68-126-401 through 68-126-410;

5. Meets the construction standards established under 24 CFR 3280 if produced after June 15, 1976. If the unit was produced prior to June 15, 1976, it must comply with applicable State and local codes.

2.10 **LIMITATIONS TO REHABILITATION OF MANUFACTURED HOUSING** - HOME assistance will be limited to a maximum of $10,000 for single-wide units (multiple width units will be evaluated and pre-approved by THDA on a case by case basis). The $10,000 limit does not apply to the replacement of substandard manufactured housing units under reconstruction, however, replacement must also be pre-approved by THDA.

2.11 **SELECTIVE ELIGIBLE ACTIVITIES -** Several activities can be funded with HOME funds <u>only</u> when conducted <u>in conjunction with</u> the above listed activities. They are:

1. *Acquisition of Vacant Land* - Acquisition of vacant land using HOME funds must be undertaken only with respect to a particular housing project intended to provide affordable housing.

2. *Site Improvements* - Must be "in keeping with improvements to surrounding standard projects". Costs of utility connections are included.

3. *Demolition* - Demolition using HOME funds must be undertaken only when the intention is to replace a unit with affordable housing and in accordance with Barney Frank 104(d) requirements.

4. *Laundry and Community Facilities* - Costs to construct or rehabilitate laundry and community facilities can be undertaken with HOME funds only in conjunction with the new construction or rehabilitation of multifamily rental housing. The laundry and community facilities must be located

within the same building as the housing and be for the use of the project residents and their guests.

3. PROHIBITED ACTIVITIES

3.1 **INELIGIBLE PROPERTIES** - HOME funds cannot be used for assistance on any of the following properties: Public housing; Properties receiving Rental Rehabilitation Program funds; Projects assisted under Title VI of NAHA (Prepayment of Mortgages insured by HUD); and Commercial properties.

3.2 **EMERGENCY REPAIR PROGRAMS** - Activities that do not bring property up to a minimal standard are prohibited.

3.4 **TERMINATED PROJECTS** - A HOME assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any HOME funds invested in the project must be repaid to the State's HOME Investment Trust Fund.

3.5 **PREVIOUSLY ASSISTED HOME PROJECTS** – HOME funds cannot be used to provide assistance (other than assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the State in the written agreement under 24 CFR 92.504.

1. Additional HOME funds may be committed to a project up to one year after project completion (24 CFR 92.502), but the amount of HOME funds in the project cannot exceed the maximum per-unity subsidy limit.

4. FORMS OF ASSISTANCE (92.205(b))

4.1 **FORGIVABLE GRANTS** - Assistance from local government or non-profit grant recipients to program beneficiaries will be limited to forgivable grants. These are grants that are completely forgiven after a specified period of time as long as the beneficiary adheres to the conditions of the grant. Grants may be forgiven at the end of the compliance period or proportionally each year. In case of death, THDA does not require repayment as long as the ownership of the property passes to the heirs. If the heirs sell or rent the property, or if the property is sold with monetary gain by any actions of a court to settle outstanding claims or settle the estate, then the grant must be repaid into the State's HOME account, less any forgivable portion.

4.2 **SOFT SECOND MORTGAGES** - In order to qualify a family in homeownership programs, HOME funds may be used for soft second mortgages. The soft second mortgages are limited to a maximum subsidy of $14,999 per household with a five year affordability period forgiven at 20% per year. If the unit is sold during the affordability period, the remaining HOME funds would be due on sale to THDA.

5. AFFORDABILITY REQUIREMENTS

5.1 **RENTAL HOUSING (92.252(e))** - Rental housing will remain affordable for not less than the applicable period, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements are imposed by deed restrictions, covenants running with the land or other mechanisms approved by THDA, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The Grantee may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

1. When HOME funds are used in connection with multi-family housing in which acquisition, new construction, or rehabilitation is financed with a mortgage insured by HUD under Chapter II of Title 24, the minimum period of affordability is the term of the HUD-insured mortgage.

2. THDA will require that Grantees using HOME funds for rental housing execute a Grant Note, Deed of Trust and Restrictive Covenant for each project.

3. Minimum affordability periods for rental housing:

ACTIVITY	HOME FUNDS	AFFORDABILITY
Acquisition or rehabilitation of existing housing	Under $15,000	5 Years
Acquisition or rehabilitation of existing housing	$15,000 - $40,000	10 Years
Acquisition or rehabilitation of existing housing	Over $40,000	15 Years
New construction or acquisition of newly constructed housing		20 Years

5.2 **HOMEOWNER REHABILITATION (92.254(b))** - Housing that is currently owned by a family and is rehabilitated with HOME funds remains affordable only if:

1. The value of the property, after rehabilitation does not exceed 95% of the median purchase price for the type of single family housing (1 - 4 family residence, condominium unit, combination manufactured home and lot, or manufactured home lot) for the jurisdiction as determined by HUD. See Attachment IV: Property Value Limits in Chapter 9 - Homeowner Rehabilitation.

2. The housing is the principal residence of an owner whose family qualifies as a low-income family at the time the HOME funds are committed to the housing.

3. Deferred and forgivable grants for homeowner rehabilitation shall have a compliance period of **5 years**. This is a State HOME program requirement, not a Federal requirement. THDA will require homeowners to sign a Grant Note and Deed of Trust to secure the compliance period.

6. INCOME DETERMINATIONS (92.203)

6.1 **INCOME LIMITS** - HOME funds can only be used to benefit low and very low income households. The income limits applicable are the current "Income Limits for Low-Income and Very Low-Income Families" (adjusted for family size) produced by the Department of Housing and Urban Development. Tennessee figures are included as **ATTACHMENT I: 2003 HOME Income Limits**.

6.2 **ANNUAL INCOME (GROSS INCOME)** - The State's HOME program uses the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which:

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;

2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period; and

3. Which are not specifically excluded in paragraph 6.8 (Income Exclusions) below.

4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

5. MONTHLY GROSS INCOME - Monthly gross income is Annual Gross Income divided by 12 months.

6.3 **ASSETS** - In general terms, an asset is a cash or noncash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.

1. MARKET VALUE - The market value of an asset is simply its dollar value on the open market. For example, a stock 's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.

2. CASH VALUE - The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:

   a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or

   b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.

   c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.

6.4 **INCOME FROM ASSETS** - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest of dividends from an asset, the interest or dividends is still counted as income.

1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.

   a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or

   b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.

   c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.

2. Assets above and below $5,000 are treated differently.

   a. If the family's assets are $5,000 or less, actual income from assets (e.g., interest on a checking account) is counted as annual income.

   b. If the family's assets are greater than $5,000, income from assets is computed as the greater of:

      i. actual income from assets, or

      ii. imputed income from assets based on a passbook rate applied to the cash value of all assets.

3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.

   a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset.

   b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation are not included in this calculation.

   c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

6.5 ASSETS INCLUDE:

1. Amounts in savings accounts and six month average balance for checking accounts.

2. Stocks, bonds, savings certificates, money market funds and other investment accounts.

3. Equity in real property or other capital investments. Equity if the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. *DO NOT INCLUDE EQUITY OF PRINCIPAL RESIDENCE AS AN ASSET FOR HOMEOWNER REHABILITATION PROGRAMS.*

4. The cash value of trusts that are available to the household.

5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in penalty.

6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.

7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.

8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.

9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.

10. Cash value of life insurance policies.

11. Assets disposed of for less than fair market value during two years preceding certification or recertification.

6.6 **ASSETS DO NOT INCLUDE:**

a. Necessary personal property, except as noted under paragraph 6.5(9) (Assets Include) above

b. Interest in Indian Trust lands

c. Assets that are part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

d. Assets not accessible to the family and which provide no income to the family.

e. Vehicles especially equipped for the handicapped.

f. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

6.7 **INCOME INCLUSIONS** - The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services.

2. The net income for the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income;

however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of $5,000, annual income includes the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook saving rate, as determined by HUD.

4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).

5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).

6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:

   a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**

   b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.

7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.

8. All regular pay, special pay and allowances of a member of the Armed Forces.

6.8 **INCOME EXCLUSIONS** - The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18 years.

2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone).

3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions.

4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.

5. Income of a live-in aide.

6. The full amount of student financial assistance paid directly to the student or to the educational institution;

7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

8. a. Amounts received under training programs funded by HUD.

   b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).

   c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program.

   d. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, are excluded only for the period during which the family member participates in the employment training program.

9. Temporary, nonrecurring or sporadic income (including gifts).

10. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

11. Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse).

12. Adoption assistance payments in excess of $480 per adopted child.

13. For public housing only, the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.

14. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

16. Amounts paid by a state agency to a family with member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.

17. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which exclusions set forth in 24 CFR 5.609(c) apply. The following is a list of types of income that qualify for that exclusion (9/27/89 regulations):

    a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;

    b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);

    c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));

    d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);

    e. Payments or allowances made under the department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;

g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;

h. The first $2,000 of per capita shares received from judgement funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117)

i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).

k. Any earned income tax credit to the extent it exceeds income tax liability.

l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)

m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)

n. Payments received under the Maine Indian Claims Settlement Act of 1980.

6.9 **TIMING OF INCOME CERTIFICATIONS** - All households that receive HOME assistance must be income eligible. At a minimum, income certification must be completed before assistance begins. A preliminary determination of eligibility may be made much earlier in the process.

1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.

2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to eligibility.

3. The Grantee must calculate the annual income of the household by projecting the prevailing rate of income of the family at the time the Grantee determines that the family is income eligible. The eligibility of a

household must be re-determined if more than six months elapses between the date the Grantee determines that a household is income-eligible and the date HOME assistance is provided.

a. For homeowner rehabilitation projects, the date assistance is provided is the date of the rehabilitation contract.

b. For homeownership programs, the income eligibility of the families is timed as follows:

i. In the case of a contract to purchase existing housing, it is the date of the purchase;

ii. In the case of a lease-purchase agreement for existing housing or for housing to be constructed, it is the date the lease-purchase agreement is signed; and

iii. In the case of a contract to purchase housing to be constructed, it is the date the contract is signed.

6.10 **INCOME VERIFICATION** - Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. THIRD-PARTY VERIFICATION - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.

a. To conduct third party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.

b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.

2. REVIEW OF DOCUMENTS - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient

information about average number of hours worked, over-time, tips and bonuses.

3. APPLICANT CERTIFICATION - When no other form of verification is possible, a certification by the applicant may be used. For example, it may be necessary to use an applicant certification for an applicant whose income comes from "odd jobs" paid for in cash.

   Applicant certification is the least reliable form of verification and may be subject to abuse. In some cases, the applicant certification can be supplemented by looking at the applicant's past history. The Grantee can review the previous year's income tax return to determine if the current year's income is consistent with activity for the previous year.

6.11 **CALCULATION METHODOLOGIES** - Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without over-time). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).

2. It is important to clarify whether over-time is sporadic or a predictable component of an applicant's income.

3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

6.12 **DETERMINING WHOSE INCOME TO COUNT** - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. INCOME OF LIVE-IN AIDES - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);

2. INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and

3. EARNED INCOME OF MINORS - Earned income of minors (age 17 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.

4. TEMPORARILY ABSENT FAMILY MEMBERS - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns $600/week at a temporary job on the other side of the State. He keeps $200/week for expenses and sends $400/week home to his family. The entire $600/week is counted in the family's income;

5. ADULT STUDENTS LIVING AWAY FROM HOME - If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the student's income must be counted in the family's income.

6. PERMANENTLY ABSENT FAMILY MEMBER - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

6.13 **USING ADJUSTED GROSS INCOME** – Adjusted Gross Income is *not* needed for HOME homeowner rehabilitation programs, homeownership programs, or for determining tenant eligibility for rental housing programs. Adjusted Gross Income is needed only to calculate:

1. A household's eligibility for and the amount of assistance to be provided under the Uniform Relocation Act or Section 104(d) relocations and tenant assistance requirements; or

2. The rent to be paid by a tenant whose income has increased above the HOME Income Limits. Such a tenant would be required to pay 30% of his adjusted gross income as rent.

6.14 **CALCULATING ADJUSTED GROSS INCOME** - Adjusted gross income is the annual gross income minus any of the five following deductions (also called allowances) that apply to the household. Monthly adjusted income is Annual Adjusted Income divided by 12 months.

1. FOR ALL HOUSEHOLDS:

   a. $480 for each dependent. (A dependent is a person, other than the head or spouse, who is under 18, or handicapped or disabled, or a full-time student.)

   b. Reasonable child care expenses (for children 12 and under) that enable a family member to work or go to school.

   c. Expenses (in excess of 3% annual gross income) for the care of a handicapped or disabled family member that enable that person or

another person to work (includes care attendant and necessary equipment and apparatus).

2. FOR ELDERLY HOUSEHOLDS ONLY:

   a. $400 per elderly household (head or spouse is 62 or older, handicapped or disabled)

   b. Medical expenses in excess of 3% of annual income that are not reimbursed by insurance or other sources.

7. PROPERTY STANDARDS (92.251)

7.1 **APPLICABLE CODES** - Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

1. New construction projects must also meet the Model Energy Code (MEC), published by the Council of American Building Officials. Copies of the MEC cost $13 (send check or use Master Card/Visa) and may be obtained from:

   Building Officials & Code Administrators International
   4051 West Flossmoor Road
   Country Club Hill, Illinois 60478
   (708) 799-2300, ext. 248

7.2 **IN ABSENCE OF A LOCAL CODE** - New construction of multi-family apartments of 3 or more units must meet the Standard Building Code (1997 edition); new construction or reconstruction of single family units or duplexes must meet the CABO One and Two Family Dwelling Code (1995 edition); rehabilitation of rental units or existing homeowner units must meet the Standard Housing Code (1994 edition).

7.3 **ACCESSIBILITY** - The housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

7.5 **RENTAL HOUSING STANDARDS** - All other HOME-assisted rental housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Section 8 housing quality standards.

8. CONTRACTOR QUALIFICATIONS

8.1 **GENERAL CONTRACTOR'S LICENSE** - At a minimum, any contractor for construction or rehabilitation projects with contract amounts of $25,000 or more must have a general contractor's license issued by the Board for Licensing Contractors, State of Tennessee. For a listing of Tennessee Licensed Contractors contact:

Board for Licensing Contractors
500 James Robertson Parkway, Suite 110
Nashville, TN 37243-1150
Telephone: (615)741-8307

8.2 **HOME IMPROVEMENT LICENSE** - As of May, 2001 any contractor for rehabilitation projects with contract amounts between $3,000 and $24,999 in Bradley, Davidson, Hamilton, Johnson, Knox, Rutherford, Robertson, and Shelby counties are required to have a Home Improvement license. This is a local option, and it is anticipated that additional counties will adopt this requirement.

9. HOME INVESTMENTS PER UNIT (92.205(c) and 92.250(a)

9.1	**MINIMUM HOME DOLLARS**	$1,000	PER UNIT
9.2	**MAXIMUM HOME DOLLARS**	$44,250	EFFICIENCY LIMIT
		$50,724	1-BEDROOM LIMIT
		$61,680	2-BEDROOM LIMIT
		$79,793	3-BEDROOM LIMIT
		$87,588	4-BEDROOM+ LIMIT

10. SUBSIDY LAYERING (92.250(b))

10.1 Layering is the combining of other federal resources on a HOME assisted project which results in an excessive amount of subsidy for the project. Such activity is prohibited. Grantees will analyze each project to insure that only the minimum amount of assistance is allocated to the project. In no case may the amount of HOME funds exceed the Maximum Per Unit Subsidy Limits.

11. COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

11.1 **DEFINITION (92.2)** - A community housing development organization (CHDO) is a private, non-profit organization that

1. Is organized under state or local law;

2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:

   a. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as builder, developer or real estate management firm.

   b. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members; and

   c. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;

4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c) (3) of the Internal Revenue Code of 1986;

5. Does not include a public body (including the State). An organization that is state or locally chartered may qualify as a CHDO; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and not more than one-third of the board members may be public officials. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members;

6. Has standards of financial accountability that conform to 24 CFR 84.21 "Standards of Financial Management Systems".

7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;

8. Maintains accountability to low-income community residents by:

a. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

b. Providing a formal process for low-income, program beneficiaries to advise the organization in its decisions regarding the design, site selection, development, and management of affordable housing;

9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced accomplished key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and

10. Has a history of serving the community within which housing to be assisted with HOME funds is located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

11.2 **CHDO SET-ASIDE** - The HOME program provides for a 15% set-aside for investment only in housing to be developed, sponsored or owned by community housing development organizations. (92.300(a))

11.3 **CHDO AS OWNER** - The CHDO is an owner when it holds valid legal title to or has a long term (99 year minimum) leasehold interest in a property. The CHDO may be an owner with one or more individuals, corporations, partnerships or other legal entities. The CHDO may be both owner and developer, or may have another entity as the developer.

11.4 **CHDO AS DEVELOPER** - The CHDO is a developer when, regardless of ownership, it has the contractual obligation to a property owner to obtain financing for, rehabilitate or construct a rental housing project.

11.5 **CHDO AS SPONSOR** - The CHDO is a sponsor when for HOME-assisted rental housing, the CHDO develops a project that it solely or partially owns and agrees to convey ownership to a second non-profit organization at a predetermined time prior to or during development or upon completion of the development of the project. The HOME funds are invested in the project owned by the CHDO. The CHDO sponsor selects the non-profit organization that it will assist. The non-profit assumes from the CHDO the HOME obligation (including any repayment of loans) for the project at a specified time. If the property is not transferred to the

non-profit organization, the CHDO sponsor remains liable for the HOME grant obligations.

1. The non-profit organization must be financially and legally separate from the CHDO sponsor. The CHDO sponsor must provide sufficient resources to the non-profit organization to ensure the development and long-term operation of the project.

11.6 **CHDO AS DEVELOPER OR SPONSOR** - The CHDO roles as developer and sponsor are similar in many ways. Each carries out the principal project development activities of acquisition, financing, construction management, arranging a development team, etc. to bring a project from conception to completion. However, the CHDO developer need not own the property, but under contract with the owner, is solely responsible for carrying out project related activities, while the CHDO sponsor owns the property and shifts the responsibility from its organization to another non-profit entity at some specified time in the development process.

11.7 **MANAGEMENT CONTROL** - In acting in any of the capacities specified, the CHDO must have effective management control of the project.

11.8 **CHDO AND HOMEOWNER REHABILITATION** - A CHDO *can never* be a developer or sponsor to complete the rehabilitation of the residence of an existing homeowner. A low-income homeowner would never contract with a developer independently from the participating jurisdiction (or subrecipient) prior to receiving a commitment of HOME assistance, and a sponsor must always own the project prior to development.

12. CONFLICT OF INTEREST (92.356)

12.1 APPLICABILITY

1. In the procurement of property and services by participating jurisdictions, state recipients and subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. Grantees receiving assistance from the HOME Program must adhere to these procedures.

2. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of 24 CFR 92.356 apply. These cases include the acquisition and disposition of real property and the provision of assistance by the Grantee, or to individuals, housing developers, and other private entities under eligible activities which authorize such assistance (e.g., rehabilitation of housing).

3. See *Chapter II: Financial Management, Section III, Establishing Procedures for Financial Management of HOME Funds* concerning the applicability of OMB Circulars.

12.2 **CONFLICTS PROHIBITED** - No persons described in paragraph (C) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

12.3 **PERSONS COVERED** - The conflict of interest provisions of paragraph (B) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the State, state recipient, or subrecipient which are receiving HOME funds.

12.4 **OWNERS AND DEVELOPERS** - No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent or consultant of the owner, developer or sponsor) whether a private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an owner-occupant of single-family housing or to an employee or agent of the owner or developer of a rental housing project who occupies a HOME assisted unit as the project manager or maintenance worker.

12.5 THDA will no longer routinely consider requesting exceptions to the conflict of interest provisions from HUD.

13. DRUG-FREE WORKPLACE

13.1 The State must require its Grantees to adopt a drug-free workplace policy that certifies that the Grantee will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the action that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees about:

1. The dangers of drug abuse in the workplace;

2. The Grantee's policy of maintaining a drug-free workplace;

3. Any available drug counseling, rehabilitation, and employee assistance programs; and

4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 13.1(a);

d. Notifying the employee in the statement required by paragraph 13.1(a), that, as a condition of employment under the grant, the employee will:

1. Abide by the terms of the statement; and

2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.

e. Notifying THDA in writing, within ten (10) calendar days after receiving notice under paragraph 13.1(d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notices shall include the identification number(s) of each affected grant.

f. Taking one of the following actions, within thirty (30) calendar days of receiving notice under paragraph 13.1(d)(2), with respect to any employee who is so convicted:

1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law-enforcement, or other appropriate agency.

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation paragraphs 13.1(a) through (f).

14. DEBARMENT AND SUSPENSION

14.1 The State must require its Grantees to have participants in lower tier covered transactions (contractors) certify that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction. (See Appendix B of 24 CFR Part 24)

15. MONITORING

15.1 **RESPONSIBILITIES OF THE STATE** - The State is responsible for managing the day-to-day operations of the HOME program, for monitoring the performance of all entities receiving HOME funds to assure compliance, and for taking appropriate action when performance problems arise. The State has divided its monitoring activities into two programs.

1. The first program is the ongoing monitoring and program evaluation prior to the completion or close out of the project.

2 The second program, referred to as long term compliance, will monitor federal or state affordability compliance issues after the project is closed out and will continue until the affordability/compliance period expires.

15.2 **MONITORING AND PROGRAM EVALUATION PRIOR TO CLOSE OUT OF PROJECTS** - Program monitoring is an ongoing activity and can be carried out in a variety of formal and informal ways and methods. These include on-site reviews; desk reviews of performance reports; financial audits; other verbal and written exchanges with the Grantee; conversations with the Grantee, clients, and fellow funders of the Grantee; etc.

1. An on-site field visit will be conducted of each project at least once during the contract, preferably when the project funds are from 20% to 80% drawn down. Certain considerations (such as Grantee performance, reporting and audit deficiencies, personnel turnovers, etc.) may require more frequent monitoring.

2. A written notice at least 7 days in advance of the scheduled visit will be given.

3. The scope of the on-site review should be as comprehensive as possible taking into consideration all applicable contractual, program, and state and federal requirements. An exit conference will be held to review the findings. A monitoring letter will be mailed, preferably no later than 30 days from the date of the visit.

4. If concerns or findings are identified, the Grantee will be asked to take steps to resolve these and respond by letter within 30 days. If the monitoring findings have not been cleared, a reminder notice will be sent. If the findings are still not cleared, future payments may be withheld, eligibility to apply for future grants may be denied, or repayment of the grant may be required.

15.3 **LONG TERM COMPLIANCE AFTER CLOSE OUT OF PROJECTS** - After the project is officially closed out by letter to the Grantee, the record will be transferred to the Internal Audit Division of THDA for long term compliance monitoring during the remainder of the affordability period. A letter will be mailed to the Grantee to explain the long term monitoring process and annual reporting requirements.

1. **RENTAL HOUSING**– Grantees with rental housing projects are responsible for the following:

   a. Annual income certification of residents;

   b. Adherence to the HOME rent guidelines, including the deduction of utility allowances in determining maximum rents;

   c. Maintaining the units in compliance with Housing Quality Standards;

   d. Maintaining written tenant selection procedures, including an affirmative marketing plan and enforcing tenant lease protections.

   e. Annual reporting to THDA Internal Audit Division, including but not limited to :

      i. HOME Compliance Summary (Form CHM-1)

      ii. Rental Resident Profile (Form CHM-2)

   f. Record retention requirements of the HOME regulations.

   g. Owners of rental projects are also subject to on-site inspections based on the number of rental units in the project.

      i. Yearly inspections of projects of 26 or more units;

      ii. Inspections every 2 years of projects with 5 to 25 units;

      iii. Inspections every 3 years of projects with 1 to 4 units.

2. **HOMEOWNER REHABILITATION** For homeowner rehabilitation projects, THDA will monitor to ensure that THDA's affordability period is being fulfilled. Annual reporting may be required, but routine on-site visits will not be conducted. However, THDA reserves the right to visit any site where there are concerns or potential problems are suspected.

3. **COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS** (CHDOs) – In addition to any rental requirements, CHDOs may be required to submit a report to THDA annually to document their compliance with HOME rules and regulations regarding their on-going CHDO status.

4. **PROGRAM INCOME** – Grantees must maintain program income for use in additional eligible HOME activities. Any Grantees receiving program income will be required to report annually to THDA.

5. **NON-COMPLIANCE** – After a compliance review has been conducted, either through an on-site review or a review of paperwork, the Grantee will be notified of any issues of non-compliance. Areas not in compliance will be identified with a date by which corrections should be made. Sanctions for non-compliance are as follows:

a. Denial of subsequent HOME grant applications until non-compliance is corrected, subject to approval by THDA's Grants Committee

b. Repayment of all or a portion of HOME funds when serious non-compliance has persisted.

16. AUDITS (92.506)

16.1 **LOCAL GOVERNMENT AUDITS** - Audits must be conducted in accordance with 24 CFR Part 44 (Audit Requirements for State and Local Governments).

16.2 **NON-PROFIT AUDITS** – Audits must be conducted in accordance with 24 CFR Part 45 (Audit Requirements for Non-Profit Organizations).

17. DEFINITIONS (92.2)

17.1 **ADMINISTRATIVE COSTS** - Reasonable costs of overall program management, coordination, monitoring and evaluation. Such costs included, but are not limited to, necessary expenditures for the following: general management, oversight and coordination; staff and overhead; public information; fair housing; indirect costs; preparation of the consolidated plan; and other Federal requirements. See Section 92.207 of the HOME Final Rule.

17.2 **ADJUSTED INCOME** - Adjusted income is annual income (gross income) reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and child care. In the HOME program, adjusted income is only used to calculate a households eligibility for and the amount of assistance to be provided under the Uniform Relocation Act or Section 104(d); or the rent to be paid by a tenant whose income has increased above the HOME income limits. *Adjusted income <u>is not</u> used to determine eligibility for homeowner rehabilitation programs or tenant eligibility for rental housing programs.*

17.3 **ANNUAL INCOME (GROSS INCOME)** - Annual income means all amounts, monetary or not which go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination date; and which are not specifically excluded under the Section 8 definition of annual income. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

17.4 **COMMITMENT** - The written, legally binding agreement between the PJ and a state recipient, a subrecipient or a CHDO to use a specific amount of HOME funds to produce affordable housing.

17.5 **COMMITMENT TO A SPECIFIC LOCAL PROJECT** - The date an acceptable Project Set-up Report (FM-3) is entered into the disbursement and information system established by HUD is deemed to be the date of project commitment.

17.6 **COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS** - Community Housing Development Organizations (henceforth CHDOs) are private, non-profit organizations that meet the definition of a CHDO in Section 92.2 "Community Housing Development Organizations", have a current Certificate of Existence from the Tennessee Secretary of State, and a 501(c)(3) designation from the IRS.

17.7 **ETHNIC CATEGORIES** – Ethnic categories to be used in filling out Homeownership Completion Reports (FM-8) or Rental Completion Reports (FM-9) are defined as:

Hispanic or Latino. A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term, “Spanish origin” can be used in addition to “Hispanic or Latino”.

Not Hispanic or Latino. A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

17.8 **GROUP HOME** - A group home is housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one bedroom units) separate private space for each family. It also includes group housing for elderly or disabled persons. Support services may be provided.

17.9 **HOME ASSISTED UNITS** - A term that refers to units within a HOME project where HOME funds are used and rent, occupancy, and/or resale restrictions apply.

17.10 **HOME FUNDS** - Funds made available under the HOME program through allocations and reallocations, plus program income.

17.11 **HOUSEHOLD** - Household means one or more persons occupying a housing unit.

17.12 **HOMEOWNERSHIP** – Homeownership means ownership in fee simple title or a 99-year leasehold interest in a one-to-four family dwelling or in a condominium unit, or equivalent form of ownership approved by HUD.

17.13 **HOUSING** - Housing includes manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single-room occupancy housing and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing *does not* include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities and student dormitories.

17.14 **LOW INCOME FAMILIES** - Families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of median income for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

17.15 **MANUFACTURED HOUSING** - For purposes of the HOME program, the definition of manufactured housing contained in the Code of Federal Regulations and used by HUD is adopted. Manufactured housing is a transportable structure, eight feet or more in length, of at least 320 square feet in size, with a permanent chassis to assure the initial and continued transportability of the structure, and is designed to be used as a dwelling with or without a permanent foundation.

17.16 **NEW CONSTRUCTION** - For the purposes of the HOME program, new construction is any project with commitment of HOME funds made within one year of the date of initial certificate of occupancy. Any project which includes the creation of additional dwelling units outside the existing walls of a structure is also considered new construction.

17.17 **OPERATING EXPENSES** - Reasonable and necessary costs for the operation of the community development housing organization. Such costs include salaries, wages and other employee compensation and benefits; employee education, training and travel; rent; utilities; communication costs; taxes; insurance; and equipment, materials and supplies. See Section 92.208 of the HOME Final Rule.

17.18 **PERSON WITH DISABILITIES** - A household composed of one or more persons, at least one of whom is an adult, who has a disability. A person is considered to have a disability if the person has a physical, mental, or emotional impairment that: is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions.

A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that: is attributable to a mental or physical impairment or combination of mental and physical impairments; is manifested before the person attains age 22; is likely to continue indefinitely; results in substantial functional limitations in three or more areas of major life activity -- self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency;

17.19 **PROJECT** - A site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management and financing and are to be assisted with HOME funds as a single undertaking under the HOME Program. The project includes all the activities associated with the site and building.

17.20 **RACIAL CATEGORIES** –-Race categories to be used in filling out the Homeownership Completion Reports (FM-8) and the Rental Completion Reports (FM-9) are defined as:

American Indian or Alaska Native. A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachments.

Asian. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietman.

Black or African American. A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or African American".

Native Hawaiian or Other Pacific Islander. A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White. A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

17.21 **RECONSTRUCTION** - Reconstruction is defined as rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is rehabilitation for purposes of the HOME program.

17.22 **SINGLE ROOM OCCUPANCY (SRO) HOUSING** - SRO housing is housing (consisting of single room dwelling units) that is the primary residence of its occupant or occupants. The unit must contain either food preparation or sanitary facilities (and may contain both) if the project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure or hotel, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants.

17.23 **TRANSITIONAL HOUSING** - Transitional housing means housing that is designed to provide housing and appropriate supportive services to person, including (but not limited to) deinstitutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children; and has as its purpose facilitating the movement of individuals and families to independent living within a time period that is set by the project owner before occupancy.

17.24 **VERY LOW INCOME FAMILIES** - Families whose annual incomes do not exceed 50 percent of the median family income for the area as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of median income for

the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs, or fair market rents, or unusually high or low family incomes.

ATTACHMENT I

2003 Income Limits for Low and Very Low Income Families

TENNESSEE LIST OF COUNTIES

IDENTIFIED BY METROPOLITAN AND NON-METROPOLITAN STATUS

METROPOLITAN STATISTICAL AREAS (MSA)	COUNTIES
MSA - CHATTANOOGA	HAMILTON, MARION,
MSA - CLARKSVILLE-	MONTGOMERY
MSA - JACKSON	CHESTER, MADISON
MSA – TRI-CITIES	CARTER, HAWKINS, SULLIVAN, UNICOI, WASHINGTON
MSA - KNOXVILLE	ANDERSON, BLOUNT, KNOX, LOUDON, SEVIER, UNION
MSA - MEMPHIS	FAYETTE, SHELBY, TIPTON
MSA - NASHVILLE	CHEATHAM, DAVIDSON, DICKSON, ROBERTSON, RUTHERFORD, SUMNER, WILLIAMSON, WILSON
NON-METROPOLITAN AREAS	ALL OTHER COUNTIES

Effective February 20, 2003

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
MSA CHATTANOOGA								
30% Limit	10,500	12,000	13,500	15,000	16,200	17,400	18,600	19,800
Very Low (50%) Limit	17,500	20,000	22,500	25,000	27,000	29,000	31,000	33,000
60% Limit	21,000	24,000	27,000	30,000	32,400	34,800	37,200	39,600
Low (80%) Limit	28,000	32,000	36,000	40,000	43,200	46,400	49,600	52,800
MSA CLARSVILLE								
30% Limit	9,300	10,650	12,000	13,300	14,400	15,450	16,500	17,600
Very Low (50%) Limit	15,550	17,750	20,000	22,200	24,000	25,750	27,550	29,300
60% Limit	18,660	21,300	24,000	26,640	28,800	30,900	33,060	35,160
Low (80%) Limit	24,850	28,400	31,950	35,500	38,350	41,200	44,050	46,900
MSA JACKSON								
30% Limit	10,350	11,800	13,300	14,750	15,950	17,100	18,300	19,500
Very Low (50%) Limit	17,200	19,700	22,150	24,600	26,550	28,550	30,500	32,450
60% Limit	20,640	23,640	26,580	29,520	31,860	34,260	36,600	38,940
Low (80%) Limit	27,550	31,500	35,400	39,350	42,500	45,650	48,800	51,950
MSA TRI-CITIES								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
MSA KNOXVILLE								
30% Limit	10,900	12,500	14,050	15,600	16,850	18,100	19,350	20,600
Very Low (50%) Limit	18,200	20,800	23,400	26,000	28,100	30,150	32,250	34,300
60% Limit	21,840	24,960	20,080	31,200	33,720	36,180	38,700	41,160
Low (80%) Limit	29,100	33,300	37,450	41,600	44,950	48,250	51,600	54,900
MSA MEMPHIS								
30% Limit	12,050	13,750	15,450	17,200	18,550	19,950	21,300	22,700
Very Low (50%) Limit	20,050	22,900	25,800	28,650	30,950	33,250	35,550	37,800
60% Limit	24,060	27,480	30,960	34,380	37,140	39,900	42,660	45,360
Low (80%) Limit	32,100	36,650	41,250	45,850	49,500	53,150	56,850	60,500

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
MSA NASHVILLE								
30% Limit	12,950	14,800	16,650	18,500	19,950	21,450	22,900	24,400
Very Low (50%) Limit	21,550	24,650	27,700	30,800	33,250	35,750	38,200	40,650
60% Limit	25,860	29,580	33,240	36,960	39,900	42,900	45,840	48,780
Low (80%) Limit	34,500	39,400	44,350	49,300	53,200	57,150	61,100	65,050
BEDFORD COUNTY								
30% Limit	9,500	10,850	12,200	13,550	14,650	15,750	16,800	17,900
Very Low (50%) Limit	15,800	18,100	20,350	22,600	24,400	26,200	28,000	29,850
60% Limit	18,960	21,720	24,420	27,120	29,280	31,440	33,600	35,820
Low (80%) Limit	25,300	28,950	32,550	36,150	39,050	41,950	44,850	47,750
BENTON COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
BLEDSOE COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
BRADLEY COUNTY								
30% Limit	11,000	12,600	14,150	15,700	17,000	18,250	19,500	20,750
Very Low (50%) Limit	18,350	20,950	23,600	26,200	28,300	30,400	32,500	34,600
60% Limit	22,020	25,140	28,320	31,440	33,960	36,480	39,000	41,520
Low (80%) Limit	29,350	33,550	37,750	41,900	45,250	48,650	52,000	55,350
CAMPBELL COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
CANNON COUNTY								
30% Limit	9,950	11,400	12,800	14,200	15,350	16,500	17,650	18,750
Very Low (50%) Limit	16,600	18,950	21,350	23,700	25,600	27,500	29,400	31,300
60% Limit	19,920	22,740	25,620	28,440	30,720	33,000	35,280	37,560
Low (80%) Limit	26,550	30,350	34,150	37,900	40,950	44,000	47,000	50,050
CARROLL COUNTY								
30% Limit	9,800	11,200	12,600	14,000	15,150	16,250	17,350	18,500
Very Low (50%) Limit	16,350	18,700	21,000	23,350	25,200	27,100	28,950	30,800
60% Limit	19,620	22,440	25,200	28,020	30,240	32,520	34,740	36,960
Low (80%) Limit	26,150	29,900	33,600	37,350	40,350	43,350	46,350	49,300
CLAIBORNE COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
CLAY COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
COCKE COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
COFFEE COUNTY								
30% Limit	9,200	10,500	11,800	13,100	14,150	15,200	16,250	17,300
Very Low (50%) Limit	15,300	17,500	19,650	21,850	23,600	25,350	27,100	28,850
60% Limit	18,360	21,000	23,580	26,220	28,320	30,420	32,520	34,620
Low (80%) Limit	24,450	27,950	31,450	34,950	37,750	40,550	43,350	46,150

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
CROCKETT COUNTY								
30% Limit	9,650	11,000	12,400	13,750	14,850	15,950	17,050	18,200
Very Low (50%) Limit	16,050	18,350	20,650	22,950	24,800	26,600	28,450	30,300
60% Limit	19260	22,020	24,780	27,540	29,760	31,920	34,140	36,360
Low (80%) Limit	25,700	29,400	33,050	36,700	39,650	42,600	45,550	48,450
CUMBERLAND COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
DECATUR COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
DEKALB COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
DYER COUNTY								
30% Limit	9,050	10,350	11,650	12,950	13,950	15,000	16,050	17,050
Very Low (50%) Limit	15,100	17,250	19,400	21,550	23,250	25,000	26,700	28,450
60% Limit	18,120	20,700	23,280	25,860	27,900	30,000	32,040	34,140
Low (80%) Limit	24,150	27,600	31,050	34,500	37,250	40,000	42,750	45,500
FENTRESS COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
FRANKLIN COUNTY								
30% Limit	9,700	11,100	12,500	13,900	15,000	16,100	17,200	18,350
Very Low (50%) Limit	16,200	18,500	20,850	23,150	25,000	26,850	28,700	30,550
60% Limit	19,440	22,200	25,020	27,780	30,000	32,220	34,440	36,660
Low (80%) Limit	25,950	29,650	33,350	37,050	40,000	42,950	45,950	48,900
GIBSON COUNTY								
30% Limit	9,300	10,600	11,950	13,250	14,300	15,400	16,450	17,500
Very Low (50%) Limit	15,450	17,700	19,900	22,100	23,850	25,650	27,400	29,150
60% Limit	18,540	21,240	23,880	26,520	28,620	30,780	32,880	34,980
Low (80%) Limit	24,750	28,300	31,800	35,350	38,200	41,000	43,850	46,700
GILES COUNTY								
30% Limit	10,200	11,650	13,100	14,600	15,750	16,900	18,100	19,250
Very Low (50%) Limit	17,000	19,450	21,850	24,300	26,250	28,200	30,150	32,100
60% Limit	20,400	23,340	26,220	29,160	31,500	33,840	36,180	38,520
Low (80%) Limit	27,200	31,100	35,000	38,900	42,000	45,100	48,200	51,300
GRAINGER COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
GREENE COUNTY								
30% Limit	9,4500	10,800	12,200	13,550	14,600	15,700	16,800	17,850
Very Low (50%) Limit	15,800	18,050	20,300	22,550	24,350	26,150	27,950	29,750
60% Limit	18,960	21,660	24,360	27,060	29,220	31,380	33,540	35,700
Low (80%) Limit	25,250	28,850	32,450	36,100	38,950	41,850	44,750	47,650
GRUNDY COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
HAMBLEN COUNTY								
30% Limit	9,500	10,850	12,250	13,600	14,700	15,750	16,850	17,950
Very Low (50%) Limit	15,850	18,100	20,400	22,650	24,450	26,250	28,100	29,900
60% Limit	19,020	21,720	24,480	27,180	29,340	31,500	33,720	35,880
Low (80%) Limit	25,350	29,000	32,600	36,250	39,150	42,050	44,950	47,850
HANCOCK COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
HARDEMAN COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
HARDIN COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
HAYWOOD COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
HENDERSON CO.								
30% Limit	9,950	11,400	12,800	14,200	15,350	16,500	17,650	18,750
Very Low (50%) Limit	16,600	18,950	21,350	23,700	25,600	27,500	29,400	31,300
60% Limit	19,920	22,740	25,620	28,440	30,720	33,000	35,280	37,650
Low (80%) Limit	26,550	30,350	34,150	37,900	40,950	44,000	47,000	50,050

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
HENRY COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
HICKMAN COUNTY								
30% Limit	9,750	11,150	12,550	13,950	15,050	16,200	17,300	18,400
Very Low (50%) Limit	16,300	18,600	20,950	23,250	25,100	26,950	28,850	30,700
60% Limit	19,560	22,320	25,140	27,900	30,120	32,340	34,620	36,840
Low (80%) Limit	26,050	29,750	33,500	37,200	40,200	43,150	46,150	49,100
HOUSTON COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
HUMPHREYS CO.								
30% Limit	9,600	11,000	12,350	13,750	14,850	15,950	17,050	18,150
Very Low (50%) Limit	16,050	18,300	20,600	22,900	24,750	26,550	28,400	30,250
60% Limit	19,260	21,960	24,720	27,480	29,700	31,860	34,080	36,300
Low (80%) Limit	25,650	29,300	33,000	36,650	39,550	42,500	45,450	48,350
JACKSON COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
JEFFERSON COUNTY								
30% Limit	9,450	10,800	12,100	13,450	14,550	15,650	16,700	17,800
Very Low (50%) Limit	15,700	17,950	20,200	22,450	24,250	26,050	27,850	29,650
	18,840	21,540	24,240	26,940	29,100	31,260	33,420	35,580
Low (80%) Limit	25,150	28,750	32,350	35,900	38,800	41,650	44,550	47,400

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
JOHNSON COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
LAKE COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
LAUDERDALE CO.								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
LAWRENCE COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
LEWIS COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
LINCOLN COUNTY								
30% Limit	9,650	11,050	12,400	13,800	14,900	16,000	17,100	18,200
Very Low (50%) Limit	16,100	18,400	20,700	23,000	24,850	26,700	28,500	30,350
60% Limit	19,320	22,080	24,840	27,600	29,820	32,040	34,200	36,420
Low (80%) Limit	25,750	29,450	33,100	36,800	39,750	42,700	45,650	48,600

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
McMINN COUNTY								
30% Limit	9,250	10,550	11,900	13,200	14,250	15,300	16,350	17,400
Very Low (50%) Limit	15,400	17,600	19,800	22,000	23,750	25,500	27,300	29,050
60% Limit	18,480	21,120	23,760	26,400	28,500	30,600	32,760	34,860
Low (80%) Limit	24,650	28,150	31,700	35,200	38,000	40,850	43,650	46,450
McNAIRY COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
MACON COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
MARSHALL COUNTY								
30% Limit	10,900	12,450	14,000	15,550	16,800	18,050	19,300	20,550
Very Low (50%) Limit	18,150	20,750	23,350	25,950	28,050	30,100	32,200	34,250
60% Limit	21,780	24,900	28,020	31,140	33,660	36,120	38,640	41,100
Low (80%) Limit	29,050	33,200	37,350	41,500	44,850	48,150	51,500	54,800
MAURY COUNTY								
30% Limit	12,950	14,800	16,650	18,500	19,950	21,450	22,900	24,400
Very Low (50%) Limit	21,550	24,650	27,700	30,800	33,250	35,750	38,200	40,650
60% Limit	25,860	29,580	33,240	36,960	39,900	42,900	45,840	48,780
Low (80%) Limit	34,500	39,400	44,350	49,300	53,200	57,150	61,100	65,050
MEIGS COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
MONROE COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60 % Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
MOORE COUNTY								
30% Limit	9,750	11,150	12,550	13,900	15,050	16,150	17,250	18,350
Very Low (50%) Limit	16,250	18,550	20,900	23,200	25,050	26,900	28,750	30,600
60% Limit	19,500	22,260	25,080	27,840	30,060	32,280	34,500	36,720
Low (80%) Limit	26,000	29,700	33,400	37,100	40,100	43,050	46,050	49,000
MORGAN COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
OBION COUNTY								
30% Limit	9,650	11,050	12,400	13,800	14,900	16,000	17,100	18,200
Very Low (50%) Limit	16,100	18,400	20,700	23,000	24,850	26,700	28,500	30,350
60% Limit	19,320	22,080	24,840	27,600	29,820	32,040	34,200	36,420
Low (80%) Limit	25,750	29,450	33,100	36,800	39,750	42,700	45,650	48,600
OVERTON COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
PERRY COUNTY								
30% Limit	9,000	10,250	11,550	12,850	13,850	14,900	15,900	16,950
Very Low (50%) Limit	15,000	17,100	19,250	21,400	23,100	24,800	26,550	28,250
60% Limit	18,000	20,520	23,100	25,680	27,720	29,760	31,860	33,900
Low (80%) Limit	23,950	27,400	30,800	34,250	37,000	39,700	42,450	45,200

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
PICKETT COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60% Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
POLK COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60 % Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
PUTNAM COUNTY								
30% Limit	10,100	11,550	13,000	14,450	15,600	16,750	17,950	19,100
Very Low (50%) Limit	16,850	19,300	21,700	24,100	26,050	27,950	29,900	31,800
60 % Limit	20,220	23,160	26,040	28,920	31,260	33,540	35,880	38,160
Low (80%) Limit	27,000	30,850	34,700	38,550	41,650	44,750	47,800	50,900
RHEA COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60 % Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
ROANE COUNTY								
30% Limit	9,600	10,950	12,300	13,700	14,750	15,850	16,950	18,050
Very Low (50%) Limit	15,950	18,250	20,500	22,800	24,600	26,450	28,250	30,100
60 % Limit	19,140	21,900	24,600	27,360	29,520	31,740	33,900	36,120
Low (80%) Limit	25,550	29,200	32,850	36,500	39,400	42,300	45,250	48,150
SCOTT COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60 % Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
SEQUATCHIE CO.								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60 % Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
SMITH COUNTY								
30% Limit	10,200	11,650	13,100	14,600	15,750	16,900	18,100	19,250
Very Low (50%) Limit	17,000	19,450	21,850	24,300	26,250	28,200	30,150	32,100
60 % Limit	20,400	23,340	26,220	29,160	31,500	33,840	36,180	38,520
Low (80%) Limit	27,200	31,100	35,000	38,900	42,000	45,100	48,200	51,300
STEWART COUNTY								
30% Limit	9,150	10,450	11,750	13,050	14,100	15,150	16,200	17,250
Very Low (50%) Limit	15,250	17,400	19,600	21,750	23,500	25,250	26,950	28,700
60 % Limit	18,300	20,880	23,520	26,100	28,200	30,300	32,340	34,440
Low (80%) Limit	24,350	27,850	31,300	34,800	37,600	40,350	43,150	45,950
TROUSDALE CO.								
30% Limit	9,850	11,250	12,650	14,050	15,150	16,300	17,400	18,550
Very Low (50%) Limit	16,400	18,700	21,050	23,400	25,250	27,150	29,000	30,900
60 % Limit	19,680	22,440	25,260	28,080	30,300	32,580	34,800	37,080
Low (80%) Limit	26,200	29,950	33,700	37,450	40,450	43,450	46,400	49,400
VAN BUREN COUNTY								
30% Limit	9,150	10,450	11,750	13,050	14,100	15,150	16,200	17,250
Very Low (50%) Limit	15,250	17,400	19,600	21,750	23,500	25,250	26,950	28,700
60 % Limit	18,300	20,880	23,520	26,100	28,200	30,300	32,340	34,440
Low (80%) Limit	24,350	27,850	31,300	34,800	37,600	40,350	43,150	45,950
WARREN COUNTY								
30% Limit	9,800	11,200	12,600	14,000	15,150	16,250	17,350	18,500
Very Low (50%) Limit	16,350	18,700	21,000	23,350	25,200	27,100	28,950	30,800
60 % Limit	19,620	22,440	25,200	28,020	30,240	32,520	34,740	36,960
Low (80%) Limit	26,150	29,900	33,600	37,350	40,350	43,350	46,350	49,300

2003 HOME PROGRAM INCOME LIMITS

COUNTY NAME	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
WAYNE COUNTY								
30% Limit	8,950	10,200	11,500	12,800	13,800	14,800	15,850	16,850
Very Low (50%) Limit	14,900	17,050	19,150	21,300	23,000	24,700	26,400	28,100
60 % Limit	17,880	20,460	22,980	25,560	27,600	29,640	31,680	33,720
Low (80%) Limit	23,850	27,250	30,650	34,100	36,800	39,550	42,250	45,000
WEAKLEY COUNTY								
30% Limit	10,200	11,650	13,100	14,550	15,700	16,900	18,050	19,200
Very Low (50%) Limit	17,000	19,400	21,850	24,250	26,200	28,150	30,050	32,000
60 % Limit	20,400	23,280	26,220	29,100	31,440	33,780	36,060	38,400
Low (80%) Limit	27,150	31,050	34,900	38,800	41,900	45,000	48,100	51,200
WHITE COUNTY								
30% Limit	9,000	10,300	11,600	12,850	13,900	14,950	15,950	17,000
Very Low (50%) Limit	15,000	17,150	19,300	21,450	23,150	24,900	26,600	28,300
60 % Limit	18,000	20,580	23,160	25,740	27,780	29,880	31,920	33,960
Low (80%) Limit	24,000	27,450	30,900	34,300	37,050	39,800	42,550	45,300

CHAPTER TWO:

FINANCIAL MANAGEMENT

1. WRITTEN AGREEMENTS

1.1 The written agreement between your community or organization and THDA will be a very important document throughout the life of the project. The written agreement must be executed before any funds can be disbursed or expended. FUNDS COMMITTED OR EXPENDED BEFORE THE WRITTEN AGREEMENT IS SIGNED WILL NOT BE REIMBURSED FROM HOME FUNDS. The written agreement will ensure compliance with the regulations of the HOME program.

2. ELIGIBLE COSTS (92.206)

2.1 **DEVELOPMENT HARD COSTS** - The actual cost of constructing or rehabilitating housing. These costs include the following:

1. For new construction, costs to meet the applicable new construction standards of the State and the Model Energy Code (See Property Standards).

2. For rehabilitation, costs to meet applicable rehabilitation standards of the State (see Property Standards in Chapter I, Section VIII); to make essential improvements including energy-related repairs or improvements; improvements necessary to permit the use by persons with disabilities, and the abatement of lead-based paint hazards; and to repair or replace major housing systems in danger of failure.

3. For both new construction and rehabilitation, costs to demolish existing structures; to make utility connections including off-site connections from the property line to the adjacent street; and to make improvements to the project site that are in keeping with improvements of surrounding, standard projects. Site improvements may include on-site roads and sewer and water lines necessary to the development of the project. The project site is property, owned by the property owner, upon which the project is located.

2.2 **ACQUISITION COSTS** - Costs of acquiring improved or unimproved property.

2.3 **PROJECT "SOFT" COSTS** - Other reasonable and necessary costs incurred by the owner and associated with the financing or development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds.

Administrative costs of the Grantee cannot be reimbursed as a "soft cost". Eligible project "soft costs" include:

1. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.

2. Costs to process and settle the financing for a project, such as lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorney fees, private appraisal fees and fees for an independent cost estimate, builders or developers fees.

3. Costs of a project audit that the State may require with respect to the development of a project.

4. Costs to provide information services such as affirmative marketing and fair housing information.

5. For new construction or rehabilitation projects, the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of rent-up (not to exceed 18 months) and which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service. Any HOME funds placed in an operating deficit reserve that remain unexpended at the end of the 18 months must be returned to the State's HOME Trust Account.

6. For new construction and rehabilitation, costs for the payment of impact fees that are charged for all projects within a jurisdiction.

7. Costs for 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.

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

2.4 **LIMITATIONS TO PROJECT SOFT COSTS** - Work write-ups and inspections billed as project related soft costs reduce the total dollars available for rehabilitation of houses. In addition, the total of soft costs plus the rehabilitation costs are subject to the HOME subsidy limitations and the after rehabilitation value limits.

1. Grantees can charge as soft costs the cost of work write-ups and inspections no more than 5% of the hard costs being paid for with HOME funds to rehabilitate a unit, not to exceed $1,500.

EXCEPTION: Grantees may only charge a maximum of $500 as soft costs in instances where the rehabilitation consists of reconstruction (replacing) a manufactured housing unit.

2. Grantees may, however, charge a minimum of $500 even if 5% of the hard costs is not as much as $500.

3. It is the responsibility of the Grantee to determine reasonableness of these charges and whether they are covered by administration or should be charged separately as a project soft cost.

4. If the HOME program administrator is undertaking these activities and is being paid from the project related costs category, the program administrator will not have to go through procurement again. (If he has already been chosen through the procurement process to be the administrator.) Otherwise, procurement procedures outlined in Section III of this Chapter will have to be followed.

2.5 **RELOCATION COSTS** - The costs of relocation payments and other relocation assistance to persons permanently or temporarily displaced by the project. (*See Chapter Four: Relocation and Displacement*). Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the temporary relocation of persons.

2.6 **ADMINISTRATIVE AND PLANNING COSTS** - (92.207) Reasonable and necessary costs (as described in OMB Circular A-87) for the administration of the HOME program such as salaries and wages; other employee compensation and benefits; and employee education, training and travel. The cost of completing an environmental review is included under administrative cost. Administrative costs do not include eligible project-related costs that are incurred by and charged to project owners.

2.7 **CHDO OPERATING EXPENSES** - (92.208) Reasonable and necessary costs for the operation of the community development organization and in accordance with standard accounting practices. Eligible operating expenses include: salaries, wages, other employee compensation and benefits; employee education, training and travel; rent; utilities; communication costs; taxes; insurance; equipment, materials and supplies.

3. ESTABLISHING PROCEDURES FOR FINANCIAL MANAGEMENT OF HOME FUNDS (92.505)

3.1 **GOVERNMENTAL ENTITIES** - The requirements of OMB Circular No. A-87 (*Cost Principles for State and Local Governments*) and the following requirements of 24 CFR Part 85 apply to any governmental entity receiving HOME funds: 85.6 (Additions and Exceptions), 85.12 (Special Grant or Subgrant

Conditions for "High Risk" Grantees), 85.20 (Standards for Financial Management Systems), 85.22 (Allowable Costs), 85.26 (Non-federal Audit), 85.32 - 85.34 (Equipment, Supplies and Copyrights), 85.36 (Procurement), 85.44 (Termination for Convenience), 85.51 (Later Disallowances and Adjustments) and 85.52 (Collection of Amounts Due).

3.2 **NON-PROFIT ORGANIZATIONS** - The requirements of OMB Circular No. A-122 (*Cost Principles for Non-profit Organizations*) and the following requirements of 24 CFR part 84 apply to private, non-profit organizations receiving HOME funds: 84.2 (Definitions), 84.5 (Subawards), 84.13 (Debarment and suspension; Drug-Free Workplace), 84.14 (Special award conditions), 84.15 (Metric system of measurement), 84.16 Resource Conservation and Recovery Act), 84.21 (Standards for Financial Management Systems), 84.22 (Payment), 84.26 (Non-Federal audits), 84.27 Allowable costs, 84.28 (Period of availability of funds), 84.30 (Purpose of property standards), 84.31 (Insurance coverage), 84.34 (Equipment), 84.35 (Supplies and other expendable property), 84.36 (Intangible property), 84.37 (Property trust relationship), 84.40 - 84.48 (Procurement Standards), 84.51 (Monitoring and reporting program performance), 84.60 (Purpose of termination and enforcement), 84.61 (Termination), 84.62 (Enforcement), 84.72 (Subsequent adjustments and continuing responsibilities) and 84.73 (Collection of amounts due).

3.3 **DETERMINING COSTS** - OMB Circular A-87 and OMB Circular A-122 provide uniform rules for determining costs applicable to grants and contracts with state and local governments and non-profit organizations respectively. They define allowable costs and set forth the procedures to recover them. The basic underlying intent of the circulars is that federally assisted programs bear their fair share of costs.

1. **ALLOWABLE COSTS** - Generally, costs must be necessary, reasonable, and directly related to the grant. In addition, they must be legal and proper, and consistent with the policies that govern the grantee's own expenditures.

2. **UNALLOWABLE COSTS**

   a. The following costs are specifically not allowed under the provisions of Circular A-87: bad debts; contingencies; contributions and donations; entertainment; fines and penalties; interest and other financial costs; legislative expenses; under-recovery of costs under grant agreements.

   b. The following costs are specifically not allowed under the provisions of Circular A-122, Attachment B: bad debts; contingencies; contributions and donations by the organization to others; lobbying; entertainment; fines and penalties; interest; fund raising; investment management costs; and losses on other awards.

3. **DIRECT COSTS** - These are costs that are specifically identifiable to the grant. Typical examples are employee compensation, material, equipment, and services furnished specifically for the grant by others.

4. **INDIRECT COSTS** - These are costs incurred for common or joint purposes that benefit more than one activity. These costs should be allocated so that the grant program bears its fair share of total indirect costs.

5. **COST ALLOCATION PLAN** - To recover indirect costs as well as direct costs, grantees must have a cost allocation plan prepared in accordance with OMB Circulars A-87 or A-122, as applicable, which forms the basis for the percentage cost rate. The plan must cover all costs of the department administering the grant and the costs of other agencies that will be charged against the grant. The plan should:

   a. Describe the services provided and explain their relevance to the grant program

   b. List the expenses to be charged to the grants, and

   c. Explain the method used to distribute costs.

6. THDA will require that the cost allocation plan for non-profit agencies be reasonable, approved by the organization's accountant, and authorized by the organization's cognizant agency.

3.4 **OMB CIRCULARS** – Copies of OMB Circulars may be obtained Monday - Friday, 9:00 AM to 4:00 PM from:

E. O. P. Publications
Room 2200, New Executive Office Building
Washington, DC 20503
(202) 395-7332 or FAX (202) 395-9088

4. PROCUREMENT PROCEDURES

4.1 **LOCAL PROCUREMENT STANDARDS** - All cities, towns and counties in Tennessee are governed by procurement policies. Policies vary from community to community. If your community does not have a specific procurement policy or law, the County Purchasing Law of 1983 or the Municipal Purchasing Law of 1983 will apply. Both of these laws require formal bidding for all purchases of $2,500 or greater. Some cities and counties in Tennessee have procurement policies that require formal bidding for purchases <u>less</u> than $2,500. Grantees may use their own procurement procedures provided they conform to the standards of the HOME program

4.2 **HOME PROCUREMENT STANDARDS** - For cities and counties, HOME procurement standards are at 24 CFR Section 85.36. For non-profit organizations, HOME procurement standards are at 24 CFR Sections 84.40 - 84.48. 24 CFR 85.36 and 24 CFR Section 84.44 require formal procurement procedures for all purchases of $25,000 or greater. It is the grantee's responsibility to ascertain whether the local policies, 85.36 or 84.44 provisions apply. The stricter standard must always be used.

4.3 **SMALL DOLLAR PROCUREMENT** - Informal methods that are sound and appropriate are allowed for the procurement of supplies and other property whose total cost is not more than the local bidding limit ($2,500 in most cases). Informal procurement methods would also apply to professional service contracts of $10,000 or less.

1. SMALL DOLLAR PURCHASES OF EQUIPMENT, SUPPLIES AND NON-PROFESSIONAL SERVICES - Price or rate quotations must be obtained from at least 3 qualified sources. These quotations may be obtained over the telephone as long as the Grantee keeps a written record of the price quotations in the grant file. The contract should be awarded to the offerer with the lowest price quotation.

2. PROFESSIONAL SERVICE CONTRACTS (LESS THAN $10,000) - Prior to the performance of any professional services, a written request for statements of qualifications must be sent to at least 3 firms that offer the type of service the grantee wishes to procure. Copies of these letters must be on file. Advertising for statements of qualifications is not required if the professional service contract amount is less than $10,000. The contract must be awarded solely on the basis of qualifications and cost.

4.4 **PROCUREMENT THAT REQUIRES FORMAL BIDDING** - Procurement of equipment, non-professional services and construction contracts whose total cost is more than the local bidding limit ($2,500 in most cases) must formally advertise for sealed bids or competitive proposals and a public bid opening in a newspaper of general circulation.

1. ADVERTISEMENT REQUIREMENTS - The invitation to bid must be published in a newspaper of general circulation at least 14 days prior to the public bid opening. To avoid delays, a Grantee may wish to publish the invitation for bids in the newspaper of the closest major city (Knoxville, Nashville, Memphis or Chattanooga) to gain wider circulation and thereby increase chances of receiving at least 3 bids. The cost of publication is a reimbursable administrative expense.

2. BID SOLICITATION - Bid Solicitation must be a free, open competitive process. Every effort must be made to solicit minority and female businesses. The Grantee should not structure its procedures in order to keep business "in town". Absolute fairness must prevail in every aspect of the program, and any questions concerning conflict, or apparent conflict of interest should be discussed with THDA.

3. BID SELECTION - **A minimum of three (3) bids must be received.** Bids will be opened on the date and time previously established. A bid tabulation form will be prepared. The owner will select the lowest qualified bid. **THDA requires that the project be re-bid if there are not at least three (3) valid bids in response to the invitation for bids.**

   a. If the project is re-bid and 3 bids still are not obtained, contact THDA for an exception to the 3 bid requirement. THDA may consider your project as a sole source procurement and/or allow you to award the contract with less than 3 bidders. **Written permission must be obtained from THDA before you may award a contract with less than three bids.**

   b. Should the Grantee/owner decide to select a bid other than the lowest qualified bid, the Grantee/owner should state the reasons/justification in writing. If the owner's justification is not acceptable, the owner will be required to finance any rehabilitation amount that exceeds the lowest qualified bid through his/her personal resources.

   c. The Grantee will reject a bid in instances where the bid exceeds the cost estimate by a percentage determined by the Grantee in its policies and procedures, unless a review of the cost estimate demonstrates an error. If a low bid is under the cost estimate, 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. The homeowner will be advised if no acceptable bids are received on their house and the project will be re-bid.

4. REBID OR CHANGES IN SCOPE - If all bids exceed the amount of the construction budget, Grantees *may not* negotiate solely with the low bidder. The project can be re-bid or changed in scope. If the scope of the project is changed, then each bidder must be given the opportunity to bid again. Bidders must be informed that they have the right to change their original unit prices as long as they conform to the revised bid specifications. Grantees must maintain documentation to demonstrate that this process was followed.

5. DEDUCTIBLE AND ADDITIVE ALTERNATES - Bid specifications for construction projects may contain deductible alternates. By definition, a *deductible alternate* is a portion of the project that can be deleted to bring construction costs within the budget if all bids received exceed the funds available for construction. The deductible alternates must not change the scope of the project. Bid specifications for construction projects may also contain additive alternates.

6. DISQUALIFIED CONTRACTORS – The Grantee must disqualify a contractor from bidding on projects when the contractor is listed on HUD's

Limited Denial of Participation and Voluntary Abstention List (the "Debarred List").

7. A Grantee may also disqualify a contractor from bidding on projects when:

   a. There is documented proof that the contractor has not paid material suppliers; or

   b. The contractor has not completed projects within the allotted time frame; or

   c. There exist complaints by property owners about quality of work and performance.

4.5 **PROCUREMENT IN THIRD-PARTY RENTAL PROGRAMS** – Private owners of rental property who contract for construction/rehabilitation services and/or architectural/inspection services must follow the required state and local procurement standards for any activity on which HOME funds will be requested. Owner/contractors must also procure for services and materials provided by other companies and provide a budget/cost summary and detailed documentation (invoices, receipts, etc.) of all expenses incurred prior to requesting any HOME funds.

4.6 **PROFESSIONAL SERVICE PROCUREMENT (MORE THAN $10,000) -** Professional service procurement procedures must be followed prior to the performance of any work by the professional service contractor to be paid with HOME funds. The Grantee may publicly advertise for proposals or solicit requests for proposals from at least 3 firms that offer the type of service the Grantee wishes to procure.

1. Once the proposals have been received, the preferred method of review is by a committee of at least three people who have technical knowledge of the type of service being considered.

2. The review, including the criteria for selection, should be thorough, uniform and well-documented. The reviewers should have no potential conflicts of interest with any of the firms or individuals under review (i.e., family relationships, close friendships, or business dealings.)

5. PREPARATION OF AUTOMATIC DEPOSITS FORM AND AUTHORIZED SIGNATURES FORM

5.1 **AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS** - The Authorization Agreement for Automatic Deposits (ACH Credits - FM-1) tells the State to which financial institution the transfer of HOME funds should be sent.

5.2 **SIGNATURE AUTHORIZATION FORM** - The Signature Authorization Form (FM-2) designates who is permitted to sign the community's "Request for Payment".

It requires at least two signatures. These forms must be completed carefully with no erasures or corrections. Blank forms will be sent to you with your contract.

5.3 **REVISIONS** - If these forms need to be changed (e.g., using a different financial institution or staff members change) simply provide the State with copies of revised forms with original signatures.

5.4 **RESUBMISSION FOR 2003** - Grantees with previous HOME contracts must submit these forms again with the 2003 contract.

6. PROGRAM DISBURSEMENT AND INFORMATION SYSTEM (92.502)

6.1 **IDIS SYSTEM** - The HOME Investment Trust Fund account established in the U.S. Treasury is managed through a computerized disbursement and information system established by HUD. The computerized system manages, disburses, collects and reports information on the use of HOME funds. (For purposes of reporting in the Integrated Disbursement and Information System (IDIS), a HOME project is an activity.

6.2 **PROJECT SET UP** - After THDA executes its HOME Agreement with HUD, complies with the environmental review requirements for release of funds, and submits the appropriate banking and security documents, it may set-up (identify) specific investments in the disbursement and information system. Investments that require the set-up of projects are acquisition, new construction, or rehabilitation of housing. The State is required to enter complete project set-up information at the time of project set-up.

1. Project Set-up Reports (FM-3) are completed by the Grantees and submitted to THDA. The Program Specialists enter the data into IDIS, and send a copy to the Grantee with the HUD-assigned Activity Number completed.

2. A project, which has been committed in the system for 12 months without an initial disbursement of funds, will also be automatically cancelled.

6.3 **DISBURSEMENT OF HOME FUNDS** - After complete project set-up information is entered into the disbursement and information system, HOME funds for the project may be drawn down from the U. S. Treasury account by THDA by electronic funds transfer.

1. THDA will request HOME funds from the U.S. Treasury at the same time it requests funds from the State HOME account for transfer to the grantees.

2. HOME funds drawn from Tennessee's U. S. Treasury HOME account must be expended for eligible costs within 15 days. Any funds drawn and not expended for eligible costs within 15 days of disbursement must be returned to HUD for deposit in THDA's U. S. Treasury HOME account.

3. To draw down funds, a grantee must submit a Request for Payment Form (FM-4) with appropriate documentation. (See *Section 7: Requests for Payment* in this Chapter.)

6.4 **PAYMENT CERTIFICATION** - As post-documentation of each drawdown of funds from the U. S. Treasury account, THDA or the state recipients with direct access to the disbursement and information system must keep in their project files a payment certification for each drawdown in the form of a HOME Voucher Request.

6.5 **PROJECT COMPLETION REPORTS** - A Project Completion Report (FM-8 for Homeowner Rehabilitation Projects or FM-9 for Rental Projects) must be submitted to HUD within 120 days of the final drawdown request for the project. If a satisfactory Project Completion Report is not submitted by the due date, HUD will suspend further project set-ups for the State or entitlement grantee. Project set-ups will remain suspended until a satisfactory Project Completion Report is received and entered into the system.

6.6 **PROJECT REVISIONS** - Additional HOME funds may be committed to a project up to one year after project completion, but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount.

7. REQUESTS FOR PAYMENT

7.1 **REQUEST FOR PAYMENT FORM** - HOME funds are requested by using the "Request for Payment Form" (FM-4). This form must be completely and accurately filled in or it cannot be processed. If you have questions, please contact your housing program specialist.

7.2 **SIGNATURES AND DOCUMENTATION** - The Request for Payment must be signed by two people authorized to do so and accompanied by adequate documentation of the expenditures for it to be processed. Submit the original to THDA and retain a copy for your files.

1. For rehabilitation projects, adequate documentation would include the construction contract with a work write-up attached and Status of Compliance with Lead-Based Paint Regulations (LBP-2).

   a. If making an interim draw, the Certification and Authorization for Interim Draw (FM-5) must also be attached to the Request for Payment. An interim draw of 50% of the contract amount is only permitted if 60% of the project is completed.

   b. If making a final draw, the Certification of Completion and Final Inspection (FM-7) must be submitted as well as the Statement of Clearance (LBP-3).

2. For draws to reimburse administrative costs, invoices or other acceptable methods of documenting the cost of administration must be submitted. This documentation must support the charges without question.

   a. Any salaries being charged to the grant must be listed with inclusive payroll dates, name of employee, percentage of time spent on HOME and the amount of each salary charged. Time sheets should be maintained at the locality to support these costs. DO NOT submit time sheets with the Request for Payment.

   b. Any salaries or consultant billings must be further documented by task performed. A suggested format is the Detail of Administrative Costs (FM-6). Claims for time spent on administrative activities will NOT be paid without this documentation.

   c Other documentation of administrative costs must be submitted (e.g., telephone bills, supply invoices, travel claims).

   d. Ten percent (10%) of administrative funds may be requested to cover start-up costs, then reimbursement for administrative expenses will only be made in proportion to the draw down of program funds.

   e. All travel and per diem costs to be charged to HOME must conform to the Comprehensive Travel Regulations of the State of Tennessee. If you do not have a copy of the current travel regulations, one may be obtained from your Program Specialist.

7.3 **TIMEFRAME FOR PAYMENTS** - If the request is in order and can be approved, allow thirty working days after THDA receives the request for F&A to process your direct deposit. If the request is not in order, you will be contacted to correct the deficiencies.

7.4 **PAYMENT LIMITATIONS** - Drawdowns should only be made in amounts necessary to meet current disbursement needs. Current disbursement needs are those funds that will be expended for eligible costs within fifteen days of THDA drawing the HOME funds from the U.S. Treasury. Any funds that are drawn down and not expended for eligible costs within the 15 days must be returned to the Treasury and any interest earned after 15 days must also be remitted to the Treasury.

8. HOME PROGRAM INCOME (92.2 and 92.503)

8.1 **DEFINITION OF PROGRAM INCOME** - Program income means gross income received by the State or its Grantees (excluding CHDOs) which is directly generated from the use of HOME funds (including HOME program income) and matching contributions. When program income is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be

prorated to reflect the percentage of HOME funds or match used. Program income includes, but is not limited to:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;

2. Gross income from the use or rental of real property, owned by the State or its Grantees (excluding CHDOs), that was acquired, rehabilitated, or constructed with HOME funds or matching contributions, less costs incidental to generation of income.

    a. Rental income from property owned by entities other than the State or its Grantees does not constitute program income;

3. Payment of principal and interest on loans made using HOME funds or matching contributions;

4. Proceeds from the sale of loans made with HOME funds or matching contributions;

5. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;

6. Interest earned on program income pending its disposition; and

7. Any other interest or return on the investment permitted under 92.205(b) of HOME funds or matching contributions. (Note: This does not include recaptured funds, repayments or CHDO proceeds).

8. Income generated by a project that is funded with program income, is also HOME program income. The Final Rule at 24 CFR 92.2 defines "HOME funds" as funds made available through allocations and reallocations, *plus program income.*

9. Interest earned on funds in the State's local HOME account or on HOME funds retained by Grantees (excluding CHDOs) also constitutes HOME program income.

8.2 **ACCOUNTING FOR PROGRAM INCOME** - Grantees must maintain records which adequately identify the source and application of their HOME funds, including program income, as part of the financial transactions of their HOME program in accordance with 24 CFR part 85.20 or 24 CFR 84.21, as applicable.

1. Grantees are not required to identify program income by program funding year. However, the Grantee must be able to identify which projects generate program income and which projects receive program income, including the amount.

2. When program income is generated, reporting on the amount, date received, identification of the housing units and any usage of program income must be submitted to THDA at reasonable intervals.

3. A Grantee must also be able to reasonably predict anticipated program income during the next program year. Thus, a Grantee's financial management system should enable the Grantee to track program income receivable.

8.3 **DISBURSEMENT OF PROGRAM INCOME** - Program income that is deposited into a Grantee's (excluding CHDOs) local HOME account must be used before additional HOME allocation funds are drawn down from the State. A Grantee may not allow program income to accumulate in its local account. Available program income must be used to pay the next eligible program cost (or portion thereof). Under IDIS this is known as "first in, first out" or "fifo".

1. Grantee's receiving program income must report their cash balances of program income to THDA. THDA will then reduce the next draw for that Grantee by the amount of program income on hand. If program income has not been reported to THDA, future pay requests will not be processed for payment.

2. A Grantee must give careful attention to its program design and management to ensure that it is able to expend any program income generated and its HOME allocation within the timeframe of its HOME contract.

8.4 **USE OF PROGRAM INCOME** - In accordance with 24 CFR 92.503(a)(1), the State as the participating jurisdiction may authorize a Grantee to retain program income for additional HOME projects pursuant to the Written Agreement.

1. Any program income generated must be disbursed before receiving additional HOME funds. Upon expiration of the Written Agreement, any program income on hand, as well as any future program income (accounts receivable), must be returned to the State as the participating jurisdiction, as specified in the Written Agreement.

2. HOME program income must be used for HOME eligible activities, and all HOME program rules and requirements apply to the program income. The amount of program income must be included when calculating the total amount of HOME assistance for the purposes of allocating costs (24 CFR 92.205(b)) and designating HOME-assisted units (24 CFR 92.242(j)).

3. The amount of assistance provided by program income must also be included in determining the maximum per unit subsidy (24 CFR 92.250(a)); subsidy layering (24 CFR 92.250(b)); additional rental limitations (24 CFR 92.252(b)); affordability periods for rental housing (24 CFR 92.252(e)); and applicable affordability periods for homeownership (24 CFR 92.254).

4. The HOME program does not permit the establishment of a Revolving Loan Fund. However, when a Grantee administers only one HOME activity (such as a rehabilitation loan program or a homeownership program) and the State has authorized the Grantee to retain the program income by contractual arrangement, the activity may operate in a manner similar to a revolving loan fund. In those cases, the program income is deposited directly into the Grantee's HOME account to be used to fund additional HOME projects. The HOME regulations do not allow the State to authorize the establishment of multiple HOME accounts for the same Grantee in order to create a "de facto" revolving loan fund.

8.5 **PROCEEDS FROM CHDO PROJECTS** - In accordance with the options given in the HOME Final Rule at 24 CFR 92.300(a)(2), the State as the participating jurisdiction permits CHDOs to retain any proceeds resulting from the CHDO's investment of its HOME grant.

1. Proceeds which the CHDO is permitted to retain are not HOME program income and, therefore, are not subject to the HOME requirements, except as described below. Once CHDO proceeds are used, there are HOME requirements which must be met. Funds generated from the use of CHDO proceeds are not CHDO proceeds.

2. Rental income which is generated by a CHDO-owned project does not constitute CHDO proceeds.

8.6 **USE OF CHDO PROCEEDS** - The CHDO must use any CHDO proceeds which it is authorized to retain for HOME-eligible or other housing activities to benefit low-income families.

1. The CHDO may use up to 5% of its proceeds to pay administrative or operating costs.

2. CHDO proceeds which are retained by a CHDO are not subject to the requirements of the HOME regulations, except for 24 CFR 92.300(a)(2). Thus, the Davis-Bacon Act, National Environmental Policies Act and Uniform Relocation and Real Property Acquisition Policies Act do not apply to the use of CHDO proceeds.

3. HOME requirements continue to apply as long as a CHDO receives and uses CHDO proceeds, even if the CHDO proceeds are received or used after the Written Agreement has expired.

4. When CHDO proceeds are used, reporting on the amount, date received, identification of the housing units and any usage of CHDO proceeds must be submitted to THDA. Refer to paragraph 8.5 (1) above. The Grantee's financial management system must enable the CHDO to track CHDO proceeds.

8.7 **RECAPTURED FUNDS** – Recaptured funds are HOME funds which are recouped by the Grantee whom HOME assisted homeownership housing does

not continue to be the principal residence of the assisted homebuyer for the full affordability period required by 24 CFR 92.254(a)(5)(ii). In accordance with 24 CFR 92.503(c), THDA requires that recaptured funds must be returned for deposit in the State's HOME Investment Trust Fund local account, unless the State permits the Grantee to retain the recaptured funds pursuant to the Working Agreement required by 24 CFR 92.504.

FM-1

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
ACH (AUTOMATED CLEARING HOUSE) CREDITS (Not Wire Transfers)

NAME _____

Federal Identification Number or Social Security Number _____
(under which you are doing business with the State.)

I (We) hereby authorize the State of Tennessee, hereafter called the STATE, to Initiate credit entries to my (our) (select type of account) ____ CHECKING or ____ SAVINGS account indicated below and the depository named below, hereinafter called DEPOSITORY, to credit the same to such account.

This authority is to remain in full force and effect until the STATE has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the STATE and DEPOSITORY a reasonable opportunity to act on it.

****

Do you currently receive payments from the State through ACH? ____ (Yes or No). If yes, do you intend for this account information to replace other existing account information currently used by the State? ____(Yes or No). If yes, please specify the account that should be changed: ABA No. _____ Account No. _____.
Is this authorization only for certain types of payments? ____ (Yes or No). If yes, please indicate types:

_____

_____

_____

****

Many banking Institutions use different numbers for ACH. Please call your bank for verification of ACH transit and account number.

Bank official contacted: _____ Phone No. _____

****

DEPOSITORY/BANK NAME _____ BRANCH _____

CITY _____ STATE _____

ACH TRANSIT / ABA NO. _____ ACCOUNT NO. _____

NAME(S) _____
(Please print names of authorized account signatory)

DATE _____ SIGNED X _____ SIGNED X _____

PLEASE ATTACH A VOIDED CHECK (OR FOR SAVINGS ACCOUNTS, A DEPOSIT SLIP):

PLEASE INDICATE ADDRESS TO WHICH YOU WOULD LIKE YOUR REMITTANCE ADVICES ROUTED WHEN PAYMENTS ARE PROCESSED:

_____

_____

_____

_____

Contact name: _____

Telephone no.: _____

FOR STATE USE ONLY:
Contact Agency: _____
Contact Person: _____
Telephone No.: _____

FA0825
(Rev. 4/96)

Appendix C-1

INSTRUCTIONS FOR AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS (ACH CREDITS)

A governmental unit or other political subdivision that has a LGIP account may have its state shared taxes and/or any other state funds that it receives deposited directly to its LGIP account by completing the Authorization Agreement for Automatic Deposits. Instructions for each line follow:

1. **Name** - Insert the name of the governmental entity or political subdivision on the first name line.

2. **FIN or SSN** - Insert the Federal Identification number of the governmental entity or political subdivision.

3. **Checking/Savings** - Insert an X in the block next to the word Savings

4. **Do you currently receive payments from the State through ACH?** yes or no

5. **If yes, do you intend for this account information to replace other existing account information currently used by the State?** - no

6. **If yes, please specify the account that should be changed** - N/A

7. **Is this authorization only for certain types of payments?** yes **Indicate types** - State shared taxes and other State funds

8. **Bank official contacted** - N/A

9. **Depository Name** - Insert State of Tennessee Treasury Department

   Branch - Insert Local Government Investment Pool

10. **City** - Insert Nashville
    State - Insert Tennessee

11. **Transit/ABA No.** - Insert 064000266

    Account Number - Insert the Local Government Investment Pool account number where you want these funds deposited.

12. **Name(s)** - Print the name or names and title of individuals in your organization who are requesting this direct deposit method of payment. One name is sufficient unless your procedures require two.

13. **Date** - Insert the date that you complete the application form.

14. **Attach a voided check/deposit slip below** - The LGIP has no deposit slips. Attach a copy of an account statement to verify the LGIP account number requested on the application to receive deposits.
15. **Address** - list information as requested.

Mail this completed form to : **Department of Finance and Administration**
Attention: Division of Accounts
15th Floor, Andrew Jackson State Office Building
Nashville, TN 37243

Inquiries regarding this application may be directed to the Division of Accounts at (615) 741-2140.

Appendix C-2

FM-2

AUTHORIZED SIGNATURE FORM

AUTHORIZED SIGNATURES FOR REQUESTS FOR PAYMENT ON THE THDA HOME ACCOUNT	
1. Grantee Name:	2. Address:
3. Contract Number:	4. Telephone Number:
TWO ORIGINAL SIGNATURES ARE REQUIRED FOR EACH PAYMENT REQUEST SUBMITTED TO THDA	
It is recommended that four signatures be shown to permit flexibility in making draw downs. Signatures of individuals authorized to sign HOME Requests for Payment:	
5. Typed Name and Signature:	5. Typed Name and Signature:
5. Typed Name and Signature	5. Typed Name and Signature:
I certify that the signatures of the above individuals are only those persons authorized to sign HOME Requests for Payment	
6. Signature of Chief Elected Official:	Date:

NOTE: THE CHIEF ELECTED OFFICIAL WHO SIGNS IN BLOCK 6 MAY NOT BE ONE OF THE PERSONS AUTHORIZED TO SIGN A REQUEST FOR PAYMENT (PERSONS LISTED IN BLOCK 5). IN OTHER WORDS, AN ELECTED OFFICIAL CANNOT CERTIFY HIS OR HER OWN SIGNATURE.

A new form must be submitted whenever authorized signers change.

FM-3

Content Revised for IDIS Version 7.0 (12/13/2002)

HOME Program
Homeownership Assistance and Rental Housing Project Set-up Report

Mark Appropriate Box

☐ Original Submission ☐ Revision

Part A: Activity Information

1. Activity Number:	2. Name of Participant:	3. CHDO Tax ID Number

4. Type of Activity (check one):
   (1) ☐ Rehabilitation Only
   (2) ☐ New Construction Only
   (3) ☐ Acquisition Only
   (4) ☐ Acquisition & Rehabilitation
   (5) ☐ Acquisition & New Construction

5. CHDO Loan
   1. ☐ Yes
   2. ☐ No

6. Total HOME Funds for Project: $

a. Source of Funds	b. Dollar Amount of Funds
	$
	$
	$
	$
Total Estimated Cost of Project	$

Part B: Project Information

1. Street Address of Project

a. City	b. State	c. Zip Code

2. Last Name of Owner	First Name of Owner

3. Mailing Address of Owner

a. City	b. State	c. Zip Code

d. Phone (Including Area Code)	e. Estimated Units Upon Completion	f. Total HOME-Assisted Units Upon Completion

4. Tenure Type (Check one box only)
   (1) ☐ Rental
   (2) ☐ Homeownership First Time Buyer
   (3) ☐ Homeownership Rehabilitation

5. Type of Ownership
   (1) ☐ Individual
   (2) ☐ Partnership
   (3) ☐ Corporation
   (4) ☐ Not-for-Profit
   (5) ☐ Publicly Owned
   (9) ☐ Other

5. CHDOS Only (check one box)
   (1) ☐ Owned
   (2) ☐ Sponsored
   (3) ☐ Developed

6. County Code

FM-4

HOME PROGRAM
REQUEST FOR PAYMENT FORM

A. GENERAL INFORMATION

1. Grantee Name:		
2. Request Number:	3. Contract Number:	4. Program Year:
5. Contact Person:	6. Telephone Number:	
7. Name of Property Owner Receiving Assistance:		
8. Property Address:		

B. LINE ITEMS FOR WHICH FUNDS ARE REQUESTED

ACTIVITY	HOME REQUEST	OTHER FUNDS	TOTAL FUNDS
1. Housing Rehabilitation	$	$	$
Acquisition	$	$	$
Reconstruction	$	$	$
New Construction	$	$	$
Site Improvements/ Utility Connections	$	$	$
Soft Costs	$	$	$
2. Less Program Income	($)	$	$
3. Administration	$	$	$
4. Total this Request	**$**	**$**	**$**

C. CERTIFICATION

I hereby state that I have included and attached all required documentation to support this request. I have satisfied all related terms and conditions of the above cited contract. I also state that the data reported above is correct.

Date:	Signature:
Date:	Signature:

FOR THDA USE ONLY: **Approval of Request for Payment**

Initial Review:	Date:	Final Review:	Date

FM-5

HOME PROGRAM
INTERIM DRAW APPLICATION

Property Owner Name: _____

Property Address: _____

_____

Contractor: _____

Proceed Order Date: _____ Completion Due Date: _____

ORIGINAL CONTRACT AMOUNT	$
NET CHANGE BY CHANGE ORDER TO DATE	$
CONTRACT SUM TO DATE	$
PARTIAL PAYMENT AMOUNT	$
BALANCE DUE UPON COMPLETION	$

This certifies that I agree with the above statement and I am willing to authorize partial payment to said contractor in the amount of $ _____ which I understand is _____ % of my contract amount with
_____.

_____ _____
Owner Date

_____ _____
Witness Date

I hereby certify that the work is 60% complete and authorize payment to the contractor in the amount of $ _____ which is 50% of the contract amount.

_____ _____
Housing Specialist Date

The undersigned Contractor certifies that the work covered by this Application for Interim Draw has been completed in accordance with the Contract Documents, and that all amounts have been paid or will be paid by the Contractor for all work which this request for payment will be issued.

_____ _____
Contractor Date

DETAIL OF ADMINISTRATIVE COSTS

PERSON OR FIRM PROVIDING THE SERVICES: _____

TASK	NUMBER OF HOURS	AMOUNT
ENVIRONMENTAL REVIEW RECORD		
Complete Statutory Checklist		
PROJECT FILES:		
Set-up		
Monthly Maintenance		
FAIR HOUSING/EQUAL OPPORTUNITY		
Fair Housing Activity		
Equal Opportunity		
Section 3 Plan		
On-Site Poster Documentation		
Contact Female/Minority Contractors		
Quarterly Contractor/Sub-contractor Activity Report		
ACQUISITION - FEE SIMPLE		
Identification of properties to be acquired/locating property owners		
Compilation of case files and on-going recordkeeping		
Coordinating services of title attorney, surveyors and appraisers		
Negotiation to purchase and final sale closing		
RELOCATION		
Identification of relocation needs and available resources		
Compilation of case files and on-going recordkeeping		
Identify comparables/maintain records on available housing market		

TASK	NUMBER OF HOURS	AMOUNT
HOUSING REHABILITATION		
Identification of units and determination of eligibility		
Compilation of case files and on-going recordkeeping		
Solicitation of contractors and pre-bid activity		
Release of liens, certification of completion/final inspection		
Pay Requests and recordkeeping		
Quarterly Performance Reports		
HOUSING INSPECTION		
Monitoring on-going construction/scheduling inspections/work write-ups		
Inspections		
Final Inspection		
CLEARANCE		
Identify properties and contractors		
Bid process for demolition		
Inspections		
Final Inspection, releases and payments to contractors		
LABOR COMPLIANCE		
Request Wage Rate		
5-10 Day Call/Memo for files		
Attend bid opening/prepare minutes		
Notice on contract award/pre-construction conference		
Coordinate and conduct pre-construction conference		
Prepare minutes of pre-construction conference		
Bid advertisement documentation for files		
Bid tabulation documentation for files		
Executed bid document/specs including certifications regarding Equal Opportunity, Labor, Section 3, and Insurance/Bonding documentation		

TASK	NUMBER OF HOURS	AMOUNT
Contractor recommendation letter		
Contractor/sub-contractor eligibility verification		
Notice to Proceed		
Conduct employee interviews and check sites for posters		
Check weekly payrolls/cross check with interviews		
Consultation with engineer, State or other funding agency		
Release of liens, certification of completion and final inspection		
FINANCIAL MANAGEMENT		
Signature authorization		
Designation of depository		
Requests for payment		
Payment of invoices		
Posting of account records (local level)		
Budget revisions		
Revised implementation schedule for project		
Tracking and reporting of program income		
THDA OVERSIGHT		
First technical visit		
Monitoring visit		
Compliance close-out visit		
Financial close-out		
CLOSE-OUT		
Survey of direct beneficiaries		
Jobs Form		
Financial report in close-out package		
File review		

FM-7

CERTIFICATION OF COMPLETION AND FINAL INSPECTION

Applicant's Name:	Date of Final Inspection:
Property Address:	Date Construction Began:
Total Amount of Contract:	$

CONTRACTOR CERTIFICATION:

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

_____ Date: _____

Signature of Contractor

HOMEOWNER CERTIFICATION:

Construction work on my property has been satisfactorily completed in accordance with my contract with

_____.

Contractor

_____ Date: _____

Signature of Homeowner/Applicant

CERTIFICATION OF FINAL INSPECTION:

Final inspection has been made of the property identified as . The construction work has been completed in accordance with the contract, and (check applicable statement:

☐ The property rehabilitated meets all local codes, ordinances, zoning ordinances and rehabilitation standards.

☐ Local codes do not exist; therefore this property meets the Standard Housing Code

☐ The property was reconstructed and local codes do not exist; therefore the property meets the Standard Building Code and the Model Energy Code.

Final Payment is authorized in the amount of $ _____.

_____ Date: _____

Signature of Inspector

HOME Program - Homebuyer/Homeowner Rehabilitation Completion Report

Mark Appropriate Box

☐ Original Submission ☐ Revision

Part A: Activity Information

1. Activity Number:	2. Name of Participant:	3. Participant Tax ID Number:	4. CHDO Tax ID Number

3. Type of Property (check one):

(1) ☐ 1-4 Single Family (2) ☐ Condominium (3) ☐ Cooperative (4) ☐ Manufactured House

Part B: Financial Structure of Activity

Type of Activity Financed (check one):

(1) ☐ Rehabilitation Only (3) ☐ Acquisition Only (5) ☐ Acquisition & New Construction

(2) ☐ New Construction Only (4) ☐ Acquisition & Rehabilitation

Activity Costs

1. HOME Funds (Complete appropriate items (1) –(5))	(1) Direct Loan	Annual Interest Rate %	Amortization Period YRS	$
	(2) Grant			$
	(3) Deferred Payment Loan	Annual Interest Rate %	Amortization Period YRS	$
	(4) Community Housing Development Organization (CHDO) Loan			
	a. TA Loan		$	
	b. Seed Loan		$	
	Total CHDO Loan (Total items 4a & 4b)			$
	Total HOME Funds (Total items (1) – (5))			$
2. Public Funds	(1) Other Federal Funds		$	
	(2) State/Local Appropriated Funds		$	
	(3) Stale/Local Tax Exempt Bond Proceeds		$	
	Total Public Funds (Total items (1) – (3))			$
3. Private Funds	(1) Private Loan Funds	Annual Interest Rate %	Amortization Period Yrs	$
	(2) Owner Cash Contribution			$
	(3) Private Grants			$
	Total Private Funds (Total items (1) – (3))			$
4. HOME Program Income				$
5. Total Activity Costs (Total items 1 – 4)				$

Part C: Financial Assistance to Homebuyer			**COMPLETE FOR HOMEBUYER ACTIVITIES ONLY**	
1. Initial Purchase Price				S
2. Appraised Value				$
3. Total HOME Funds for Downpayment Assistance (sum of 3(a) + 3(c) + 3(d)				$
(a) Direct Loan	Annual Interest Rate %	Amortization Period Yrs.	$	
(b) Grant			$	
(c) Deferred Payment Loan			$	
(d) Other			$	
4. HOME Program Income for Downpayment Assistance				$
5. Total HOME Funds for Downpayment Assistance (Items 3-4)				$

Part D: Complete for homeowner rehabilitation activities only.	
1. After Rehabilitation Value	$
2. Single Family Mortgage Limit	$

Part E: Household Characteristics. Complete the first line for the unit to be occupied by an owner. Fill out the second (thir/fourth line(s) for the rental units, if any. For an unoccupied unit, enter unit number, number of bedrooms, and 9 for occupancy.

Activity Address:	Activity Number:

Unit #	# of Bedrooms	Occupancy	Tenant Contribution	Subsidy Amount	Total Rent	% of Area Median	Hispanic	Race-Head of Household	Size of Household	Head of House-hold	Rental Assistance

No. of Bedrooms Code
0 = SRO
1 = 1 Bedroom
2 = 2 Bedrooms
3 = 3 Bedrooms
4 = 4 Bedrooms

% of Area Median Code
1 = 0-30%
2 = 30 – 50%
3 = 50 – 60%
4 = 60 – 80%

Occupancy Code
1 = Tenant
2 = Owner
3 = Vacant

Hispanic
Y = Yes
N = No

Race of Head of Household Code
11 = White
12 = Black/African American
13 = Asian
14 = American Indian/Alaskan Native
15 = Native Hawaiian/Other Pacific Islander
16 = American Indian/Alaska Native & White
17 = Asian & White
18 = Black/African American & White
19 = American Indian/Alaska Native & Black/African American
20 = Other Multi Racial

Head of Household Code
1 = Single/Non-Elderly
2 = Elderly
3 = Related/Single Parent
4 = Related/Parent
5 = Other

Rental Assistance Code
1 = Section 8
2 = HOME TBRA
3 = Other
4 = No Assistance

HOME Program – Rental Completion Report

Mark Appropriate Box

☐ Original Submission ☐ Revision

Part A: Activity Information

1. Activity Number:	2. Name of Participant:	3. Participant Tax ID Number:	4. CHDO Tax ID Number

4. Type of Property (check one):	7. Does Activity Have Rent Exception?	8. Mixed Income Activity?	9. Mixed Use Activity?
(1) ☐ Condominium (2) ☐ Cooperative (3) ☐ Single Room Occupancy (4) ☐ None of the Above	(1) ☐ Yes (2) ☐ No	(1) ☐ Yes (2) ☐ No	(1) ☐ Yes (2) ☐ No

Part B: Financial Structure of Activity

Type of Activity Financed (check one):

(3) ☐ Rehabilitation Only (3) ☐ Acquisition Only (5) ☐ Acquisition & New Construction

(4) ☐ New Construction Only (4) ☐ Acquisition & Rehabilitation

Activity Costs

1. HOME Funds (Complete appropriate items (1) –(5))	(1) Direct Loan	Annual Interest Rate %	Amortization Period YRS	$
	(2) Grant			$
	(3) Deferred Payment Loan	Annual Interest Rate %	Amortization Period YRS	$
	(4) Community Housing Development Organization (CHDO) Loan			
	a. TA Loan	$		
	b. Seed Loan	$		
	Total CHDO Loan (Total items 4a & 4b)			$
	Total HOME Funds (Total items (1) – (5))			$
2. Public Funds	(1) Other Federal Funds	$		
	(2) State/Local Appropriated Funds	$		
	(3) Stale/Local Tax Exempt Bond Proceeds	$		
	Total Public Funds (Total items (1) – (3))			$
3. Private Funds	(1) Private Loan Funds	Annual Interest Rate %	Amortization Period Yrs	$
	(2) Owner Cash Contribution			$
	(3) Net Syndication Proceeds (No low income tax credit)			
	(4 Private Grants			$
	Total Private Funds (Total items (1) – (3))			$
4. Low Income Tax Credit Syndication Proceeds				$
5 HOME Program Income				$
6. Total Activity Costs (Total items 1 – 5)				$

Part C Household Characteristics. Complete one line for each unit assisted with HOME funds. Enter one code only in each block. If the activity is a 1-4 unit owner-occupied rental activity, also provide tenant characteristics. For activities which include multiple addresses, complete a separate Household Characteristic (Part C) for each address.

Activity Address:	Activity Number:

Unit #	# of Bedrooms	Occupancy	Tenant Contribution	Subsidy Amount	Total Rent	% of Area Median	Hispanic	Race of Head of Household	Size of Household	Head of Household	Rental Assistance

No. of Bedrooms Code
1 = 1 Bedroom
2 = 2 Bedrooms
3 = 3 Bedrooms
4 = 4 Bedrooms

% of Area Median Code
1 = 0-30%
2 = 30 – 50%
3 = 50 – 60%
4 = 60 – 80%

Occupancy Code
1 = Tenant
2 = Owner
3 = Vacant

Hispanic
Y = Yes
N = No

Race of Head of Household Code
11 = White
12 = Black/African American
13 = Asian
14 = American Indian/Alaskan Native
15 = Native Hawaiian/Other Pacific Islander
16 = American Indian/Alaska Native & White
17 = Asian & White
18 = Black/African American & White
19 = American Indian/Alaska Native & Black/African American
20 = Other Multi Racial

Head of Household Code
1 = Single/Non-Elderly
2 = Elderly
3 = Related/Single Parent
4 = Related/Parent
5 = Other

Rental Assistance Code
1 = Section 8
2 = HOME TBRA
3 = Other
4 – No Assistance

FM-10

This document has important legal consequences; consultation with an attorney is encouraged with respect to its completion or modification.

STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES

THIS IS AN AGREEMENT made as of _____, 19_____ between

_____
_____(OWNER) and
_____
_____(ENGINEER).

OWNER intends to

_____
_____
_____
_____
_____
_____ (hereinafter called the Project).

OWNER and ENGINEER in consideration of their mutual covenants herein agree in respect of the performance of professional engineering services by ENGINEER and the payment for those services by OWNER as set forth below.

SECTION 1 – BASIC SERVICES OF ENGINEER

1.1 General

1.1.1 ENGINEER shall provide for OWNER professional engineering services in all phases of the Project to which the Agreement supplies as hereinafter provided. These services will include serving as OWNER's professional engineering representative of the Project, providing professional engineering consultation and advice and furnishing customary civil, structural, mechanical and electrical engineering services and customary architectural services incidental thereto.

1.2 Study and Report Phase

After written authorization to proceed, ENGINEER shall:

1.2.1 Consult with OWNER to clarify and define OWNER's requirements for the Project and review available data.

1.2.2 Advise OWNER as to the necessity of OWNER's providing or obtaining from others data or services of the types described in paragraph 3.3 and assist OWNER in obtaining such data and services.

1.2.3 Identify and analyze requirements of governmental authorities having jurisdiction to approve the design of the Project and participate in consultations with such authorities.

1.2.4 Provide analysis of OWNER's needs, planning surveys, site evaluations and comparative studies of prospective sites and solutions.

1.2.5 Provide a general economic analysis of OWNER's requirements applicable to various alternatives.

1.2.6 Prepare a Report containing schematic layouts, sketches, and conceptual design criteria

with appropriate exhibits to indicate clearly the considerations involved (including applicable requirements of governmental authorities having jurisdiction as aforesaid) and the alternative solutions available to OWNER and setting forth ENGINEER's findings and recommendations. This Report will be accompanied by ENGINEER's opinion of probable costs for the Project, including the following which will be separately itemized: Construction Cost, allowance for engineering costs and contingencies, and (on the basis of information furnished by OWNER) allowances for such other items as charges of all other professionals and consultants, for the cost of land and rights-of-way, for compensation for or damages to properties, for interest and financing charges and for other services to be provided by others for OWNER pursuant to paragraphs 3.7 through 3.11, inclusive. The total of all such costs, allowances, etc. are hereinafter called "Total Project Costs".

1.2.7 Furnish five copies of the Study and Report documents and review them in person with OWNER.

The duties and responsibilities of ENGINEER during the Study and Report Phase are amended and supplemented as indicated in paragraph 2 of Exhibit A "Further Descriptions of Basis Engineering Services and Related Matters."

1.3 Preliminary Design Phase

After written authorization to proceed with the Preliminary Design Phase, ENGINEER shall:

1.3.1 In consultation with OWNER and on the basis of the accepted Study and Report documents, determine the general scope, extent and character of the Project.

1.3.2 Prepare Preliminary Design documents consisting of final design criteria, preliminary drawings, outline specifications and written descriptions of the Project.

1.3.3 Advise OWNER if additional data or services of the types described in paragraph 3.4 are necessary and assist OWNER in obtaining such data and services.

1.3.4 Based on the information contained in the preliminary design documents, submit a revised opinion of probable Total Project Costs.

1.3.5 Furnish five copies of the above Preliminary Design documents and present and review them in person with OWNER.

The duties and responsibilities of ENGINEER during the Preliminary Design Phase are amended and supplemented as indicated in paragraph 3 of Exhibit A "Further Description of Basic Engineering Services and Related Matters."

1.4 Final Design Phase

After written authorization to proceed with the Final Design Phase, Engineer shall:

1.4.1 On the basis of the accepted Preliminary Design documents and the revised opinion of probable Total Project Costs prepare for incorporation in the Contract Documents final drawings to show the general scope, extent and character of the work to be furnished and performed by Contractor(s) (hereinafter called "Drawings") and Specifications (which will be prepared in conformance with the sixteen division format of the Construction Specification Institute).

1.4.2 Provide technical criteria, written descriptions and design data for OWNER's use in filing applications for permits with or obtaining approvals of such governmental authorities as have jurisdiction to approve the design of the Project, and assist OWNER in consultations with appropriate authorities.

1.4.3 Advise OWNER of any adjustments to the latest opinion of probable Total Project Cost caused by changes in general scope, extent or character or design requirements of the Project or Construction Costs. Furnish to OWNER a revised opinion of probable Total Project Costs based on the Drawings and Specifications.

1.4.4 Prepare for review and approval by OWNER, its legal counsel and other advisors contract agreement forms, general conditions and supplementary conditions, and (where appropriate) bid forms, invitations to bid and instructions to bidders (all of which shall be consistent with the forms and pertinent guide sheet prepared by the Engineers Joint Contract Documents Committee), and assist in the preparation of other related documents.

1.4.5 Furnish five copies of the above documents and of the Drawings and Specifications and present and review them in person with OWNER.

The duties and responsibilities of ENGINEER during the Final Design Phase are amended and supplemented as indicated in paragraph 4 of Exhibit A "Further Description of Basic Engineering Services and Related Matters."

1.5 Bidding or Negotiating Phase

After written authorization to proceed with the Bidding or Negotiating Phase, ENGINEER shall:

1.5.1 Assist OWNER in advertising for and obtaining bids or negotiating proposals for each separate prime contract for construction, materials, equipment and services; and, where applicable, maintain a record of prospective bidders to whom Bidding Documents have been issued, attend pre-bid conferences and receive and process deposits for Bidding Documents.

1.5.2 Issue addenda as appropriate to interpret, clarify or expand the Bidding Documents.

1.5.3 Consult with and advise OWNER as to the acceptability or subcontractors, suppliers and other persons and organizations proposed by the prime contractor(s) (herein called "Contractor(s)") for those portions of the work as to which such acceptability is required by the Bidding Documents.

1.5.4 Consult with OWNER concerning and determine the acceptability of substitute materials and equipment proposed by Contractor(s) when substitution prior to the award of contracts is allowed by the Bidding Documents.

1.5.5 Attend the bid opening, prepare bid tabulation sheets and assist OWNER in evaluating bids or proposals and in assembling and awarding contracts for construction, materials, equipment and services.

The duties and responsibilities of ENGINEER during the Bidding or Negotiating Phase are amended and supplemented as indicated in paragraph 5 of Exhibit A "Further Description of Basic Engineering Services and Related Matters".

1.6 Construction Phase

During the Construction Phase:

1.6.1 *General Administration of Construction Contract*. ENGINEER shall consult with and advise OWNER and act as OWNER's representative as provided in Articles 1 through 17, inclusive, of the Standard General Conditions of the Construction Contract, No. 1910-8 (1983 edition) of the Engineers Joint Contract Documents Committee. The extent and limitiations of the duties, responsibilities and authority of ENGINEER as assigned in said Standard General Conditions shall not be modified, except to the extent provided in paragraph 6 of Exhibit A "Further Description of Basic Engineering Services and Related Matters" and except as ENGINEER may otherwise agree in writing. All of OWNER's instructions to Contractor(s) will be issued through ENGINEER who will have authority to act on behalf of OWNER to the extent provided in said Standard General Conditions except as otherwise provided in writing.

1.6.2 *Visits to Site and Observation of Construction*. In connection with observations of the work of Contractor(s) while it is in progress:

1.6.2.1 ENGINEER shall make visits to the site at intervals appropriate to the various stages of construction as ENGINEER deems necessary in order to observe as an experienced and qualified design professional the progress and quality of the various aspect of Contractor(s)' work. In addition, ENGINEER shall provide the services of a Resident Project Representative (and assistants as agreed) at the site to assist ENGINEER and to provide more continuous observation of such work. Based on information obtained during such visits and on such observations, ENGINEER shall endeavor to determine in general if such work is proceeding in accordance with the Contract Documents and ENGINEER shall keep OWNER informed of the progress of the work.

1.6.2.2 The Resident Project Representative (and any assistants) will be ENGINEER's agent or employee and under ENGINEER's supervision. The duties and responsibilities of the Resident Project Representative (and assistants) are set forth in Exhibit B "Duties, Responsibilities and Limitation of Authority of Resident Project Representative".

1.6.2.3 The purpose of ENGINEER's visits to and representation by the Resident Project Representative (and assistants, if any) at the site will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by exercise of ENGINEER's efforts as an experienced and qualified design professional, to provide for OWNER a greater degree of confidence

that the completed work of Contractor(s) will conform generally to the Contract Documents and that the integrity of the design concept as reflected in the Contract Documents has been implemented and preserved by Contractor(s). On the other hand, ENGINEER shall not, during such visits or as a result of such observations of Contractor(s) work in progress, supervise, direct or have control over Contractor(s) work nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s), for safety precautions and programs incident to the work of Contractor(s) or for any failure of Contractor(s) to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor(s) furnishing and performing their work. Accordingly, ENGINEER can neither guarantee the performance of the construction contracts by Contractor(s) nor assume responsibility for Contractor(s)' failure to furnish and perform their work in accordance with the Contract Documents.

1.6.3 *Defective Work*. During such visits and on the basis of such observations, ENGINEER may disapprove of or reject Contractor(s)' work while it is in progress if ENGINEER believes that such work will not produce a completed Project that conforms generally to the Contract Documents or that it will prejudice the integrity of the design concept of the Project as reflected in the Contract Documents.

1.6.4 *Interpretations and Clarifications*. ENGINEER shall issue necessary interpretations and clarifications of the Contract Documents and in connection therewith prepare work directive changes and change orders as required.

1.6.5 *Shop Drawings*. ENGINEER shall review and approve (or take other appropriate action in respect of) Shop Drawings (as that term is defined in the aforesaid Standard General Conditions), samples and other data which Contractor(s) are required to submit, but only for conformance with the design concept of the Project and compliance with the information given in the Contract Documents. Such reviews and approvals or other action shall not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto.

1.6.6 *Substitutes*. ENGINEER shall evaluate and determine the acceptability of substitute materials and equipment proposed by Contractor(s), but subject to the provision of paragraph 2.2.2.

1.6.7 *Inspections and Tests*. ENGINEER shall have authority, as OWNER's representative, to require special inspection or testing of the work and shall receive and review all certificates of inspections, testings and approvals required by laws, rules, regulations, ordinances, codes, orders or the Contract Documents (but only to determine generally that their content complies with the requirements of, and the results certified indicate compliance with, the Contract Documents).

1.6.8 *Disputes between OWNER and Contractor.* ENGINEER shall act as initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the work thereunder and make decisions on all claims of OWNER and Contractor(s) relating to the acceptability of the work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work. ENGINEER shall not be liable for the results of any such interpretation or decisions rendered in good faith.

1.6.9 *Applications for Payment*. Based on ENGINEER's on-site observations as an experienced and qualified design professional, on information provided by the Resident Project Representative and on review of applications for payment and the accompanying data and schedules:

1.6.9.1 ENGINEER shall determine the amounts owing the Contractor(s) and recommend in writing payments to Contractor(s) in such amounts. Such recommendations of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated, and that, to the best of ENGINEER's knowledge, information and belief, the quality of such work is generally in accordance with the Contract Documents (subject to an evaluation of such work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the

Contract Documents and to any other qualifications stated in the recommendation). In the case of unit price work, ENGINEER's recommendations of payment will include final determinations of quantities and classifications of such work (subject to any subsequent adjustments allowed by the Contract Documents).

1.6.9.2 By recommending any payment ENGINEER will not thereby be deemed to have represented that exhaustive, continuous or detailed reviews of examinations have been made by ENGINEER to check the quality or quantity of Contractor(s)' work as it is furnished and performed beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents. ENGINEER's review of Contractor(s) work for the purposes of recommending payment will not impose on ENGINEER responsibility to supervise, direct or control such work or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto or Contractor(s) compliance with laws, rules, regulations, ordinances, codes or orders applicable to their furnishings and performing the work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes any Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any of the work, materials or equipment has passed to OWNER free and clear of any lien, claims, security interest or encumbrances, or that there may not be other matters at issue between OWNER and CONTRACTOR that might affect the amount he should be paid.

1.6.10 *Contractor(s)' Completion Documents*. ENGINEER shall receive and review maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection, tests and approvals which are to be assembled by Contractor(s) in accordance with the Contract Documents (but such review will only be to determine that their content complies with the requirements of, and in the case of certificate of inspection, tests and approvals the results certified indicate compliance with, the Contract Documents); and shall transmit them to OWNER with written comments.

1.6.11 *Inspections.* ENGINEER shall conduct an inspection to determine if the work is substantially complete and a final inspection to determine if the completed work is acceptable so the ENGINEER may recommend, in writing, fianl payment to Contractor(s) and may give written notice to OWNER and the Contractor(s) that the work is acceptable (subject to any conditions therein expresssed), but any such recommendations and notice will be subject to the limitations expressed in paragraph 1.6.9.2.

1.6.12 *Limitation of Responsibilities.* ENGINEER shall not be responsible for the acts or omissions of any Contractor, or of any subcontractor or supplier, or any of the Contractor(s)' or subcontractor's or supplier's agents or employees or any other persons (except ENGINEER's own employees and agents) at the site or otherwise furnishing or performing any of the Contractor(s)' work; however, nothing contained in paragraph 1.6.1 through 1.6.11 inclusive, shall be construed to release ENGINEER from liability for failure to properly perform duties and responsibilities assumed by ENGINEER in the Contract Documents.

1.7 Operational Phase.

During the Operational Phase, ENGINEER shall, when requested by OWNER:

1.7.1 Provide assistance in the closing of any financial or related transaction for the Project.

1.7.2 Provide assistance in connection with the refining and adjusting of any equipment or system.

1.7.3 Assist OWNER in training OWNER's staff to operate and maintain the Project.

1.7.4 Assist OWNER in developing systems and procedures for control of the operation and maintenance of and record keeping for the Project.

1.7.5 Prepare a set of reproducible record prints of Drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished by Contractor(s) to ENGINEER and which ENGINEER considers significant.

1.7.6 In company with OWNER, visit the Project to observe any apparent defects in the completed construction, assist OWNER in consultations and discussions with Contractor(s)

concerning corrections of such deficiencies, and make recommendations as to replacement or correction of defective work.

The duties and responsibilities of ENGINEER during the Operational Phase are amended and supplemented as indicated in paragraph 7 of Exhibit A "Further Description of Basic Engineering Services and Related Matters".

SECTION 2 – ADDITIONAL SERVICES OF ENGINEER

2.1 Services Requiring Authorization in Advance

If authorized in writing by OWNER, ENGINEER shall furnish or obtain form others Additional Services of the types listed in paragraphs 2.1.1 through 2.1.14, inclusive. These services are not included as part of Basic Services except to the extent provided otherwise in Exhibit A "Further Description of Basic Engineering Services and Related Matters"; these will be paid for by OWNER as indicated in Section 5.

2.1.1 Preparation of applications and supporting documents (in addition to those furnished under Basic Services) for private or governmental grants, loans or advances in connection with the Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effect on the design requirements of the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2.1.2 Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.3 Services resulting from significant changes in the general scope, extent or character of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, character of construction, method of financing; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to the preparation of such studies, reports or documents, or are due to any other causes beyond ENGINEER's control.

2.1.4 Providing renderings or models for OWNER's use.

2.1.5 Preparing documents for alternate bids requested by OWNER for Contractor(s) work which is not executed or documents for out-of-sequence work.

2.1.6 Investigations and studies involving, but not limited to, detailed consideration of operations, maintenance and overhead expenses; providing value engineering during the course of design; the preparation of feasibility studies, cash flow and economic evaluations, rate schedules and appraisals; assistance in obtaining financing for the Project; evaluating processes available for licensing and assisting OWNER in obtaining process licensing; detailed quantity surveys of material, equipment and labor; and audits or inventories required in connection with construction performed by OWNER.

2.1.7 Furnishing services of independent professional associates and consultant for other than Basic Services (which include, but are not limited to, customary civil, structural, mechanical and electrical engineering and customary architectural design incidental thereto); and providing data or services of the types described in paragraph 3.4 when OWNER employs ENGINEER to provide such data or services in lieu of furnishing the same in accordance with paragraph 3.4.

2.1.8 If ENGINEER's compensation is on the basis of a lump sum or percentage of Construction Cost or cost-plus a fixed fee method of payment, services resulting from the award of more separate prime contracts for construction, materials or equipment for the Project than are contemplated by paragraph 5.1.1.2. If ENGINEER's compensation is on the basis of a percentage of Construction Cost and ENGINEER has been required to prepare Contract Documents on the assumption that more than one prime contract will be awarded for construction, materials or equipment, but only one prime contract is awarded for construction, materials and equipment for the Project, services attributable to the preparation of contract documentation that was rendered unusable and any revisions or additions to contract documentation used that was necessitated by the award on only one prime contract.

2.1.9 Services during out-of-town travel required of ENGINEER other than visits to the site or OWNER's office as required by Section 1.

2.1.10 Assistance in connection with bid protests, rebidding or renegotiating contracts for construction, materials, equipment or services, except when such assistance is required to complete services called for in paragraph 6.2.2.5.

2.1.11 Providing any type of property surveys or related engineering services needed for the transfer of interest in real property and field surveys for design purposes and engineering surveys and staking to enable Contractor(s) to proceed with their work; and providing other special field surveys.

2.1.12 Preparaation of operating, maintenance and staffing manuals to supplement Basic Services under paragraph 1.7.3.

2.1.13 Preparing to serve or serving as a consultant or witness for OWNER in any litigation, arbitration or other legal or administrative proceeding involving the Project (except for assistance in consultations which is included as part of Basic Services under paragraphs 1.2.3 and 1.4.2).

2.1.14 Additional services in connection with the Project, including services which are to be furnished by OWNER in accordance with Article 3, and services not otherwise provided for in this Agreement.

2.2 Required Additional Services

When required by the Contract Documents in circumstances beyond ENGINEER's control, ENGINEER shall furnish or obtain from others, as circumstances require during construction and without waiting for specific authorization from OWNER, Additional Services of the types listed in paragraphs 2.2.1 through 2.2.6, inclusive (except to the extend otherwise provided in Exhibit A "Further Description of Basic Engineering Services and Related Matters"). These services are not included as part of Basic Services. Engineer shall advise OWNER promptly after starting any such Additional Services which will be paid by OWNER as indicated in Section 5.

2.2.1 Services in connection with work directive changes and change orders to reflect changes requested by OWNER if the resulting change in compensation for Basic Services is not commensurate with the additional services rendered.

2.2.2 Services in making revisions to Drawings and Specifications occasioned by the acceptance of substitutions proposed by Contractor(s); and services after the award of each contract in evaluating and determining the acceptability of an unreasonable or excessive number of substitutions proposed by Contractor.

2.2.3 Services resulting from significant delays, changes or price increases occurring as a direct or indirect result of material, equipment or energy shortages.

2.2.4 Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of any Contractor, (3) acceleration of the progress schedule involving services beyond normal working hours, and (4) default by any Contractor.

2.2.5 Services (other than Basic Services during the Operational Phase) in connection with any partial utilization of any part of the Project by OWNER prior to Substantial Completion.

2.2.6 Evaluating an unreasonable or extensive number of claims submitted by Contractor(s) or others in connection with the work.

SECTION 3 – OWNER'S RESPONSIBILITIES

OWNER shall do the following in a timely manner so as not to delay the services of ENGINEER:

3.1 Designate in writing a person to act as OWNER's representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions with respect to ENGINEER's services for the Project.

3.2 Provide all criteria and full information as to OWNER's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expendability, and any budgetary limitation; and furnish copies of all design and construction standards which OWNER will require to be included in the Drawings and Specifications.

3.3 Assist ENGINEER by placing at ENGINEER's disposal all available information pertinent to the Project including previous

reports and any other data relative to design or construction of the Project.

3.4 Furnish to ENGINEER, as required for performance of ENGINEER's Basic Services (except to the extent provided otherwise in Exhibit A "Further Description of Basic Engineering Services and Related Matters"), the following:

3.4.1 data prepared by or services of others, including without limitation borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment;

3.4.2 appropriate professional interpretation of all the foregoing;

3.4.3 environmental assessment and impact statements;

3.4.4 property boundary, easement, right-of-way, topographic and utility surveys;

3.4.5 property descriptions;

3.4.6 zoning, deed and other land use restrictions; and

3.4.7 other special data or consultations not covered in Section 2;

all of which ENGINEER may use and rely upon in performing services under this Agreement.

3.5 Provide engineering surveys to establish reference points for construction (except to the extent provided otherwise in Exhibit A "Further Description of Basic Engineering Services and Related Matters") to enable Contractor(s) to proceed with the layout of the work.

3.6 Arrange for access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform services under this Agreement.

3.7 Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as OWNER deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.8 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.9 Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project; such legal services as OWNER may require or ENGINEER may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s); such auditing service as OWNER may require to ascertain how or for what purpose any Contractor has used the moneys paid under the construction contract; and such inspection services as OWNER may require to ascertain that Contractor(s) are complying with any law, rule, regulations, ordinance, code or order applicable to their furnishing and performing the work.

3.10 If OWNER designates a person to represent OWNER at the site who is not ENGINEER or ENGINEER's agent or employee, the duties, responsibilities and limitations of authority of such other person and the affect thereof on the duties and responsibilities of ENGINEER and Resident Project Representative (and any assistants) will be set forth in an exhibit that is to be identified, attached to and made a part of this Agreement before such services begin.

3.11 If more than one prime contract is to be awarded for construction, materials, equipment and services for the entire Project, designate a person or organization to have authority and responsibility for coordinating the activities among the various prime contractors.

3.12 Furnish to ENGINEER data or estimated figures as to OWNER's anticipated costs for services to be provided by others for OWNER (such as services pursuant to paragraph 3.7 through 3.11 inclusive and other costs of the types referred to in paragraph 1.2.6) so that ENGINEER may make the necessary findings to support opinions of probable Total Project Costs.

3.13 Attend the pre-bid conference, bid opening, pre-construction conferences, construction progress and other job related meetings and substantial completion inspections and final payment inspections.

3.14 Give prompt written notice to ENGINEER whenever OWNER observes or otherwise become aware of any development that effects the scope or timing of ENGINEER's

services, or any defect or non-conformance in the work of any Contractor.

3.15 Furnish, or direct ENGINEER to provide, Additional Services as stipulated in paragraph 2.1 of this Agreement or other services as required.

3.16 Bear all costs incident to compliance with the requirements of this Section 3.

SECTION 4 – PERIODS OF SERVICES

4.1 The provisions of this Section 4 and the various rates of compensation for ENGINEER's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Construction Phase. ENGINEER's obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of contracts, construction and initial operation of the Project including extra work and required extensions thereto. If in Exhibit A "Further Description of Basic Engineering Services and Related Matters" specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided and if such dates are exceeded through no fault of ENGINEER, all rates, measures and amounts of compensation provided herein shall be subject to equitable adjustment.

4.2 The services called for in the Study and Report Phase will be completed and the Report submitted within the stipulated period indicated in paragraph 2 of Exhibit A "Further Description of Basic Engineering Services and Related Matters" after written authorization to proceed with that phase of services which will be given by OWNER within thirty days after ENGINEER has signed this Agreement.

4.3 After acceptance by OWNER of the Study and Report Phase documents indicating any specific modifications or changes in the general scope, extent or character of the Project desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Preliminary Design Phase, and shall submit preliminary design documents and a revised opinion of probable Total Project Costs within the stipulated period indicated in paragraph 3 of Exhibit A "Further Description of Basic Engineering Services and Related Matters".

4.4 After acceptance by OWNER of the Preliminary Design Phase documents and revised opinion of probable Total Project Costs, indicating any specific modifications or changes in the general scope, extent or character of the Project desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Final Design Phase; and shall deliver Contract Documents and a revised opinion of probable Total Project Costs for all work Contractor(s) on the Project within the stipulated period indicated in paragraph 4 of Exhibit A "Further Description of Basic Engineering Services and Related Matters".

4.5 ENGINEER's services under the Study and Report Phase, Preliminary Design Phase and Final Design Phase shall each be considered complete at the earlier of (1) the date when the submissions for that phase have been accepted by OWNER or (2) thirty days after the date when such submissions are delivered to OWNER for final acceptance, plus in each case such additional time as may be considered reasonable for obtaining approval of governmental authorities having jurisdiction to approve the design of the Project.

4.6 After acceptance by OWNER of ENGINEER's Drawings, Specifications and other Final Design Phase documentation including the most recent opinion of probable Total Project Costs and upon written authorization to proceed, ENGINEER shall proceed with performance of the services called for in the Bidding or Negotiating Phase. This Phase shall terminate and the services to be rendered thereunder shall be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective Contractor(s) (except as may otherwise be required to complete the services called for in paragraph 6.2.2.5)

4.7 The Construction Phase will commence with the execution of the first prime contract to be executed for the work of the Project or any part thereof, and will terminated upon written recommendation by ENGINEER of final payment on the last prime contract to be completed. Construction Phase services may be rendered at different times in respect of separate prime contracts if the Project involves more than one prime contract.

4.8 The Operational Phase will commence during the Construction Phase and will terminate

one year after the date of Substantial Completion of the last prime contract for construction, materials and equipment on which substantial completion is achieved.

4.9 If OWNER has requested significant modifications or changes in the general scope, extent or character of the Project, the time of performance of ENGINEER's services shall be adjusted equitably.

4.10 If OWNER fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or it the Construction Phase has not commenced within _____ calendar days (plus such additional time as may be required to complete the services called for under paragraph 6.2.2.5) after completion of the Final Design Phase, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement.

4.11 If ENGINEER's services for design or during construction on the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER's control, ENGINEER shall on written demand to OWNER (but without termination of this Agreement) be paid as provided in paragraph 5.3.2. If such delay or suspension extends for more than one year for reasons beyond ENGINEER"s control, or if ENGINEER for any reason is required to render Construction Phase services in respect of any prime contract for construction, materials or equipment more than one year after Substantial Completion is achieved under that contract, the various rates of compensation provided for elsewhere in this Agreement shall be subject to equitable adjustment.

4.12 In the event that the work designed or specified by ENGINEER is to be furnished or performed under more than one prime contract, or if ENGINEER's services are to be separately sequenced with the work of one or more prime contractors (such as in the case of fast-tracking), OWNER and ENGINEER shall, prior to commencement of the Final Design Phase, develop a schedule for performance of ENGINEER's services during the Final Design, Bidding or Negotiating and Construction Phases, in order to sequence and coordinate properly such services as are applicable to the work under such separate contract. This schedule is to be prepared whether or not the work under such contracts is to proceed concurrently and is to be included in Exhibit A "Further Description of Basic Engineering Services and Related Matters", and the provisions of paragraphs 4.4 through 4.10 inclusive, will be modified accordingly.

SECTION 5 – PAYMENTS TO ENGINEER

5.1 Methords of Payment for Services and Expenses of ENGINEER

5.1.1 *For Basic Services.* OWNER shall pay ENGINEER for Basic Services rendered under Section 1 (as amended and supplemented by Exhibit A "Further Description of Basic Engineering Services and Related Matters") as follows:

*5.*1.1.1 *One Prime Contract.* If only one prime contract is awarded for construction, materials and equipment for the Project, a lump sum fee of $_____ for all Basic Services (except services of ENGINEER's Resident Project Representative (and assistants) furnished under paragraph 1.6.2.1 and Operational Phase services furnished under paragraph 1.7).

5.1.1.2 *Several Prime Contracts*. If more than one but less than _____ separate contracts are awarded for construction, materials and equipment for the Project, a lump sum fee of $ _____ for all Basic Services ((except services of ENGINEER's Resident Project Representative (and assistants) furnished under paragraph 1.6.2.1 and Operational Phase services furnished under paragraph 1.7).

5.1.1.3 *Resident Project Services.* For services of ENGINEER's Resident Project Representative (and assistants) furnished under paragraph 1.6.2.1, on the basis of the fixed hourly rates per Attachment _____ the total of which shall not exceed $_____ for services rendered by principals and employees assigned to Resident Project Representation.

*5.*1.1.4 *Op*
Project.

5.1.2 *For Additional Services.* OWNER shall pay ENGINEER for Additional Services rendered under Section 2 as follows:

5.1.2.1 *General.* For Additional Services of ENGINEER's principals and employees engaged directly on the Project and rendered pursuant to paragraph 2.1 or 2.2 (except services as a consultant or witness under paragraph 2.1.13), on the basis of fixed hourly rates per Attachment _____ the total of which shall not exceed $_____.

*5.*1.2.2 *Professional Associates and Consultants.* For services and Reimbursable expenses of independent professional associates and consultants employed by ENGINEER to render Additional Services pursuant to paragraph 2.1 or 2.2, the amount billed to ENGINEER therefore times a factor of _____.

5.1.2.3 *Serving as Witness*. For services rendered by ENGINEER's principals and employees as consultants or witnesses in any litigation, arbitration or other legal or administrative proceeding in accordance with paragraph 2.1.13, at the rate of $_____ per day or any portion thereof (but compensation for the time spent in preparing to appear in any such litigation, arbitration or proceeding will be on the basis provided in paragraph 5.1.2.1). Compensation for ENGINEER's independent professional associates and consultants will be on the basis provided in paragraph 5.1.2.2.

5.1.3 *For Reimbursable Expenses.* In addition to payments provided for in paragraphs 5.1.1 and 5.1.2, OWNER shall pay ENGINEER the actual costs of all Reimbursable Expenses incurred in connection with all Basic and Additional Services.

5.1.4 The terms "Salary Costs" and "Reimbursable Expenses" have the meanings assigned to them in paragraph 5.4.

5.2 Times of Payment

ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for Reimbursable Expenses incurred. The statements will be based upon ENGINEER's estimate of the proportion of the total services actually completed at the time of the billing. OWNER shall make prompt monthly payments in response to ENGINEER's monthly statements.

5.3 Other Provisions Concerning Payment

5.3.1 In the event of termination by OWNER under paragraph 7.1 upon the completion of any phase of the Basic Services, progress payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. In the event of such termination by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase on the basis of the fixed hourly rates per Attachment _____ the total of which shall not exceed $_____ for services rendered during that phase to date of termination by ENGINEER's principals and employees engaged directly on the Project. In the event of any such termination, ENGINEER also will be reimbursed for the charges of independent professional associates and consultants employed by ENGINEER to render Basic Services, and paid for all unpaid Reimbursable Expenses, plus all termination expenses. Termination expenses mean Reimbursable Expenses directly attributable to termination.

5.3.2 Records of ENGINEER's Salary Costs pertinent to ENGINEER's compensation under this Agreement will be kept in accordance with generally accepted accounting practices. Copies will be made available to OWNER at cost on request prior to final payment for ENGINEER's sevices.

5.4 Definitions

5.4.1 The Salary Costs used as a basis for payment mean salaries and wages (basic and incentive) paid to all ENGINEER's personnel engaged directly on the Project, including, but not limited to, engineers, architects, surveyors, designers, draftsmen, specification writers, estimators, other technical and business personnel; plus the cost of customary and statutory benefits including, but not limited to, social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, sick leave, vacation and holiday pay and other group benefits. For the purposes of this Agreement, the principals of ENGINEER and their current hourly Salary Costs are:

_____

_____

The hourly Salary Costs of principals of ENGINEER will be adjusted equitably to reflect changes in personnel and in ENGINEER's overall compensation procedures and practices.

The amount of customary and statutory benefits of all other personnel of ENGINEER will be considered equial to _____% of salaries and wages, subject to equitable adjustment to reflect changes in ENGINEER's overall compensation procedures and practices.

5.4.2 Reimbursable Expenses mean the actual expenses incurred by ENGINEER or ENGINEER's independent professional associates or consultants, directly or indirectly in connectionn with the Project, such as expenses for: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); providing and maintaining field office facilities including furnishings and utilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Section 1; and if authorized in advance by OWNER, overtime work requiring higher that regular rates.

SECTION 6 – CONSTRUCTION COST AND OPINIONS OF COST

6.1 Construction Cost

The construction cost of the entire Project (herein referred to as "Construction Costs") means the total cost to OWNER of those portions of the entire Project designed and specified by ENGINEER, but it will not include ENGINEER's compensation and expenses, the cost of land, rights-of-way, or compensation for or damages to, properties unless this Agreement so specifies, nor will it include OWNER's legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project or the cost of other services to be provided by others to OWNER pursuant to paragraphs 3.7 through 3.11, inclusive. [Construction Cost is one of the items comprising Total Project Costs which is defined in paragraph 1.2.6.]

6.2 Opinions of Cost

6.2.1 Since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, ENGINEER's opinions of probable Total Project Costs and Construction Costs provided for herein are to be made on the basis of ENGINEER's experience and qualifications and represent ENGINEER's best judgement as an experienced and qualified professional engineer, familiar with the construction industry; but ENGINEER cannot and does not guarantee that proposals, bids or actual Total Project or Construction Costs will not vary from opinions of probable cost prepared by ENGINEER. If prior to the Bidding or Negotiating Phase OWNER wishes greater assurance as to Total Project or Construction Costs, OWNER shall employ an independent cost estimator as provided in paragraph 3.9.

6.2.2 If a Construction Cost limit is established by written agreement between OWNER and ENGINEER and specifically set forth in this Agreement as a condition thereto, the following will apply:

6.2.2.1 The acceptance by OWNER at any time during the Basic Services of the revised opinion of probable Total Project or Construction Costs in excess of the then established cost limit will constitute a corresponding revision in the Construction Cost limit to the extent indicated in such revised opinion.

6.2.2.2 Any Construction Cost limit so established will include a contingency of ten percent unless another amount is agreed upon in writing.

6.2.2.3 ENGINEER will be permitted to determine what types of materials, equipment and component systems are to be included in the Drawings and Specifications and to make reasonable adjustments in the general scope, extent and character of the Project to bring it within the cost limit.

6.2.2.4 If the Bidding or Negotiating Phase has not commenced within six months after completion of the Final Design Phase, the established Construction Cost limit will not be binding on ENGINEER, and OWNER shall consent to an adjustment in such cost limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the

Final Design Phase and the date on which proposals or bids are sought.

6.2.2.5 If the lowest bona fide proposal or bid exceeds the established Construction Cost limit, OWNER shall (1) give written approval to increase such cost limit, (2) authorize negotiating or rebidding the Project within a reasonable time, or (3) cooperate in revising the Project's general scope, extent or character to the extent consistent with the Project's requirements and with sound engineering practicies. In the case of (3), ENGINEER shall modify the Contract Documents as necessary to bring the Construction Cost within the cost limit. In lieu of other compensation for services in making such modifications, OWNER shall pay ENGINEER ENGINEER's cost or such services, all overhead expenses reasonably related thereto and Reimbursable Expenses, but without profit to ENGINEER on account of such services. The providing of such service will be the limit of ENGINEER's responsibility in this regard and, having done so, ENGINEER shall be entitled to payment for services in accordance with this Agreement and will not otherwise be liable for damage attributable to the lowest bona fide proposal or bid exceeding the established Construction Cost.

SECTION 7 – GENERAL CONSIDERATION

7.1 Termination.

The obligation to provide further services under this Agreement may be terminated by either party upon thirty days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

7.2 Reuse of Documents.

All documents including Drawings and Specifications prepared for furnished by ENGINEER (and ENGINEER's independent professional associates and consultants) pursuant to this Agreement are instruments of service in respect of the Project and ENGINEER shall retain an ownership and property interest therein whether or not the Project is completed. OWNER may make and retain the use copies for information and reference in connection with the use and occupancy of the Project by OWNER and others; however, such documents are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, or to ENGINEER's independent professional associates or consultants, and OWNER shall indemnify and hold harmless ENGINEER and ENGINEER's independent professional associates and consultants from all claims, damages, losses and expense including attorney's fees arising out ot or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

7.3 Insurance.

7.3.1 ENGINEER shall procure and maintain insurance for protection from claims under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting therefrom.

7.4 Controlling Law.

This Agreement is to be governed by the law of the principal place of business of ENGINEER.

7.5 Successors and Assigns.

7.5.1 OWNER and ENGINEER each is hereby bound and the partners, successors, executors, administrators and legal representatives of OWNER and ENGINEER (and to the extent permitted by 7.5.2 the assigns of OWNER and ENGINEER) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

7.5.2 Neither OWNER nor ENGINEER shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is

mandated bylaw or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent ENGINEER from employing such independent professional associates and consultants as ENGINEER may deem appropriate to assist in the performance of services hereunder.

7.5.3 Nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than OWNER and ENGINEER, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of OWNER and ENGINEER and not for the benefit of any other party.

7.6 Arbitration.

7.6.1 All claims, counterclaims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or the breach thereof will be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining, subject to the limitations and restriction stated in paragraph 7.6.3 and 7.6.4 below. This Agreement so to arbitrate and any other agreement or consent to arbitrate entered into in accordance herewith as provided in this paragraph 7.6 will be specifically enforceable under the prevailing law of any court having jurisdiction.

7.6.2 Notice of demand for arbitration must be filed in writing with the other parties to this Agreement and with the American Arbitration Association. The demand must be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event may the demand for arbitration be made after the date when institution or legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

7.6.3 All demands for arbitration and all answering statements thereto which include any monetary claim must contain a statement that the total sum or value in controversy as alleged by the party making such demand or answering statement is not more than $200,000 (exclusive of interest and costs) and the arbitrators will not have jurisdiction, power or authority to render a monetary award in response thereto against any party which totals more than $200,000 (exclusive or interest and costs). The arbitrators will not have jurisdiction, power or authority to consider, or make findings (except in denial of their own jurisdiction) concerning any claim, counterclaim, dispute or other matter in question where the amount of controversy of any such claim, counterclaim, dispute or matter is more than $200,000 (exclusive of interest and costs).

7.6.4 No arbitration arising out of or relating to, this Agreement may include, by consolidation, joined or in any other manner, any person or entity who is not a party to this Agreement.

7.6.5 By written consent signed by all parties to this Agreement and containing specific reference hereto, the limitations and restrictions contained in paragraphs 7.6.3 and 7.6.4 may be waived in whole or in part as to any claim, counterclaim, dispute or other matter specifically described in such consent. No consent to arbitration in respect of a specifically described claim, counterclaim, dispute or other matter in question will constitute consent to arbitrate any other claim, counterclaim dispute or other matter in question which is not specifically described in such consent or in which the sum or value in controversy exceed $200,000 (exclusive of interest and costs) or which is with any party not specifically described therein.

7.6.6 The award rendered by the arbitrators will be final, judgement may be entered upon it in any court having jurisdiction thereof, and will not be subject to modification or appeal except to the extent permitted by Sections 10 and 11 of the Federal Arbitration Act (9 U.S.C. SS 10.11).

SECTION 8 – SPECIAL PROVISIONS, EXHIBITS AND SCHEDULES

8.1 This Agreement is subject to the following special provisions.

8.1.1 HOME FM-11 “CONTRACT FOR PROFESSIONAL SERVICES PART II – TERMS AND CONDITIONS” must be added at this point.

8.2 The following Exhibits are attached to and made a part of this Agreement.

8.2.1 Exhibit A “Further Description of Basic Engineering Services and Related Matters” consisting of _____ pages.

8.2.2 Exhibit B “Duties, Responsibilities and Limitations of Authority of Resident Project Representative” consisting of _____ pages.

8.3 This Agreement (consisting of pages 2-1 to _____, inclusive) together with the Exhibits and schedules indentified above constitute the entire agreement between OWNER and ENGINEER and supersede all prior written or oral understandings. This Agreement sand said Exhibits and schedules may only be amended, supplemented, modified or cancelled by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

OWNER:

_____

_____

_____

Address for giving notices:

_____

_____

_____

ENGINEER:

_____

_____

_____

Address for giving notices:

_____

_____

_____

CONTRACT FOR PROFESSIONAL SERVICES
PART II – TERMS AND CONDITIONS

SECTION 1 TERMINATION OF CONTRACT FOR CAUSE

If, through any cause, the CONSULTANT shall fail to fulfill in timely and proper manner his obligations under this Contract, or if the CONSULTANT shall violate any of the covenants, agreements, or stipulations of this Contract, the _____(Name of Grantee)_____(GRANTEE) shall thereupon have the right to terminate this Contract by giving written notice to the CONSULTANT of such termination and specifying the effective date thereof, at lease five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the CONSULTANT under this Contract shall, at the option of the GRANTEE, become its property and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, the CONSULTANT shall not be relieved of liability to the GRANTEE for damages sustained by the GRANTEE by virtue of any breach of the Contract by the CONSULTANT, and the GRANTEE may without any payments to the CONSULTANT for the purpose of set-off until such time as the exact amount of damages due the GRANTEE from the CONSULTANT is determined.

SECTION 2 TERMINATION FOR CONVENIENCE OF THE GRANTEE

The GRANTEE may terminate this Contract at any time by giving at least ten (10) days notice in writing to the CONSULTANT. If the Contract is terminated by the GRANTEE as provided herein, the CONSULTANT will be paid for the time provided and expenses incurred up to the termination date. If this Contract is terminated due to the fault of the CONSULTANT, paragraph 1 hereof relative to termination shall apply.

SECTION 3 CHANGES

The GRANTEE may, from time to time, request changes in the scope of the services of the CONSULTANT to be performed hereunder. Such changes, including any increases or decreases in the amount of the CONSULTANT's compensation, which are mutually agreed upon by and between the GRANTEE and the CONSULTANT, shall be incorporated in written amendments to this Contract.

SECTION 4 PERSONNEL

(a) The CONSULTANT represents that he has, or will secure at his own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the GRANTEE.

(b) All of the services required hereunder will be performed by the CONSULTANT or under his supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

(c) None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the GRANTEE. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.

SECTION 5 ASSIGNABILITY

The CONSULTANT shall not assign any interest of this Contract, and shall not transfer any interest in same (whether by assignment or novation), without the prior written consent of the GRANTEE thereof; Provided, however, that claims for money by the CONSULTANT from the GRANTEE under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Written noted of any such assignment or transfer shall be furnished promptly to the GRANTEE.

SECTION 6 REPORTS AND INFORMATION

The CONSULTANT, at such times and in such forms as the GRANTEE may require, shall furnish the GRANTEE such periodic reports as it may request pertaining to the work or services undertaken pursuant to the Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.

SECTION 7 RECORDS AND AUDITS

The CONSULTANT shall 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 City to assure proper accounting for all project funds, both federal and non-federal shares. These records will be made available for audit purposes to the Grantee or any authorized representative, and will be retained for three years after expiration of this Contract unless permission to destroy them is granted by the GRANTEE.

SECTION 8 FINDINGS CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the CONSULTANT under this Contract are confidential and the CONSULTANT agrees that they shall not be made available to any individual or organization without the prior written approval of the GRANTEE.

SECTION 9 COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the CONSULTANT.

SECTION 10 COMPLIANCE WITH LOCAL LAWS

The CONSULTANT shall comply with all applicable laws, ordinances and codes of the State and local governments, and the CONSULTANT shall save the GRANTEE harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Contract.

SECTION 11 EQUAL EMPLOYMENT OPPORTUNITY

During the performance is this Contract, the CONSULTANT agrees as follows:

(a) The CONSULTANT will not discriminate against any employee or applicant for employment because of race, creed, sex, color or national origin. The CONSULTANT will use affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, sex, color 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 CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the GRANTEE setting forth the provisions of this non-discrimination clause.

(b) The CONSULTANT will, in all solicitation or advertisements for employees placed by or on behalf of the CONSULTANT, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, or national origin.

(c) The CONSULTANT will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(d) The CONSULTANT will comply with all provisions of Executive Order 11246 of September 24, 1965, and by the rules, regulations and relevant orders of the Secretary of Labor.

(e) The CONSULTANT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the GRANTEE and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.(

(f) In the event of the CONSULTANT's non-compliance with the equal opportunity clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated, or suspended in whole or in part and the CONSULTANT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The CONSULTANT will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding on upon each subcontractor or vendor. The CONSULTANT will take such action with respect to any subcontract or purchase order as the GRANTEE may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that in the event the CONSULTANT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the GRANTEE, the CONSULTANT may request the United States to enter into such litigation to protect the interests of the United States.

SECTION 12 CIVIL RIGHTS ACT OF 1964

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

SECTION 13 SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

(a) No persons in the United States shall on the ground of race, color, national origin, or sec be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

SECTION 14 SECTION 3 COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESSE OPPORTUNITIES

(a) The work to be performed under this Contract is on a project assisted under the State HOME program which provides 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 lower income residents of the project area 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 project.

(b) The parties to this Contract 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 Contract certify and agree that they are under no contractual or other disability which would prevent them form complying with these requirements.

(c) The CONSULTANT will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the 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 training.

(d) The CONSULTANT 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 CONSULTANT 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 125 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.

(e) 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 hereunder 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 for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors and assigns to those provided, and to such sanctions as are specified by 24 CFR Part 135.

SECTION 15 INTEREST OF MEMBERS OF A GRANTEE

No member of the governing body of the GRANTEE and no other officer, employee, or agent of the GRANTEE who exercises any functions or responsibilities in connections with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the CONSULTANT shall take appropriate steps to assure compliance.

SECTION 16 INTEREST OF OTHER LOCAL PUBLIC OFFICIALS

No member of the governing body of the locality and no other public official of such locality, who exercises any functions or responsibilities in connections with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the CONSULTANT shall take appropriate steps to assure compliance.

SECTION 17 INTEREST OF CONSULTANT AND EMPLOYEES

The CONSULTANT covenants that he presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his services hereunder. The CONSULTANT further covenants that in the performance of this Contract, no person having any such interest shall be employed.

CHAPTER THREE:

ENVIRONMENTAL REVIEW

1. OVERVIEW

1.1 The HOME Rule (Section 92.352) requires that the environmental effects of each activity carried out with HOME funds be assessed in accordance with the provisions of HUD's regulations covering National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58. The assessment is conducted considering other federal laws covering areas such as noise, air quality, historic properties, floodplains, wetlands, water quality, solid waste disposal, man-made hazards, farmlands protection, wild and scenic rivers, coastal areas, and endangered species.

2. RESPONSIBILITY FOR THE ENVIRONMENTAL REVIEW

2.1 **LOCAL GOVERNMENTS** - The environmental review procedures as outlined in 24 CFR Part 58 require that units of general local government such as cities and counties assume the responsibility for the environmental review, including the publications, and then later request that the funds be released by the state.

2.2 **NON-PROFIT AGENCIES** - For non-profit agencies and Community Housing Development Organizations (CHDOs), the state as the participating jurisdiction will be the responsible agency for the environmental review, but the state will depend upon the non-profit agency or the CHDO to gather the necessary information and publish the required notices with the assistance of the state. Only the state can certify that the environmental review requirements have been met and will be responsible for requesting a release of funds from HUD for each individual agency or CHDO.

3. EXEMPT ACTIVITIES

3.1 **WHAT CAN BE DONE PRIOR TO COMPLETION OF ENVIRONMENTAL REVIEW** - The only tasks that may be undertaken prior to completing the environmental are administrative activities, feasibility and engineering studies, outreach, and planning activities. These do not affect the human and physical environment and are exempted under Section 58.34 of 24 CFR Part 58. Written documentation of the decision made that an activity is exempt under Section 58.34 or excluded under Section 58.35(c) must be included in the Environmental Review Record discussed below.

1. An option agreement on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58 and the cost of the option is a nominal portion of the purchase price. There is no constraint on the purchase of an option by third parties that have not been selected for HUD funding, have no responsibility for the environmental review and have no say in the approval or disapproval of the project (Section 24 CFR 58.22(b)).

2. Funds may be committed for relocation assistance before the approval of the Request for Release of Funds provided that the relocation assistance is required under 24 CFR Part 42 (Section 24 CFR 58.22(c)).

3.2 **WHAT CANNOT BE DONE PRIOR TO COMPLETION OF ENVIRONMENTAL REVIEW** - HOME funds cannot be committed before the completion of the environmental review and approval of the Request for Release of Funds and related certification, except as authorized by 24 CFR Part 58. Additionally, there must not be a commitment of non-Federal funds that would have an adverse environmental impact or limit the choice of alternatives.

4. ENVIRONMENTAL REVIEW REQUIREMENTS

4.1 **OVERVIEW** - The environmental review process should be initiated as soon as the proposed activities are determined. Environmental review expenses are considered as administrative costs under the HOME Program. Private citizens and organizations can object to the release of funds for HOME projects on certain procedural grounds relating to the environmental review. Therefore, it is important that all procedural requirements be met.

4.2 **ENVIRONMENTAL REVIEW RECORD**

1. **LOCAL GOVERNMENTS** - The city or county must maintain the original written record of the environmental review (ERR) undertaken under 24 CFR Part 58 for each project which must be made available for public review. A copy must be sent to THDA with the Request for Release of Funds.

2. **NON-PROFIT AGENCIES** - Non-profit agencies and CHDO's must send the original ERR to THDA and maintain a copy for their files. The ERR must provide a description of the project and of the activities that have been determined to be part of the project, as defined in Section 58.32. The ERR must contain all the relevant documents, public notices, and written determinations required by Part 58, and any other information or evidence of action pertaining to the environmental review of the project. For a single project with multiple sources of funding, only one ERR file is

necessary for all of the programs subject to Part 58 as long as the project is not being undertaken by multiple agencies.

4.3 **PROJECT AGGREGATION** - According to Section 58.32, the state or local governmental units must group together and evaluate, as a single project, all individual activities that are related either geographically or functionally, or are logical parts of a composite of contemplated actions. When grouping activities, keep in mind that several sites, each requiring some degree of environmental review, may actually be considered one HOME project. The preparer would be well served if it grouped activities by HOME projects, common locations and functions, and project phasing. Some environmental factors can be considered on a project-wide basis while others will require site-by-site analysis.

4.4 **LEVELS OF REVIEW** - There are four categories into which projects may be classified for environmental review: Exempt; Categorically Excluded; Environmental Assessment; and Environmental Impact Statement. It is anticipated that HOME projects will be classified as categorically excluded or requiring an environmental assessment. *If there is a question about a project's impact on the environment or its classification, contact THDA.*

1. **EXEMPT ACTIVITIES** - Refer to Section III above for explanation of exempt activities. In addition, Section 58.34(a)(12) states that a project which is categorically excluded by the classifications listed under 58.35(a) may be considered exempt only if there are no circumstances which require compliance with any other Federal laws and authorities cited in Section 58.5. (Contact THDA before classifying a project as exempt.)

2. **CATEGORICALLY EXCLUDED ACTIVITIES** - Projects which consist solely of activities that do not have a significant effect on the environment, either individually or cumulatively (as cited in Section 58.35) are categorically excluded and do not require an environmental assessment or an environmental impact statement.

   a. Categorically excluded projects must still comply with the non-NEPA statutes and regulations and the ERR must document this compliance. These requirements are identified in Sections 58.5 and 58.6 and include, but are not limited to, analysis of historic properties, and floodplain management and wetland protection.

   b. Categorically excluded activities require the publication of a Notice of Intent to Request the Release of Funds (NOI/RROF) and the submission of a Request for the Release of Funds and Certification to the approving entity. THDA will request that the funds be released for CHDOs and non-profit agencies, and cities and counties will request a release of funds from THDA.

c. HOME activities which are categorically excluded include, but are not limited to:

1. Single-family Rehabilitation

2. Multi-family Rehabilitation - provided that the activity meets the criteria of 24 CFR 58.35(a)(3) which states that in the case of multi-family residential buildings:

i. Unit density is not changed more than 20 percent;

ii. The project does not involve changes in land use from residential to non-residential; and

iii. The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

3. Single-family Acquisition and/or Single-family New Construction provided the following applies:

i. The project will involve an individual action on a one to four family dwelling or an individual action or a project of five or more units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four units on any one site. (See 24 CFR 58.35(a)(4)) or the same conditions cited above for multi-family rehabilitation (24 CFR 58.35(a)(3)).

3. **ENVIRONMENTAL ASSESSMENTS** - If an activity is not exempt or categorically excluded, an environmental assessment must be prepared on the project's impact on the human environment and its compliance with related Federal laws in 24 CFR 58.5 and 58.6.

a. Once the Environmental assessment is complete, there will be a finding of no significant impact (FONSI) or that there is a significant impact which requires an environmental impact statement. Depending on the finding, either a Concurrent Notice which combines the FONSI and the NOI/RROF or a Notice of Intent to Prepare an Environmental Impact Statement (NOI/EIS) will be completed.

4. **ENVIRONMENTAL IMPACT STATEMENT** - An Environmental Impact Statement (EIS) is required when an environmental assessment indicates that a proposed project or activity will significantly impact the human environment. It is unlikely that any HOME activity will require an EIS. Contact THDA immediately for further instructions for a project of this type.

4.5 **UNSPECIFIED SITE STRATEGY** - For some projects it is not possible or feasible to identify the exact physical location of the activity or housing units until

it is underway. An environmental assessment would use county-wide, city-wide or target neighborhood information as a data base to complete most of the information required for the checklists. The environmental assessment would describe typical impacts regardless of the specific site. A site specific strategy would be developed to include criteria or standards for judging impact and the need for mitigation measures at each site during the operation of the program. A checklist must be developed and completed on a site specific basis to document compliance with all of the remaining areas not cleared on a geographical basis. For example, Historic Properties and Noise could not be cleared until sites are identified, so these areas would be included on the site specific checklist. Although funds may be released based upon the submittal of the environmental review record at the beginning of the project, individual site specific checklists must accompany the first pay request on the property specified. There is special language to insert in the Concurrent or NOI/RROF notices relating to the use of a specified strategy. See Publication of Notices.

4.6. **FLOODPLAIN ACTIVITIES** - For projects located in a floodplain or a wetland, there is an additional eight (8) step decision-making process and special notices required. *Remember that it is a THDA policy not to rehabilitate homes located in a 100 year floodplain.*

a. In rare instances, requests may be made to THDA to conduct projects in a floodplain. If the project is for minor repairs or improvements for one to four family properties, the 8 step decision-making process and special notices do not apply (see 24 CFR Part 50). However, for substantial rehabilitation, acquisition and/or new construction the 8 step decision-making process does apply and must be documented. The 8 steps are:

1. Determine if the project or activity is in the floodplain. If it is,

2. Publish a Notice in a local newspaper to make the public aware of the intent. (See ER-1 for a sample Early Public Notice with a 15 day comment period.)

3. Determine if there is a practical alternative.

4. Identify Adverse Impacts.

5. Identify methods to be used to minimize, restore and preserve the floodplains.

6. Re-evaluate alternatives.

7. Announce and explain decision to the public. The grantee must publish a Notice of Explanation (ER-2) in the local newspaper if the only practical alternative is to locate the project or activity(s) in the floodplain. The reason for this decision and the alternatives considered must be included in this Notice. It may be published at the same time as the NOI/RROF or the Concurrent Notice.

8. Implement the project or activity(s) with appropriate mitigation.

b. The community must participate in the National Flood Insurance Program, and flood plain insurance is required of the property owner.

5. ENVIRONMENTAL REVIEW PROCESS

5.1 **DETERMINE REVIEW LEVEL** - Once a project has been selected and its components defined, (See Project Aggregation), a determination must be made as to whether the project is exempt, categorically excluded or requires an environmental assessment. Exhibit ER-3 is a checklist for Environmental Review requirements which is to be included in the ERR. Contact THDA if there are any questions regarding the level of review required.

5.2 **STEPS TO REVIEW A CATEGORICALLY EXCLUDED PROJECT**

1. **STATUTORY CHECKLIST** - The Statutory Checklist (ER-4) includes a listing of applicable statutes and regulations by area of compliance. The degree of impact for each of the 12 areas must be assessed ranging from Not Applicable to Mitigation Required. A specific source must be documented for each area, identifying who or on what basis the decision was made on the degree of impact and when the decision was made.

   a. **HISTORIC PROPERTIES** - The National Historic Preservation Act extends significant protection to properties that are listed on the National Register of Historic Places and to those that are eligible for listing. Section 106 of the Act requires approving officials to examine all properties in the area of a rehabilitation or project site to determine if the property itself or a surrounding property is listed on or eligible for listing on the National Register of Historic Places. The determination process must include consultation with the State Historic Preservation Office (SHPO) to obtain any information they might have concerning a particular area or property.

      1. There are three (3) possible findings that can be made in consultation with the SHPO:

         i. NO EFFECT - There is no effect of any kind on historic properties. The grantee may proceed with the project or activity.

         ii. NO ADVERSE EFFECT - There is a possibility of effect, but it would not be harmful to the historic properties. After consultation with the SHPO, a copy of this determination must be sent to the Advisory Council on Historic Preservation for their review. Unless the Advisory Council objects to this determination, the grantee may proceed with the project subject to the concerns of the SHPO and Advisory Council, if any.

iii. ADVERSE EFFECT - There could be a harmful effect to a historic property. The grantee must begin the consultation process with the Advisory Council. This process usually results in a Memorandum of Agreement (MOA). The project may continue subject to the terms of the MOA.

2. The grantee can communicate directly with SHPO to obtain the clearance letter. The letter must be included in the ERR.

b. **FLOODPLAIN MANAGEMENT** - THDA policy states that generally houses in a floodplain will not be rehabilitated under the HOME Program. The grantee will need to determine that the project or activity(s) will not be located in the 100-year floodplain. This area is identified by the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map as Flood Zone A and V. These areas are expected to flood at least once every one hundred years. A set of maps may generally be found with local Building Official or Public Works Department. The Regional State Planning Office will also have the maps. Refer to the map panel number/date and indicate Not Applicable on the Statutory Checklist. (See Section IV (D) above on floodplain activities.)

c. **WETLANDS PROTECTION** - It is THDA's general policy not rehabilitate houses in a floodplain or wetlands. The eight step process applicable to floodplain activities also applies to projects in a wetland. The grantee must determine that the proposed project or activity(s) will not have an impact on the wetland, pursuant to EO 11990.

1. Executive Order 11990 requires Federal agencies to avoid, to the extent practical, new construction in wetlands. If there is no alternative to the proposed action for new construction in wetlands, and THDA has granted an exception, then all practicable measures to minimize harm to wetlands must be taken.

2. New construction is defined as, "draining, dredging, channelizing, filling, diking, impounding and related project construction activities affecting wetlands". Thus while most rehabilitation activities will not be subject to E. O. 11990, if any change to the grounds are contemplated, then these actions may trigger the E. O. 11990 requirements.

3. The grantee may consult the National Wetlands Inventory developed by the U. S. Fish and Wildlife Service, the U. S. Department of the Interior, the Army Corps of Engineers, or the Water Pollution Control Division of the Department of

Environment and Conservation in order to determine if the project or activity(ies) will have any impact on a wetland.

d. **NOISE** - The grantee must assess the impact that sources of noise will have on a noise sensitive project or activity(ies), i.e., housing rehabilitation. It is HUD's general policy to provide minimum National standards applicable to HUD programs to protect citizens against excessive noise in their communities and places of residence.

1. The primary concern with noise is the effect of existing and projected noise levels on the site being rehabilitated. HUD noise standards for housing (exterior level) are as follows:

DAY-NIGHT AVERAGE SOUND LEVEL	
Above 75 DNL	Unacceptable
65 - 75 DNL	Normally unacceptable
Below 65 DNL	Acceptable

2. These standards do not apply to HUD support of modernization and rehabilitation. HUD encourages noises attenuation features in "normally unacceptable" areas and strongly encourages conversion to land uses compatible with unacceptable levels of noise. However, a noise assessment is not required.

3. Grantees planning major rehabilitation programs should take noise into consideration. General criteria and policies are possible that will contribute to the quality of life for residents of properties to be renovated.

4. The following conditions may portend potential noise problems and the need for attenuation measures to mitigate them:

   i. Commercial or military airport within a 15-mile radius;

   ii. Major highways within 1000 feet;

   iii. Transit lines or railroads within 3000 feet;

   iv. Other known significant noise sources.

5. These types of noise factors can be identified during the course of the review. The community can adopt policies or standards for mitigation that are applied on a case-by-case basis as properties are identified for rehabilitation. This approach provides for a positive approach to noise problems, but does not require noise assessments at each

site. In some cases, noise assessment may be desirable, but this is a local determination. An additional factor is energy conservation measures which can contribute to reduced noise levels in homes. By considering both energy conservation and noise, cost effectiveness is enhanced and activities that might not be cost effective for addressing one concern, may be found to be feasible because of its dual benefit.

e. **AIR QUALITY** - The grantee must determine whether the project or activity(s) is located in an area that is in violation of the ambient air quality standard for that particular area.

1. Sources of contact are the EPA and State and local air pollution control agencies. The project must, also, be in compliance with the State Implementation Plan (SIP) if it will either contribute to or generate traffic, i.e., commercial development or parking garage.

f. **MANMADE HAZARDS**

1. THERMAL AND EXPLOSIVE HAZARDS - The grantee must determine whether its project or activity(s) is located near a specific stationary, hazardous operation which stores, handles or processes hazardous substances such as petroleum products or chemicals of an explosive or flammable nature. This does not apply to gasoline stations with underground tanks.

   i. To the extent practicable, grantees should avoid locating projects or activities near these hazards or calculate acceptable separation distances.

2. RUNWAY CLEAR ZONES, CLEAR ZONES AND ACCIDENT POTENTIAL ZONES - The grantees must determine that its project or activity(s) will not be located within 5 miles of a civil airport or within 15 miles of a military airfield.

   i. The regulation applies to all military installations with aircraft operations and to all civil airports designated by the FAA as commercial service airports under the National Plan for Integrated Airport Systems.

   ii. A source of contact is the Federal Aviation Administration.

g. **WATER QUALITY**

1. NAVIGABLE WATERS - The grantee must determine whether the project or activity(s) will involve the disposal or

placement of dredged or fill material in navigable waters and wetlands.

i. If this type of project or activity(s) is involved, the grantee must obtain a 404 Permit from the Corps of Engineers and be in compliance with Section 208 of the Federal Water Pollution Control Act.

ii. Possible sources of information and documentation are the Regional Planning Agency, Corps of Engineers, City or County Engineer, and State or Federal EPA.

2. SOLE SOURCE AQUIFERS - This is the sole or primary source for drinking water derived from ground water. There are no sole source aquifers in Tennessee, according to the Ground Water Management Section of the Department of Environment and Conservation. Not applicable is checked on the Statutory Checklist.

h. **SOLID WASTE DISPOSA**L - The grantee must determine whether the project or activity(s) will generate solid waste. If so, the grantee must be in compliance with Section 209 guidelines of the Resources Conservation and Recovery Act of 1976, 42 USC 6901-6987.

1. Possible sources of information and documentation are the City or County Engineer, Regional Planning Agency, State or Federal EPA.

i. **FARMLANDS PROTECTION** - It is not anticipated that housing rehabilitation will convert farmlands to nonagricultural uses. The definition for farmland is as follows:

1. PRIME FARMLAND - Land having the best combination of physical characteristics for crop production.

2. UNIQUE FARMLAND - Land other than prime, with the capacity to produce specific high value food and fiber, e.g., citrus fruits, olives, etc.

3. Sources of contact are the USDA's District Conservationist or State Soil Conservation Service.

j. **WILD AND SCENIC RIVERS** - It is not expected that the housing rehabilitation will have an impact on rivers designated on the Nationwide Rivers Inventory by the U.S. Department of Agriculture as wild, scenic, and recreational.

1. Sources of documentation are the Nationwide Rivers Inventory or Regional Planning Agency.

k. **ENDANGERED SPECIES** - It is not anticipated that housing rehabilitation will have an impact on Endangered Species. Sources of documentation include U. S. Fish and Wildlife Service or Tennessee Wildlife Resources Agency.

l. **STATE AND LOCAL STATUTES** - Rehabilitation may not begin until all applicable permits required by the State and locality have been obtained.

m. **ENVIRONMENTAL JUSTICE** - The Grantee must identify and address, as appropriate, adverse human health or environmental effect of its project on minority and low income populations. Sources of documentation may include local planners, public officials and project administrators.

2. **FINDING OF CATEGORICAL EXCLUSION AND NARRATIVE AND MAP** - Complete the Finding of Categorical Exclusion and Narrative (ER-5). Also include a map indicating the project sites.

3. **PUBLICATION OF NOTICES**

a. **LOCAL GOVERNMENTS** _ The Notice of Intent to Request a Release of Funds (ER-6) will need to be published in the local newspaper by cities and counties.

b. **NON-PROFIT AGENCIES** - For CHDOs and non-profits, contact THDA prior to the publication of this notice (ER-7). *THDA will need to review the checklists and narratives prior to the publication of notices by CHDOs and non-profits.*

c. **UNSPECIFIED SITE STRATEGY** - If using an Unspecified Site Strategy, the following language must be inserted prior to the last paragraph of the Notice of Intent to Request a Release of Funds (ER-6 or ER-7):

Because the *grant award year* Project will involve activities at several scattered sites for which the exact location will not be known for some time, an environmental review strategy has been developed including Site Specific Checklists, to assure that the required environmental review is completed for each site. If environmental factors are identified as having an impact on the project or any of the specific project sites, they will be addressed on a case by case basis.

d. A seven (7) day local comment period must be allowed and indicated in the notice. The seven days will begin on the day after the notice is to be published. (See ER-8 showing public comment period for categorically excluded projects).

4. **DISTRIBUTION OF A COPY OF THE NOI/RROF** - At the time of publication of the notice, a copy of the notice must be distributed to the following agencies to allow seven days for their comments and copies of the cover letters to these agencies must be included in the ERR:

   a. Tennessee Historical Commission
      2941 Lebanon Road
      Nashville, Tennessee 37243-0442

   b. EPA - Environmental Review Coordinator
      Regional Office
      61 Forsythe Street, SW
      Atlanta, Georgia 30303-8960

   c. Director, Federal Agency Liaison Division
      Office of Federal Activities (A-104)
      Environmental Protection Agency
      Washington, DC 20460

   d. Federal Highway Administration
      640 Grassmere Park
      Nashville, Tennessee 37211

   e. State of Tennessee
      Department of Transportation
      Suite 600 - James K. Polk Building
      Nashville, Tennessee 37243-0341

   f. Local Development Districts

   g. Tennessee Local Planning Office

5. **REQUEST FOR RELEASE OF FUNDS AND CERTIFICATION (RROF)**

   a. **LOCAL GOVERNMENTS** - After allowing seven days for public comment and taking into account any comments received, cities and counties complete the RROF (ER-14) and submit the ERR to THDA.

   b. **NON-PROFT AGENCIES** - For non-profits and CHDOs, THDA will complete the RROF and submit it to HUD/Atlanta.

6. **RELEASE OF FUNDS**

   a. **LOCAL GOVERNMENTS** - After the ERR is submitted to THDA by cities and counties, THDA may not approve the RROF until 15 days after the receipt of the ERR. THDA will send a Notice of Removal of Grant Conditions (ER-15) to the cities and counties once the 15 days have passed.

b. **NON-PROFIT AGENCIES** - For non-profits and CHDOs, HUD will wait 15 days after receiving the RROF from the State before it issues a release of funds. THDA will send the Notice of Removal of Grant Conditions to the CHDOs and non-profits after HUD sends the release to THDA.

5.3 STEPS TO COMPLETE AN ENVIRONMENTAL ASSESSMENT

1. **STATUTORY CHECKLIST** (ER-4). (See paragraph 5.2(1) above).

2. **ENVIRONMENTAL ASSESSMENT CHECKLIST** - The Environmental Assessment Checklist (ER-9) contains 36 specific impact areas that must be evaluated. These areas have been grouped into the following major categories: Land Development; Noise; Air Quality; Environmental Design and Historic Value; Socioeconomic; Community Facilities and Services; and Natural Features

   a. The degree to which the project must be evaluated relative to these impact categories ranges from No Impact Anticipated to Requires Project Modification. The checklist calls for source(s) to be identified which have contributed to the decision in each specific impact category. *A source must be provided for all 36 impact areas.*

3. **NARRATIVE AND MAP** - The primary purpose of the narrative (ER-10) is to discuss in detail adverse impacts and mitigating measures that were identified in the EA CHECKLIST. The following areas are included: General Information; Project Description; Environmental Conditions; Significant Environmental Impacts and Actions Taken to Minimize Adverse Impacts; Alternatives; Environmental Findings. A project area map must be included.

4. **PUBLICATION OF NOTICES**

   a. **LOCAL GOVERNMENTS** - The Concurrent Notice (ER-11) must be published in the local newspaper by cities and counties.

   b. **NON-PROFIT AGENCIES** - For CHDOs and non-profits, contact THDA prior to the publication of this notice (ER-12).

   c. **UNSPECIFIED SITE STRATEGY** - If using an Unspecified Site Strategy, the following language must be inserted prior to the last paragraph of the Concurrent Notice (ER-11 or ER-12):

      Because the *grant award year* Project will involve activities at several scattered sites for which the exact location will not be known for some time, an environmental review strategy has been developed including Site Specific Checklists, to assure that the required environmental review is completed for each site. If environmental factors are identified as having an impact on the

project or any of the specific project sites, they will be addressed on a case by case basis.

d. A fifteen (15) day local comment period must be allowed and indicated in the notices. The 15 days will begin on the day after the notice is to be published. (See ER-13 for public comment period for a project requiring an environmental assessment.)

5. **DISTRIBUTION OF THE CONCURRENT NOTICE** - At the time of publication, a copy of the notice must be distributed to the agencies listed in paragraph 5.2(4) above to allow fifteen days for their comments. Copies of the cover letters to these agencies must be included in the ERR.

6. **REQUEST FOR RELEASE OF FUNDS AND CERTIFICATION**

a. **LOCAL GOVERNMENTS** - After allowing fifteen days for public comment and taking into account any comments received, cities and counties complete the RROF (ER-14) and submit the ERR to THDA

b. **NON-PROFIT AGENCIES** - After allowing fifteen days for public comment and taking into account any comments received, CHDOs and non-profits submit the ERR to THDA. THDA will complete the RROF after receiving the necessary information for the environmental review and submit it directly to HUD/Atlanta

7. **RELEASE OF FUNDS**

a. **LOCAL GOVERNMENTS** – THDA may not approve the RROF until 15 days after the receipt of the ERR. THDA will send a Notice of Removal of Grant Conditions (ER-15) to the cities and counties once the 15 days have passed.

b. **NON-PROFIT AGENCIES** – HUD/Atlanta will wait 15 days after receiving the RROF from THDA before it issues a release of funds. THDA will send the Notice of Removal of Grant Conditions the the CHDOs and non-profit agencies after HUD sends the release to THDA.

6. RELATED LAWS AND AUTHORITIES

6.1 There are several related laws and authorities which a HOME project may trigger and, therefore, require a specific type of review and/or compliance in addition to the requirements in 24 CFR 58 (ER-16). These related laws and authorities are identified in 24 CFR 58.5 and 58.6. A partial listing of these related laws are:

1. The National Historic Preservation Act of 1966 (Historic Properties)

2. Executive Order 11593 (Protection and Enhancement of the Cultural Environment)
3. Executive Order 11988 (Floodplain Management)
4. Executive Order 11990 (Wetland Protection)
5. The Coastal Zone Management Act of 1972 (Coastal Area Protection and Management)
6. The Endangered Species Act of 1973
7. The Flood Disaster Protection Act of 1973
8. The Clean Air Act

7. DEFINITIONS

7.1 **CATEGORICAL EXCLUSION** - An activity which does not individually or cumulatively have a significant effect on the human environment and which has been found to have no such effect in regulations adopted by HUD (24 CFR 58.35). In such cases, neither an environmental assessment nor an Environmental Impact Statement (EIS) is required. However, categorically excluded projects **must** comply with non-NEPA requirements. Additional requirements are identified in Section 58.5 and include, but are not limited to, analysis of historic properties, floodplain MANAGEMENT, and wetland protection.

7.2 **CONCURRENT NOTICE** - The Concurrent Notice includes the Finding of No Significant Impact (FONSI) and Notice of Intent to Request Release of Funds (NOI/RROF).

7.3 **EARLY PUBLIC NOTICE** - The Early Public Notice (EPN) is the first notice which is required for all projects located in a floodplain and is published prior to any other notice.

7.4 **ENVIRONMENTAL ASSESSMENT (EA)** - A concise public document (24 CFR Part 58, Subpart F) which provides sufficient evidence and analysis for determining whether to prepare an EIS or a finding of no significant impact. An EA must include brief discussions of the need for the proposal, of alternatives (where required under NEPA), of the environmental impacts of the proposed action and alternatives, and a listing of agencies and persons consulted.

7.5 **ENVIRONMENTAL IMPACT** - Any alteration of existing environmental conditions, or creation of a new set of environmental conditions, caused or induced in whole or in part, directly or indirectly, by a proposed project.

7.6 **ENVIRONMENTAL IMPACT STATEMENT (EIS)** - A detailed written statement as required by 102(2)(c) of NEPA describing, analyzing and assessing any alteration of environmental conditions or creation of a new set of environmental conditions, adverse or beneficial, caused or induced by the proposed action and alternatives to the proposed action.

7.7 **ENVIRONMENTAL REVIEW RECORD** - The Environmental Review Record (ERR) contains all documents, public notices and written determinations issued during the environmental review process.

7.8 **EXEMPT ACTIVITIES** - An activity which is exempt from environmental review requirements of Part 58 including the NEPA-related laws listed at 24 CFR 58.5. Exempt activities are listed at 24 CFR 58.34 (see also 24 CFR 58.35(c)). Such activities may still be subject to compliance with authorities listed in 24 CFR 58.6.

7.9 **FINDING OF NO SIGNIFICANT IMPACT (FONSI)** - A document briefly presenting the reasons why an action, not otherwise categorically excluded or exempt, will not have a significant effect on the human environment and for which an Environmental Impact Statement, therefore, will not be prepared. The FONSI must include the environmental assessment (or summary of it) and note any other environmental documents related to it. If the assessment is included, the FONSI need not repeat any of the discussion in the assessment but may incorporate it by reference.

7.10 **HUMAN ENVIRONMENT** - Interpreted comprehensively to include the natural and physical environment and the relationship of people with that environment. This means that economic or social effects are not intended by themselves to require preparation of an EIS. When an EIS is prepared and economic or social and natural or physical environment effects are interrelated, then the EIS will discuss all of these effects on the human environment.

7.11 **NEPA** - The National Environmental Policy Act of 1969, as amended, of generally integrally related activities, designed by a recipient grantee to accomplish in whole or in part, a specific goal.

7.12 **NOI/EIS** - Notice of Intent to prepare an Environmental Impact Statement.

7.13 **NOI/RROF** - Notice of Intent to Request Release of Funds.

7.14 **PROJECT** - A project in the context of the HOME Program is a site, an entire building, or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management, and financing and are to be assisted with HOME funds under commitment by the owner, as a single undertaking under 24 CFR Part 92. Project includes all the activities associated with the site and building. If there is more than one site associated with a project, the sites must be within a four block area. However, the Part 58 definition of project is broader. Part 58 defines "project" as an activity, or group of integrally related activities, designed by the grant recipient to accomplish, in whole or in part, a specific goal.

7.15 **ROF** - Release of Funds.

7.16 **RROF** - Request for Release of Funds (HUD Form 7015.15).

SAMPLE

FLOODPLAINS AND WETLANDS NOTICE

EARLY PUBLIC NOTICE

located in the 100-year floodplain. Fifth Street is the City's primary commercial area and it is experiencing deterioration. To repair existing damage to the houses, it is necessary to carry out this project in a floodplain. The City is interested in discussing alternatives to this project and securing public perceptions of possible adverse impacts that could result from the project and possible minimization measures. Please send written comments to Mayor John Q. Public, City Hall, Room 100, Anytown, Tennessee. Comments will be received until _____ (give 15 days after date of publication).

_____ John Q. Public, Mayor

SAMPLE

NOTICE OF EXPLANATION

_____ intends to undertake improvements to 5 houses on Main Street. These improvements are needed to bring the 5 houses up to Section 8 HQS Standards. This project is located in the 100 year floodplain. Proposed improvements to the houses on Main Street cannot be undertaken in any other location. There is, therefore, no practical alternative to the proposed project. *(If there are alternatives, you must discuss them here.)*

The proposed improvements to the existing street conform to all applicable State floodplain protection standards. *(If minimization measures are required, they must be discussed here.)* The proposed action will not affect natural or beneficial floodplain values as it represents an improvement of an existing roadway.

Failure to provide these improvements would result in continued deterioration of these 5 houses.

The other agency involved in this project is the State of Tennessee with funds from the U.S. Department of Housing and Urban Development. *(List all agencies providing funds and/or approvals and permits.)*

ENVIRONMENTAL REVIEW REQUIREMENT CHECKLIST

(Submit to THDA with ERR)

Project: _____

REQUIREMENTS	Categorically Excluded	Environmental Assessment	THDA use only
Statutory Checklist Signature Date:	☐	☐	☐
SHPO Letter Signature Date	☐	☐	☐
Finding of Categorical Exclusion	☐	☐	☐
Map	☐	☐	☐
Environmental Assessment Narrative		☐	☐
Environmental Assessment Checklist Signature Date:		☐	☐
Public Notices (NOI/RROF or Concurrent Notice)	☐	☐	☐
Proof of Distribution	☐	☐	☐
Request for Release of Funds (cities and counties only)	☐	☐	☐

STATUTORY CHECKLIST

Area of Statutory-Regulatory Compliance Precise citations for applicable statues and regulations are printed on the back of this Checklist	Not Applicable to this project	Consultation Required	Review Required	Permits Required	Determination of Consistency, Approvals, Permits Obtained	Conditions and/or Mitigation Actions Required	**Source or Documentation** Note date of contact or page reference. Additional material may be attached
Historic Properties							
Floodplain Management							
Wetlands Protection							
Noise							
Air Quality							
Manmade Hazards Thermal/Explosive Hazards							
Airport Clear Zones							
Water Quality Navigable Waters							
Aquifers							
Solid Waste Disposal							
Farmlands Protection							
Wild and Scenic Rivers							
Endangered Species							
State or Local Statures							
Environmental Justice							

LISTING OF APPLICABLE STATUTES AND REGULATIONS BY AREA OF COMPLIANCE

Historic Properties

National Historic Preservation Act of 1966, Section 106 (16 U.S.C 470 –470+1)

Preservation of Historic and Archeological Data Act of 1974 (16 U.S.C. 469 – 469c)

Executive Order 11593 – Protection and Enhancement of the Cultural Environment

"Protection of Historice and Cultural Properties Under HUD Programs" (24 CFR Part 59)(When Issued)

Floodplain

Flood Disaster Protection Act of 1973 (Pl 93-234) and Implementary Programs

Title 24, Chapter X, Subchapter 8, National Flood Insurance Program (44 CFR 59-75)

Executive Order 11988 and HUD Procedure for Floodplain Management (24 CFR Part 55) (When Issued)

Wetland

Executive Order 11990, Protection of Wetlands and Applicable State Legislation or Regulations. Also 24 CFR Part 55 (When Issued)

Noise

HUD Regulations (24 CFR Part 51, Subpart B)

Air Quality

Clean Air Act of 1970 as Amended (42 U.S.C. 7401- 7642) EPA Regulation 40 CFR Part 50, and Partially 40 CFR Part 51.52.61

Man-made Hazards

HUD Regulation (24 CFR Part 51, Subpart C
HUD Notice 79-33) Indefinite Notice, September 10, 1979.

24 CFR Part 51 Subpart D

Water Quality

Federal Water Pollution Control Act, as Amended (33 U.S.C. 1251-1376)

Safe Drinking Water Act of 1974 (42 U.S.C. 3001-300j-10) as Amended

U.S. Environmental Protection Agency (EPA) Implementing Regulations 40 CFR Parts 100-149

Solid Waste Disposal

Solid Waste Disposal Act as Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901-6987)

U.S. Environmental Protection Agency (EPA) Implementing Regulation 40 CFR Parts 240-365

Coastal Areas

Coastal Zone Management Act of 1972 as Amended (16 U.S.C. 1451-1464)

Coastal Barrier Resources Act of 1982 (16 U.S.C. 3501 et. Seq.)

Endangered Species

Endangered Species Act of 1973 as Amended (16 U.S.C. 1531-1543)

Farmlands Protection

Farmlands Protection Policy Act of 1981 (U.S.C. 4201 et. Seq.) Implementing Regulations 7 CFR Part 658

Wild and Scenic Rivers

Wild and Scenic Rivers Act of 1968 as Amended (U.S.C. 1271 et. seq.)

Environmental Justice

Executive Order 12898 (59 FR 7629), 3 CFR, 1994 Comp. P. 859

INSTRUCTIONS

- Not Applicable to this Project – Check here, only when it is known that the project is not located in an area where the environmental condition or resources is nonexistent.
- Consultation Required – This requires contact with appropriate individuals at Federal or federally authorized agencies and documentation of that contact through attached notes and correspondence.
- Review Procedures Required – (e.g. 106 procedure of the Advisory Council on Historic Preservation)
- Permits Procedure Required – Attachments should indicate evidence of permits that have to be secured, or required procedures followed.
- Determination of Consistency, Approvals and Permits Obtained – (e.g. consistency with State coastal zone management plan). In areas requiring consistency or where projects required Federal permits, licenses or other forms of approval, such requirements should be recorded here as having been met. Any condition, temporary permit or partial approval is recorded in the next column to a document recorded in the ERR.
- Conditions or Mitigation Actions Required – These should be listed and attached including any correspondence from reviewing agencies and a designation of responsibility for implementation.

_____
Chief Executive Officer (Typed)

_____
Signature Date

FINDING OF CATEGORICAL EXCLUSION

I. GENERAL INFORMATION

A. Project Name

B. Project Location

C. Project Type

D. Cost (source and amounts)

E. Administrative Agency

F. Applicant and Contact Person

G. Prepared by

II. DESCRIPTION

A. Project Description

B. Project Purpose (problem/need)

C. Map

III. STATEMENT OF CATEGORICAL EXCLUSION

The *(Grantee)* has found the above project to be categorically excluded from the environmental review required by the National Environmental Policy Act (NEPA).

The project consists solely of activities that the Department of Housing and Urban Development has determined to be categorically excluded from NEPA requirements in applicable regulations (24 CFR 58). All activities in this project meet one of the set of conditions established in Section 58.35 (See ER-16 for 24 CFR Part 58).

The project consists of homeowner rehabilitation. YES ( ) NO ( ).

If other types of projects, cite the Section of 58.35 which categorically excludes the project.

_____ _____

Signature of Chief Executive Officer Date

NOTICE OF INTENT TO REQUEST A RELEASE OF FUNDS

(To be used by cities and counties only)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

_____, _____
(Grantee) (Address)

gives notice that it will submit a request for release of grant funds and an environmental certification pertaining thereto to the Tennessee Housing Development Agency 7 days following this publication. The request and certification relate to the following project.

Project Title: _____
Location: _____
Purpose of Project: _____
Estimated Cost: _____

(City or County) will undertake the project described above with HOME funds from the US Department of Housing and Urban Development (HUD) under the National Affordable Housing Act of 1990. *(City or County)* is certifying to the Tennessee Housing Development Agency that the *(City or County)* and *(Chief Elected Official)* in his/her official capacity as Certifying Officer consent to accept the jurisdiction of the Federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action; and that these responsibilities have been satisfied. The legal effect of the certification is that upon THDA's approval, the *(City or County)* may use the funds, and THDA will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and the related laws and authorities. THDA will accept an objection to its approval of the release of funds and acceptance of the certification only if it is one of the following bases:

a. that the certification was not in fact executed by the chief executive officer or other officer of applicant approved by THDA; or

b. that applicant's environmental review for the project omitted a required decision, finding, or step applicable to the project in the Environmental Review Process.

c. other specific ground in HUD regulations at 24 CFR Part 58.75.

Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58), and may be addressed to Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900, Attention: Community Programs Division. THDA will consider all objections received within fifteen (15) days following the receipt of this request.

_____
Mayor or County Executive

NOTICE OF INTENT TO REQUEST A RELEASE OF FUNDS

(To be used by CHDOs and Non-profits only)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

Tennessee Housing Development Agency
404 James Robertson Parkway
Suite 1114
Nashville, TN 37243-0900

gives notice that it will submit a request for release of grant funds and an environmental certification pertaining thereto to the U.S. Department of Housing and Urban Development 7 days following this publication. The request and certification relate to the following project.

Project Title: _____
Location: _____
Purpose of Project: _____
Estimated Cost: _____

The Tennessee Housing Development Agency (THDA) will undertake the project described above with HOME funds from the US Department of Housing and Urban Development (HUD) under the National Affordable Housing Act of 1990. THDA is certifying to HUD that THDA and its Executive Director in his official capacity as Certifying Officer consent to accept the jurisdiction of the Federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action; and that these responsibilities have been satisfied. The legal effect of the certification is that upon HUD's approval, THDA may use the funds, and HUD will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and the related laws and authorities. HUD will accept an objection to its approval of the release of funds and acceptance of the certification only if it is one of the following bases:

a. that the certification was not in fact executed by the chief executive officer or other officer of applicant approved by HUD; or

b. that applicant's environmental review for the project omitted a required decision, finding, or step applicable to the project in the Environmental Review Process.

c. other specific ground in HUD regulations at 24 CFR Part 58.75.

Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58), and may be addressed to U.S. Department of Housing and Urban Development, Third Floor, John J. Duncan Federal Building, 710 Locust Street, Knoxville, TN 37902-4393, Attention: Judy Rose. HUD will consider all objections received within fifteen (15) days following the receipt of this request.

Executive Director
Tennessee Housing Development Agency

PUBLIC COMMENT PERIOD FOR A CATEGORICALLY EXCLUDED PROJECT

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	Publish NOI/RROF	Start counting 7-day comment period 1	2	3	4	5
6	Last day for Grantee to receive comments 7	Request Release of Funds and submit ERR to THDA*	Start counting 15-day comment period 1	2	3	4
5	6	7	8	9	10	11
12	13	14	Last day or THDA to receive comments 15	THDA sends Notice of Removal of Grant Conditions 16	10	11

* For non-profits and CHDOs, THDA will prepare the Request for Release of Funds and submit to HUD. HUD will release the funds after 15 days to THDA. THDA will then notify the grantee.

ENVIRONMENTAL ASSESSMENT CHECKLIST

Project Name and Identification
No_____

Impact Categories	1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation only	4 Potentially Adverse Requires More Study	5 Needs Mitigation	6 Requires Project Modification	7 **Source or Documentation** Note date of contact or page reference. Additional material may be attached
Land Development							
Conformance with Comprehensive Plans and Zoning							
Compatibility and Urban Impact							
Slope							
Erosion							
Soil Suitability							
Hazards and Nuisances, Including Site Safety							
Energy Consumption							
Noise							
Effects of Ambient Noise on Project and Contribution to Community Noise Levels							

ENVIRONMENTAL ASSESMENT CHECKLIST
(Continued, page 2)

Impact Categories	1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation only	4 Potentially Adverse Requires More Study	5 Needs Mitigation	6 Requires Project Modification	7 **Source or Documentation** Note date of contact or page reference. Additional material may be attached
Air Quality							
Effects of Ambient Air Quality on Project and Contribution to Community Pollution Levels							
Environmental Design and Historic Values							
Visual Quality-Coherence, Diversity, Compatible Use, and Scale							
Historic, Cultural, and Archeological Resources							
Socioeconomic							
Demographic/Character Changes							
Displacement							
Employment and Income Patterns							
Community Facilities and Services							
Educational Facilities							
Commercial Facilities							
Health Care							
Social Services							

ENVIRONMENTAL ASSESMENT CHECKLIST
(Continued, page 3)

Impact Categories		1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation only	4 Potentially Adverse Requires More Study	5 Needs Mitigation	6 Requires Project Modification	7 **Source or Documentation** Note date of contact or page reference. Additional material may be attached
Community Faciities and Services (Continued)								
Solid Waste								
Waste Water								
Storm Water								
Water Supply								
Public Safety	Police							
	Fire							
	Emergency Medical							
Open Space and Recreation	Open Space							
	Recreation							
	Cultural Facilities							
Transportation								

ENVIRONMENTAL ASSESMENT CHECKLIST
(Continued, page 4)

Impact Categories	1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation only	4 Potentially Adverse Requires More Study	5 Needs Mitigation	6 Requires Project Modification	7 **Source or Documentation** Note date of contact or page reference. Additional material may be attached
Natural Features							
Water Resources							
Surface Water							
Floodplains							
Wetlands							
Coastal Zone							
Unique Natural Features and Agricultural Lands							
Vegetation and Wildlife							

ENVIRONMENTAL ASSESMENT CHECKLIST

(Continued, page 5)

1. Is project in compliance with applicable laws and regulations? ☐ Yes ☐ No

2. Is an EIS required? ☐ Yes ☐ No

3. A Finding of No Significant Impact (FONSI) can be made. Project will not significantly affect the quality of the human environment. ☐ Yes ☐ No

_____
Chief Executive Offier

_____
Signature

_____
Date

How to Complete

For each impact category the local environmental analyst is asked to check the appropriate box relating to potential impacts, needed study, and mitigation or modification. In many cases more than one box could or should be checked. In each case a source should be cited which may be a report, phone contact, previous ERR, field observation or general knowledge of the area. The assessment techniques presented in Appendix A provide key assessment questions and data sources which are valuable references in completing this Checklist. The determinations to be made for each impact category include:

- **No Impact Anticipated (Column 1)**

A checkmark here indicates no more analysis mor mitigation efforts is needed. Clear and specific documentation is essential, referencing the factual conditions or specific circumstances that support the finding. Mere conclusions are not sufficient.

- **Potentially Beneficial (Column 2)**

Beneficial impacts should be indicated here. Notations supporting that finding can be attached. A more detailed analysis is not necessary.

- **Potentially Adverse/Requires Documentation Only (Column 3)**

In some cases, this quick review may be all that is needed to evaluate impacts. They may be so small as to require no more study; they may be con-struction effects only for which standard mitigation procedures have been established; or they may have been analyzed for previous assessments in a fully com-parable situation. Documentation here is particularly important and will require attached notes outlining sources explaining the factual basis of the impact finding and describing any mitigation efforts.

- **Potentially Adverse/Requires More Study (Column 4)**

If this is checked, the impact category in question will be subject to further review (site visits, detailed review of data, consultation with experts, etc.) using techniques such as those described in Appendix A. The points to remember are that (1) only those categories with a check in this box need be subject to a detailed assessment and (2) this is not a decision about EIS preparation but a decision to investigate further.

- **Needs Mitigation (Column 5)**

This column should be used in combination with the third and fourth columns indicating some type of potential adverse impact. In some cases specific measures to reduce adverse effects on a community cannot be discussed in full detail right away. Instead, such measures are subject to review and development and implementation responsibility as part of a more detailed analysis which follows. In other cases mitigation measures may be known and recorded. Mitigation measures or safeguards should be listed for easy reference on the last page of the Checklist. Appendix A Assessment Techniques includes a list of possible mitigation measures within the presentation of each impact category.

- **Requires Project Modification (Column 6)**

– Early project review, afford a special opportunity to identify needed changes in the project itself before final applications are made or programs finalized. Often such changes can eliminate the need for further analysis by eliminating the source of the problem. It is also possible that changes (such as moving a project to a different site outside a high noise zone, or combining it with a new project to provide needed sewer or water lines) could be identified at this time.

- **Source (Column 7)**

Identify sources or contacts which have contributed to the decision in a specific category.

OUTLINE FOR ENVIRONMENTAL ASSESSMENT PROJECT NARRATIVE

I. GENERAL INFORMATION

A. Project Name

B. Project Location

C. Project Type

D. Cost (source and amounts)

E. Administrative Agency

F. Applicant and Contact Person

G. Prepared by

II. DESCRIPTION

A. Project Description

B. Project Purpose (problem/need)

C. Location

III. EXISTING ENVIRONMENTAL CONDITIONS

A. Land Use

B. Soils

C. Relationship to Floodplains

D. Etc.

IV. SIGNIFICANT ENVIRONMENTAL IMPACTS AND ACTIONS TAKEN TO MINIMIZE ADVERSE IMPACTS

If in floodplain, emphasize floodplain management [based on "EA Checklist" (columns 3 - 6 marked).

V. ALTERNATIVES

If in floodplain, address alternative

VI. FINDING

A. EIS not required; or

B. EIS required

COMBINED RROF AND FONSI

NOTICE OF INTENT TO REQUEST A RELEASE OF FUNDS AND
NOTICE OF FINDING OF NO SIGNIFICANT IMPACT ON THE ENVIRONMENT

(To be used by Cities and Counties only)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

Notice of Intent to Request a Release of Funds

_____, _____
(Grantee) (Address)

gives notice that it will submit a request for release of grant funds and an environmental certification pertaining thereto to the Tennessee Housing Development Agency 15 days following this publication. The request and certification relate to the following project.

Project Title: _____

Location: _____

Purpose of Project: _____

Estimated Cost: _____

The *(City or County)* will undertake the project described above with HOME funds from the US Department of Housing and Urban Development (HUD) under the National Affordable Housing Act of 1990. *(City or County)* is certifying to the Tennessee Housing Development Agency that the *(City or County)* and *(Chief Elected Official)* in his/her official capacity as Certifying Officer consent to accept the jurisdiction of the Federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action; and that these responsibilities have been satisfied. The legal effect of the certification is that upon THDA's approval, the *(City or County)* may use the funds, and THDA will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and the related laws and authorities. THDA will accept an objection to its approval of the release of funds and acceptance of the certification only if it is one of the following bases:

a. that the certification was not in fact executed by the chief executive officer or other officer of applicant approved by HUD; or

b. that applicant's environmental review for the project omitted a required decision, finding, or step applicable to the project in the Environmental Review Process.

c. other specific ground in HUD regulations at 24 CFR Part 58.75.

Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58), and may be addressed to Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900, Attention: Community Programs Division. THDA will consider all objections received within fifteen (15) days following the receipt of this request.

Notice of FONSI

The *(City or County)* also gives notice that it has been determined that the above project will not constitute an action significantly affecting the quality of the human environment and accordingly, *(City or County)* has decided not to prepare an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA, 42 USC 4321).

The reasons for the decision not to prepare such Statement are as follows:

> The project is not of sufficient size, scale, or mass and does not exceed the threshold criteria established for the preparation of a statement nor will the project have a significant impact on the human environment under NEPA.

An Environmental Review Record respecting the within project has been made by *(City or County)* which documents the environmental review of the project and more fully sets forth the reasons why such Statement is not required. This Environmental Review Record is on file in the *(City or County address)* and is available for public examination and copying, upon request during the weekday hours of ___AM to ___PM.

No further environmental review of such project is proposed to be conducted, prior to the release of Federal funds.

All interested agencies, groups and persons disagreeing with this decision are invited to submit written comments for consideration by the *(City or County)*. The (City or County) will consider all objections received within fifteen (15) days following the receipt of this request. All such comments so received will be considered and *(City or County)* will not request the release of Federal funds or take any administrative action on the within project prior to the date specified in the preceding sentence.

_____
Mayor or County Executive

*The day following the 15 day comment period (i.e., 16 days from date of publication).

COMBINED RROF AND FONSI

NOTICE OF INTENT TO REQUEST A RELEASE OF FUNDS AND
NOTICE OF FINDING OF NO SIGNIFICANT IMPACT ON THE ENVIRONMENT

(To be used by CHDOs and Non-profits only)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

Notice of Intent to Request a Release of Funds

Tennessee Housing Development Agency

404 James Robertson Parkway
Suite 1114
Nashville, TN 37243-0900

gives notice that it will submit a request for release of grant funds and an environmental certification pertaining thereto to the U.S. Department of Housing and Urban Development 15 days following this publication. The request and certification relate to the following project.

Project Title: _____

Location: _____

Purpose of Project: _____

Estimated Cost: $_____

The Tennessee Housing Development Agency (THDA) will undertake the project described above with HOME funds from the US Department of Housing and Urban Development (HUD) under the National Affordable Housing Act of 1990. THDA is certifying to HUD that THDA and its Executive Director in his official capacity as Certifying Officer consent to accept the jurisdiction of the Federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action; and that these responsibilities have been satisfied. The legal effect of the certification is that upon HUD's approval, THDA may use the funds, and HUD will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and the related laws and authorities. HUD will accept an objection to its approval of the release of funds and acceptance of the certification only if it is one of the following bases:

a. that the certification was not in fact executed by the chief executive officer or other officer of applicant approved by HUD; or

b. that applicant's environmental review for the project omitted a required decision, finding, or step applicable to the project in the Environmental Review Process.

c. other specific ground in HUD regulations at 24 CFR Part 58.75.

Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58), and may be addressed to U.S. Department of Housing and Urban Development, Third Floor, Office of C. P. and D., 75 Spring Street, Suite 270, Atlanta, GA 30303-3388, Attention: Harry Walls. No objection received after *fifteen days* following the receipt of this request will be considered by HUD.

Notice of FONSI

THDA also gives notice that it has been determined that the above project will not constitute an action significantly affecting the quality of the human environment and accordingly, THDA has decided not to prepare an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA, 42 USC 4321).

The reasons for the decision not to prepare such Statement are as follows:

> The project is not of sufficient size, scale, or mass and does not exceed the threshold criteria established for the preparation of a statement nor will the project have a significant impact on the human environment under NEPA.

An Environmental Review Record respecting the within project has been made by THDA which documents the environmental review of the project and more fully sets forth the reasons why such Statement is not required. This Environmental Review Record is on file in the Community Programs Division, Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900 and is available for public examination and copying, upon request during the weekday hours of 8AM to 4:30PM.

No further environmental review of such project is proposed to be conducted, prior to the release of Federal funds.

All interested agencies, groups and persons disagreeing with this decision are invited to submit written comments for consideration by the Community Programs Division of THDA. Such written comments should be received at the address listed above within fifteen days of this request. All such comments so received will be considered and THDA will not request the release of Federal funds or take any administrative action on the within project prior to the date specified in the preceding sentence.

Executive Director
Tennessee Housing Development Agency

PUBLIC COMMENT PERIOD FOR A PROJECT REQUIRING AN ENVIRONMENTAL ASSESSMENT

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	Publish NOI/RROF	Start counting 15-day comment period 1	2	3	4	5
6	7	8	9	10	11	12
13	14	Last day for Grantee to receive comments 15	Request Release of Funds and submit ERR to THDA*	1	2	3
4	5	6	7	8	9	10
11	12	13	14	Last day for THDA to receive comments 15	THDA sends Notice of Removal of Grant Conditions 16	

* For non-profits and CHDOs, THDA will prepare the Request for Release of Funds and submit to HUD. HUD will release the funds after 15 days to THDA. THDA will then notify the grantee.

Form HUD-7015.15 (1/99)
OMB No. 2506-0087
(exp. 11/30/2004)

ER-14

Request for Release of Funds And Certification

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s)	2. HUD/State Identification Number	Recipient Identification Number (optional)
4. OMB Catalog Number(s)	5. Name and address of responsible entity	
6. For information about this request, contact (name and phone number)	7. Name and address of recipient (if different than responsible entity)	
8. HUD or State Agency and office unit to receive request		

The recipient(s) of assistance under the program(s) listed above requests the release of fund and removal of environmental grant conditions governing the use of the assistance for the following

9. Program Activity(ies)/Project Name(s)	10. Location (Street address, city, county, state)

11. Program Activity/Project Description

Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal ☐ did ☐ did not require the preparation and dissemination of an environmental impact statement.
4. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
5. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
6. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

7. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
8. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

Signature of Certifying Officer of the Responsible Entity	Title of Certifying Officer
	Date signed

Address of Certifying Officer

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient	Title of Authorized Officer
	Date signed

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

form **HUD-7015.15** (1/99)

Form HUD-7015.16 (2/94)
Ref. Handbook 6513.01

ER-15

Authority to Use Grant Funds

U.S. Department of Housing and Urban Development
Office of Community Planning
And Development

TO: (name & address of Grant Recipient & name & title of Chief Executive Officer)	**Copy to**: (name & address of Subrecipient)

We received your Request for Release of Funds and Certification, form HUD HUD-7015.15 on	
Your Request was for HUD/State Identification Number	

All objections, if received, have been considered. And the minimum waiting period has transpired.
You are hereby authorized to use funds provided to you under the above HUD/State Identification Number.
File this form for proper record keeping, audit, and inspection purposes.

Typed Name of Authorizing Officer	Signature of Authorizing Officer	Date (mm/dd/yyyy)
Title of Authorizing Officer		

federal register

Tuesday
April 30, 1996

Part II

Department of Housing and Urban Development

24 CFR Part 58

Office of the Secretary; Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities; Final Rule

19119

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 58

[Docket No. FR–3514–F–04]

RIN 2501–AB67

Office of the Secretary; Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities

AGENCY: Office of the Secretary, HUD.

ACTION: Final rule.

SUMMARY: This rule makes final two rules, one interim and one proposed, which amended the existing environmental regulations in 24 CFR part 58, governing entities that assume HUD responsibilities, by making the environmental review procedures consistent under the various programs to which these regulations apply. This final rule takes into consideration the public comments received on both rules, and also makes streamlining and editorial changes to the existing environmental regulations governing entities that assume HUD responsibilities.

EFFECTIVE DATE: This rule becomes effective May 30, 1996, except for § 58.1(b)(6)(i) and § 58.2(a)(5)(v)(A), which pertain to public housing development and modernization programs. These sections will become effective on October 14, 1996, unless the Department publishes a document in the Federal Register that specifies a different effective date.

FOR FURTHER INFORMATION CONTACT: Richard H. Broun, Director, Office of Environment and Energy, Room 7240, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, DC 20410, telephone (202) 708–2894. For telephone communication, contact Fred Regetz, Environmental Review Division at (202) 708–1201. Hearing or speech-impaired individuals may call the Federal Information Relay Service number at 1–800–877–TTY (1–800–877–8339) and refer to (202) 708–1201.

SUPPLEMENTARY INFORMATION:

I. Background

This final rule revises and restates the procedures for recipients of HUD assistance and other responsible entities in applicable HUD programs to carry out environmental reviews in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321–4347) (''NEPA''), the NEPA implementing regulations of the Council on Environmental Quality (CEQ), and other NEPA related federal laws. This rule makes final two rules, one interim rule and one proposed rule, which amended 24 CFR part 58. The interim rule was published on March 13, 1995 (60 FR 13518), and the proposed rule was published on September 25, 1995 (60 FR 49466). This final rule takes into consideration the public comments received on both rules.

Applicable HUD programs under 24 CFR part 58 include any program in which specific statutory authority allows the environmental review responsibilities to be assumed by responsible entities. Currently, applicable HUD programs, and therefore those covered by part 58, only include: (1) Title I Community Development Block Grant Programs, (2) the Rental Rehabilitation Program and the Housing Development Grant Program, (3) the HOME programs under the Cranston-Gonzalez National Affordable Housing Act (NAHA), (4) the homeless programs authorized by Title IV of the Stewart B. McKinney Homeless Assistance Act, (5) Grants to States and units of general local government for reduction and abatement of lead-based paint, (6) Indian Housing and most Section 8 programs under Title I of the United States Housing Act of 1937, (7) Special projects appropriated under an appropriation Act of HUD, (8) the FHA Multifamily Housing Finance Agency Pilot Program under section 542(c) of the Housing and Community Development Act of 1992, and (9) the Self-Help Homeownership Opportunity Program under section 11 of the Housing Opportunity Program Extension Act of 1996.

The interim and proposed rules did not refer to the last program cited above, the Self-Help Homeownership Opportunity Program, because the Housing Opportunity Program Extension Act was approved on March 28, 1996, after those rules were published. However, section 11(m) of that Act provides that a grant under that program shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994, which authorized the provisions in the current interim rule providing for States and units of general local government to assume environmental responsibilities for special projects under item (7) above. Accordingly, grants under the new Self-Help Homeownership Opportunity Program are already subject to the part 58 procedures, by being considered special project funds. The final rule adds specific references to the new program in order to provide a complete list of programs currently subject to part 58.

II. Discussion of Public Comments on the March 13, 1995 Interim Rule

The Department received two comments on the March 13, 1995 interim rule—one from a State housing development authority and one from a national organization of State housing agencies.

Both commenters requested, with respect to the FHA Multifamily Housing Finance Agency Pilot Program in particular, that the rule clarify that State housing finance agencies (HFAs) may assume environmental responsibilities. The Department has not changed the final rule in response to these comments. Section 542(c)(9) of the Housing and Community Development Act of 1992, as amended, provides that the Secretary of HUD may provide for agreements to endorse mortgages for insurance ''upon the request of qualified housing finance agencies * * *, if the State or unit of general local government, as designated by the Secretary in accordance with regulations, assumes'' environmental responsibilities.

However, the Department agrees that a State HFA may assume the responsibility for environmental reviews on behalf of the State if the HFA is an agency of the State government and is given authority to do so by the State. If an official of the State HFA will act as the Certifying Officer for the State, section 542 (c) requires that the official must have the authority to certify, among other things, that he or she ''is authorized and consents *on behalf of the State* * * * and himself or herself'' to accept Federal court jurisdiction for enforcement of the environmental responsibilities (emphasis added). The Certifying Officer's responsibilities are set out in § 58.13 of the rule, which indicates that he or she must represent the responsible entity, e.g., the State, rather than merely the State HFA.

Even where the State's Certifying Officer is outside the HFA, the HFA may contribute information or prepare a draft environmental assessment for the State, but the Certifying Officer must evaluate this work and take responsibility for the review in accordance with 40 CFR 1506.5 of the regulations of the Council on Environmental Quality.

One of the commenters, citing statements in §§ 58.4(b) and 58.10 of the interim rule that responsible entities ''shall'' or ''must'' assume environmental review responsibilities, requested that the final rule clarify that

the assumption of environmental responsibilities is voluntary. The Department agrees that assumption of environmental responsibilities by *non-recipient* recipient responsible entities is voluntary. However, the Department has concluded that no change in the rule is necessary on this point. The cited language (which is similar in the final rule) must be read in conjunction with § 58.11(d) of the interim and final rules. Section 58.11(d) indicates that if a responsible entity, other than a recipient, objects to performing an environmental review, or if HUD may designate another responsible entity to perform the review or may perform the review itself.

III. Discussion of Public Comments on the September 25, 1995 Proposed Rule

The Department received 11 comments on the September 25, 1995 proposed rule. The Department received four from local governments, three from county governments, two from State housing agencies, and two from special interest groups. As a result of these, the Department has made certain changes to the proposed rule which are incorporated into today's final rule. The following discussion summarizes and provides HUD responses to those comments. Every comment was reviewed and considered, although all comments may not be specifically addressed in this preamble.

One city urged HUD to conduct a detailed federalism analysis in accordance with Executive Order 12612 on Federalism before taking any further action on this proposed rule. The charge is made that the proposed rule would constitute an unfunded mandate on local governments by transferring to States and local governments various environmental functions previously performed by HUD. This final rule does not change any requirements that were not in effect or put in effect by the interim rule, published in the Federal Register on March 13, 1995 (60 FR 13518) that became effective on April 12, 1995.

The second issue raised by this city was that the tenant-based Section 8 Existing Housing Program should be exempt from all environmental review requirements. Section 58.35(b)(1) makes all tenant-based rental assistance essentially exempt, except for extraordinary circumstances in which a categorically excluded activity may have a significant environmental effect.

A second city requested that § 58.34(a)(2) be more declarative with respect to environmental review requirements for payment of principal and/or interest to the Federal government. A change in § 58.34(a) was made to preserve and make more generic the exemption for payments of principal and interest that is in the interim rule.

A third city suggested that the final rule should make changes that would allow local communities more latitude in applying section 106 of the National Historic Preservation Act and applicable regulations in 36 CFR part 800. The Department does not have the authority to effect changes in the procedures of the State Historic Preservation Officer (SHPO) or to allow local communities more autonomy in determining which resources are historically significant.

A fourth city made a number of suggestions to be more specific and/or carry over some specific language in the interim rule into this final rule. Some clarifications have been made in § 58.35 of the final rule.

One county housing agency wanted more clarification about what would be considered ''adequate local news media'' when disseminating information to the public. Adequate local news media would be considered to be at least a newspaper of general circulation in the affected community. A change has also been made in § 58.21 to clarify that when there is no publication of Notices, the time periods start when there is a mailing and posting of a Finding of No Significant Impact (FONSI) or the Notice of Intent to Request Release of Funds (NOI/RROF). In addition, this county wanted a definition of ''an individual action'' in reference to the categorical exclusion of one- to four-family dwellings. Some clarifications have been made to § 58.35 to reflect current practices with respect to categorical exclusions.

A second county agency felt there was a contradiction in the requirement for the responsible entity to address in the Environmental Review Record (ERR) its compliance with § 58.6 while § 58.34 of the proposed rule stated that the responsible entity does not have to comply with the environmental requirements of this part in the case of exempt activities. The requirements of § 58.6 must be complied with and the responsible entity is required to address these requirements where applicable. These requirements apply to exempt activities, when there is no requirement for an environmental certification by the certifying officer that indicates that all environmental requirements have been met. A change has been made in § 58.34 to remove this contradiction.

A third county agency suggested that the Housing Opportunities for Persons With AIDS (HOPWA) program should be reviewed under part 58 because HOPWA projects are often funded jointly with CDBG. HUD has no authority to assign this responsibility to local governments. However, part 50 and part 58 reviews should not be done in such a manner that there is duplication. If a review has already been made of a jointly funded proposal, the prior review can be referenced in subsequent reviews. The county agency suggested additions to § 58.2 that would define in more detail ''financial services'' and when a decrease in unit density would require an environmental review.

The Department feels that these terms are adequately defined in §§ 58.34(a)(2) and 58.35(a) and that further detail would not be appropriate. The county agency also raised a question about the proposed deletion of the reference to Section 108 loans from § 58.34(a) of the interim rule. The intent of this rule is to make requirements more generic and not be program specific. In response to comments, there is no change in the exempt classification of the repayment of Section 108 loans to the Federal government and the comment is addressed generically in § 58.34(a)(11). This county suggested that changes be made in § 58.47 to address a concern about when there is a need to re-evaluate an environmental finding. Changes have been made in § 58.47 to expand the context when a change in conditions or a change in funding would require a re-evaluation.

One State housing agency requested that § 58.35(b)(5) be expanded to include homeownership assistance for new housing that is planned but may or may not yet be built. In response to this comment, the final rule expands this exclusion to cover assistance to homebuyers for units under construction as well as existing housing. However, housing that is not yet under construction cannot be covered by this exclusion because § 58.53(b) does not require compliance with the environmental laws and authorities listed in § 58.5. Assistance to purchase housing yet to be constructed, on a limited scale, as identified in § 58.35(a)(4), can be determined to be categorically excluded, but it cannot be exempt from the requirements of § 58.5.

A second State agency suggested that environmental reviews conducted by other entities on co-funded projects should be used whenever possible. This final rule encourages combining reviews conducted by other entities for jointly funded projects.

A national county association wanted to know what was meant by ''broader review'' in § 58.15 on Tiering. The tiering concept is explained very well in

the NEPA regulations of the Council on Environmental Quality but focuses on tiering in EIS situations. This final rule encourages the use of the tiering concept in non-EIS situations. Tiering, for HUD purposes, allows responsible entities that have assumed Federal environmental responsibilities to complete an environmental review and obtain a release of funds from HUD before the specific properties to be treated have been identified. Once the properties have been identified, the responsible entity must comply with environmental laws and authorities that could not be satisfied until the properties were identified. The responsible entity may use any available environmental information. Compliance with section 106 of the National Historic Preservation Act would normally occur when the properties to be treated have been identified.

Another commenter requested that the proposed change to § 58.22 prohibiting recipients from committing local (non-HUD) funds before the approval of RROF be dropped in favor of the language in the present interim rule. This suggestion has not been adopted, since the language of proposed § 58.22 better reflects the intent of the Council on Environmental Quality regulation.

The Department also received a comment on the Home Investment Partnership Program interim rule published on July 12, 1995 (60 FR 36020) that is relevant to this rule. The comment objected to the requirement contained in the Home environmental guidelines, and also contained in proposed § 58.22, that options on property entered into before completion of the environmental review be refundable, since refundability is not generally a provision for refundable options in favor of options being limited to a nominal portion of the purchase price.

IV. Other Matters

Environmental Impact

A Finding of No Significant Impact (FONSI) with respect to the environment was made in connection with development of the September 25, 1995 proposed rule in accordance with HUD regulations in 24 CFR Part 50 which implement Section 102(2)(C) of the National Environmental Policy Act (NEPA). Since the changes made to the proposed rule in this final rule do not change the impact on the environment, the original Finding is still valid. The original Finding is available for public inspection during regular business hours in the Office of the General Counsel, Rules Docket Clerk, at the above address.

Executive Order 12612, Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive order 12612, *Federalism*, has determined that the policies contained in this rule will not have substantial direct effects on States or their political subdivisions, or the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government. As a result, the rule is not subject to review under the order. Specifically, this final rule modifies environmental requirements for recipients of HUD assistance and other entities that assume environmental review responsibilities for activities and projects where specific statutory authority exists to assign the environmental review responsibilities to the recipients or to allow States and local governments to assume those responsibilities on behalf of certain recipients.

Executive Order 12606, The Family

The General Counsel, as the Designated Official under Executive Order, *The Family*, has determined that this final rule will not have potential for significant impact on family formation, maintenance, and general well-being, and, thus, is not subject to review under the order. No significant change in existing HUD policies or programs will result from promulgation of this final rule, as those policies and programs relate to family concerns.

Regulatory Flexibility Act. The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)) has reviewed and approved this rule, and in so doing certifies that this final rule will not have a significant economic impact on a substantial number of small entities. This final rule streamlines part 58 and carries out the statutory mandate of providing for the assumption of environmental review responsibilities by certain recipients of HUD assistance or other entities in accordance with section 104(g) of the Housing and Community Development Act of 1974 and similar statutory provisions.

List of Subjects in 24 CFR Part 58

Environmental protection, Community Development Block Grants, Environmental impact statements, Grant programs—housing and community development, Reporting and recordkeeping requirements.

Accordingly, 24 CFR part 58 is revised as follows:

PART 58—ENVIRONMENTAL REVIEW PROCEDURES FOR ENTITIES ASSUMING HUD ENVIRONMENTAL RESPONSIBILITIES

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Authority: 12 U.S.C. 1707 *note;* 42 U.S.C. 1437o(i)(1) and (2), 1437x, 3535(d), 3547, 4332, 4852, 5304(g), 11402, and 12838; E.O. 11514, 3 CFR, 1966–1970, Comp., p. 902, as amended by E.O. 11991, 3 CFR, 1977 Comp., p.123.

Subpart A—Purpose, Legal Authority, Federal Laws and Authorities

§ 58.1 Purpose, scope and applicability.

(a) *Purpose.* This part provides instructions and guidance to recipients of HUD assistance and other responsible entities for conducting an environmental review for a particular project or activity and for obtaining approval of a Request for Release of Funds.

(b) *Applicability.* This part applies to activities and projects where specific statutory authority exists for recipients or other responsible entities to assume environmental responsibilities. Programs and activities subject to this part include:

(1) Community Development Block Grant programs authorized by Title I of the Housing and Community Development Act of 1974, in accordance with section 104(g) (42 U.S.C. 5304(g));

(2) The Rental Rehabilitation program and Housing Development Grant program authorized by section 17 of the United States Housing Act of 1937, in accordance with sections 17(i)(1) and 17(i)(2) with respect to projects and programs for which binding commitments have been entered into prior to October 1, 1991, since section 17 was repealed by the Cranston-Gonzalez National Affordable Housing Act enacted November 28, 1990 (42 U.S.C. 1437o(i)(1) and (2));

(3) Grants to States and units of general local government under the Emergency Shelter Grant Program, Supportive Housing program (and its predecessors, the Supportive Housing Demonstration program (both Transitional Housing and Permanent Housing for Homeless Persons with Disabilities) and Supplemental Assistance for Facilities to Assist the Homeless), Shelter Plus Care program, Safe Havens for Homeless Individuals Demonstration Program, and Rural Homeless Housing Assistance, authorized by Title IV of the Stewart B. McKinney Homeless Assistance Act, in accordance with section 443 (42 U.S.C. 11402);

(4) The HOME Investment Partnerships Program authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act (NAHA), in accordance with section 288 (42 U.S.C. 12838);

(5) Grants to States and units of general local government for abatement of lead-based paint and lead dust hazards pursuant to Title II of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1992, and grants for lead-based paint hazard reduction under section 1011 of the Housing and Community Development Act of 1992, in accordance with section 1011(o) (42 U.S.C. 4852(o));

(6)(i) Public Housing Programs under Title I of the United States Housing Act of 1937, in accordance with section 26 (42 U.S.C. 1437x);

(ii) Indian Housing Programs under Title I of the United States Housing Act of 1937, including the Mutual Help Program, in accordance with section 26 (42 U.S.C. 1437x); and

(iii) Assistance administered by a public housing agency or Indian housing authority under section 8 of the United States Housing Act of 1937, except for assistance provided under 24 CFR part 886, in accordance with section 26 (42 U.S.C. 1437x);

(7) Special Projects appropriated under an appropriation act for HUD, such as special projects under the heading ''Annual Contributions for Assisted Housing'' in Title II of various Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Acts, in accordance with section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547);

(8) The FHA Multifamily Housing Finance Agency Pilot Program under section 542(c) of the Housing and Community Development Act of 1992, in accordance with section 542(c)(9)(12 U.S.C. 1707 note); and

(9) The Self-Help Homeownership Opportunity Program under section 11 of the Housing Opportunity Program Extension Act of 1996 (Pub. L. 104–120, 110 Stat. 834), in accordance with section 11(m)).

§ 58.2 Terms, abbreviations and definitions.

(a) For the purposes of this part, the following definitions supplement the uniform terminology provided in 40 CFR part 1508:

(1) *Activity* means an action that a grantee or recipient puts forth as part of an assisted project, regardless of whether its cost is to be borne by the HUD assistance or is an eligible expense under the HUD assistance program.

(2) *Certifying Officer* means the official who is authorized to execute the Request for Release of Funds and Certification and has the legal capacity to carry out the responsibilities of § 58.13.

(3) *Extraordinary Circumstances* means a situation in which an environmental assessment (EA) or environmental impact statement (EIS) is not normally required, but due to unusual conditions, an EA or EIS is appropriate. Indicators of unusual conditions are:

(i) Actions that are unique or without precedent;

(ii) Actions that are substantially similar to those that normally require an EIS;

(iii) Actions that are likely to alter existing HUD policy or HUD mandates; or

(iv) Actions that, due to unusual physical conditions on the site or in the vicinity, have the potential for a significant impact on the environment or in which the environment could have a significant impact on users of the facility.

(4) *Project* means an activity, or a group of integrally related activities, designed by the recipient to accomplish, in whole or in part, a specific objective.

(5) *Recipient* means any of the following entities, when they are eligible recipients or grantees under a program listed in § 58.1(b):

(i) A State that does not distribute HUD assistance under the program to a unit of general local government;

(ii) Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, and Palau;

(iii) A unit of general local government;

(iv) An Indian tribe;

(v) (A) With respect to Public Housing Programs under § 58.1(b)(6)(i), a public housing agency;

(B) With respect to Indian Housing Programs under § 58.1(b)(6)(ii), an Indian housing authority;

(C) With respect to section 8 assistance under § 58.1(b)(6)(iii), a public housing agency or Indian housing authority;

(vi) Any direct grantee of HUD for a special project under § 58.1(b)(7);

(vii) With respect to the FHA Multifamily Housing Finance Agency Pilot Program under § 58.1(b)(8), a qualified housing finance agency; and

(viii) With respect to the Self-Help Homeownership Opportunity Program under § 58.1(b)(9), any direct grantee of HUD.

(6) *Release of funds.* In the case of the FHA Multifamily Housing Finance Agency Pilot Program under § 58.1(b)(8), Release of Funds, as used in this part, refers to HUD issuance of a firm approval letter, and Request for Release of Funds refers to a recipient's request for a firm approval letter.

(7) *Responsible Entity* means:

(i) With respect to environmental responsibilities under programs listed in § 58.1(b)(1) through (5), a recipient under the program.

(ii) With respect to environmental responsibilities under the programs listed in § 58.1(b)(6) through (9), a State, unit of general local government, Indian tribe or Alaska native village, when it is the recipient under the program. Non-recipient responsible entities are designated as follows:

(A) For qualified housing finance agencies, the State or a unit of general local government, Indian tribe or Alaska native village whose jurisdiction contains the project site;

(B) For public housing agencies, the unit of general local government within which the project is located that exercises land use responsibility, or if HUD determines this infeasible, the county, or if HUD determines this infeasible, the State;

(C) For non-profit organizations and other entities, the unit of general local government, Indian tribe or Alaska native village within which the project is located that exercises land use responsibility, or if HUD determines this infeasible, the county, or if HUD determines this infeasible, the State;

(D) For Indian housing authorities (outside of Alaska), the Indian tribe in whose jurisdiction the project is located, or if the project is located outside of a reservation, the Indian tribe that established the authority; and

(E) For Indian housing authorities in Alaska, the Alaska native village in whose community the project is located, or if HUD determines this infeasible, a unit of general local government or the State, as designated by HUD.

(8) *Unit Density* refers to a change in the number of dwelling units. Where a threshold is identified as a percentage change in density that triggers review requirements, no distinction is made between an increase or a decrease in density.

(9) *Tiering* means the evaluation of an action or an activity at various points in the development process as a proposal or event becomes ripe for an Environment Assessment or Review.

(10) *Vacant Building* means a habitable structure that has been vacant for more than one year.

(b) The following abbreviations are used throughout this part:

(1) CDBG—Community Development Block Grant;
(2) CEQ—Council on Environmental Quality;
(3) EA—Environmental Assessment;
(4) EIS—Environmental Impact Statement;
(5) EPA—Environmental Protection Agency;
(6) ERR—Environmental Review Record;
(7) FONSI—Finding of No Significant Impact;
(8) HUD—Department of Housing and Urban Development;
(9) NAHA—Cranston-Gonzalez National Affordable Housing Act of 1990;
(10) NEPA—National Environmental Policy Act of 1969, as amended;
(11) NOI/EIS—Notice of Intent to Prepare an EIS;
(12) NOI/RROF—Notice of Intent to Request Release of Funds;
(13) ROD—Record of Decision;
(14) ROF—Release of Funds; and
(15) RROF—Request for Release of Funds.

§ 58.4 Assumption authority.

(a) *Assumption authority for responsible entities: General.* Responsible entities shall assume the responsibility for environmental review, decision-making, and action that would otherwise apply to HUD under NEPA and other provisions of law that further the purposes of NEPA, as specified in § 58.5. Responsible entities that receive assistance directly from HUD assume these responsibilities by execution of a grant agreement with HUD and/or a legally binding document such as the certification contained on HUD Form 7015.15, certifying to the assumption of environmental responsibilities. When a State distributes funds to a responsible entity, the State must provide for appropriate procedures by which these responsible entities will evidence their assumption of environmental responsibilities.

(b) *Particular responsibilities of the States.* (1) States are recipients for purposes of directly undertaking a State project and must assume the environmental review responsibilities for the State's activities and those of any non-governmental entity that may participate in the project. In this case, the State must submit the certification and RROF to HUD for approval.

(2) States must exercise HUD's responsibilities in accordance with § 58.18, with respect to approval of a unit of local government's environmental certification and RROF for a HUD assisted project funded through the State, except for projects assisted by Section 17 Rental Rehabilitation assistance and Housing Development Grants. Approval by the State of a unit of local government's certification and RROF satisfies the Secretary's responsibilities under NEPA and the related laws cited in § 58.5.

(3) For section 17 Rental Rehabilitation projects and Housing Development Grants, the State agency shall meet the responsibilities set forth in § 58.18. However, for section 17 projects, the State lacks authority to approve RROFs and therefore must forward to the responsible HUD Field Office the local recipient's certification and RROF, any objections to the release of funds submitted by another party, and the State's recommendation as to whether HUD should approve the certification and the RROF.

§ 58.5 Related Federal laws and authorities.

In accordance with the provisions of law cited in § 58.1(b), the responsible entity must assume responsibilities for environmental review, decision-making and action that would apply to HUD under the following specified laws and authorities. The responsible entity must certify that it has complied with the requirements that would apply to HUD under these laws and authorities and must consider the criteria, standards, policies and regulations of these laws and authorities.

(a) *Historic properties.* (1) The National Historic Preservation Act of 1966 as amended (16 U.S.C. 470 *et seq.*), particularly sections 106 and 110 (16 U.S.C. 470 and 470h-2), except as provided in § 58.17 for Section 17 projects.

(2) Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 CFR 1971–1975 Comp., p. 559, particularly section 2(c).

(3) Federal historic preservation regulations as follows:

(i) 36 CFR part 800 with respect to HUD programs other than Urban Development Action Grants (UDAG); and

(ii) 36 CFR part 801 with respect to UDAG.

(4) The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16

U.S.C. 469 *et seq.*), particularly section 3 (16 U.S.C. 469a-1).

(b) *Floodplain management and wetland protection.* (1) Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 CFR, 1977 Comp., p. 117, as interpreted in HUD regulations at 24 CFR part 55, particularly section 2(a) of the order (For an explanation of the relationship between the decision-making process in 24 CFR part 55 and this part, see § 55.10 of this subtitle A.)

(2) Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 CFR, 1977 Comp., p. 121, particularly sections 2 and 5.

(c) *Coastal Zone Management.* The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended, particularly section 307(c) and (d) (16 U.S.C. 1456(c) and (d)).

(d) *Sole source aquifers.* (1) The Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300(f) *et seq.*, and 21 U.S.C. 349) as amended; particularly section 1424(e)(42 U.S.C. 300h–3(e)).

(2) Sole Source Aquifers (Environmental Protection Agency—40 CFR part 149).

(e) *Endangered species.* The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended, particularly section 7 (16 U.S.C. 1536).

(f) *Wild and scenic rivers.* The Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 *et seq.*) as amended, particularly section 7(b) and (c) (16 U.S.C. 1278(b) and (c)).

(g) *Air quality.* (1) The Clean Air Act (42 U.S.C. 7401 *et. seq.*) as amended; particularly section 176(c) and (d) (42 U.S.C. 7506(c) and (d)).

(2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency— 40 CFR parts 6, 51, and 93).

(h) *Farmlands protection.* (1) Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202).

(2) Farmland Protection Policy (Department of Agriculture—7 CFR part 658).

(i) *HUD environmental standards.* Applicable criteria and standards specified in HUD environmental regulations (24 CFR part 51) (other than the runway clear zone and clear zone notification requirement in 24 CFR 51.303 (a)(3)) and HUD Notice 79–33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979).

(j) *Environmental justice.* Executive Order 12898—Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994 (59 FR 7629), 3 CFR, 1994 Comp. p. 859.

§ 58.6 Other requirements.

In addition to the duties under the laws and authorities specified in § 58.5 for assumption by the responsible entity under the laws cited in § 58.1(b), the responsible entity must comply with the following requirements. Applicability of the following requirements does not trigger the certification and release of funds procedure under this part or preclude exemption of an activity under § 58.34(a)(11) and/or the applicability of § 58.35(b). However, the responsible entity remains responsible for addressing the following requirements in its ERR and meeting these requirements, where applicable, regardless of whether the activity is exempt under § 58.34 or categorically excluded under § 58.35(a) or (b).

(a)(1) Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001–4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(i) The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79), or less than one year has passed since the FEMA notification regarding such hazards; and

(ii) Flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.

(2) Where a recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, the responsible entity is responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

(3) Paragraph (a) of this section does not apply to Federal formula grants made to a State.

(b) Pursuant to the Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 (16 U.S.C. 3501), HUD assistance may not be used for most activities proposed in the Coastal Barrier Resources System.

(c) In all cases involving HUD assistance, subsidy, or insurance for the purchase or sale of an existing property in a Runway Clear Zone or Clear Zone, as defined in 24 CFR part 51, the responsible entity shall advise the buyer that the property is in a runway clear zone or clear zone, what the implications of such a location are, and that there is a possibility that the property may, at a later date, be acquired by the airport operator. The buyer must sign a statement acknowledging receipt of this information.

Subpart B—General Policy: Responsibilities of Responsible Entities

§ 58.10 Basic environmental responsibility.

In accordance with the provisions of law cited in § 58.1(b), the responsible entity must assume the environmental responsibilities for projects under programs cited in § 58.1(b), and in doing so must comply with the provisions of NEPA and the CEQ regulations contained in 40 CFR parts 1500 through 1508, including the requirements set forth in this part. This includes responsibility for compliance with the applicable provisions and requirements of the Federal laws and authorities specified in § 58.5. The provisions of the CEQ regulations in 40 CFR parts 1500 through 1508 are applicable to this part.

§ 58.11 Legal capacity and performance.

(a) A responsible entity which believes that it does not have the legal capacity to carry out the environmental responsibilities required by this part must contact the appropriate local HUD Office or the State for further instructions. Determinations of legal capacity will be made on a case-by-case basis.

(b) If a public housing, Indian housing, special project or self-help homeownership opportunity recipient objects to the non-recipient responsible entity conducting the environmental review on the basis of performance, timing, or compatibility of objectives, HUD will review the facts to determine who will perform the environmental review.

(c) At any time, HUD may reject the use of a responsible entity to conduct the environmental review in a particular case on the basis of performance, timing or compatibility of objectives, or in accordance with § 58.77(d)(1).

(d) If a responsible entity, other than a recipient, objects to performing an environmental review, or if HUD determines that the responsible entity should not perform the environmental review, HUD may designate another responsible entity to conduct the review

in accordance with this part or may itself conduct the environmental review in accordance with the provisions of 24 CFR part 50.

§ 58.12 Technical and administrative capacity.

The responsible entity must develop the technical and administrative capability necessary to comply with 40 CFR parts 1500 through 1508 and the requirements of this part.

§ 58.13 Responsibilities of the certifying officer.

Under the terms of the certification required by § 58.71, a responsible entity's certifying officer is the ''responsible Federal official'' as that term is used in section 102 of NEPA and in statutory provisions cited in § 58.1(b). The Certifying Officer is therefore responsible for all the requirements of section 102 of NEPA and the related provisions in 40 CFR parts 1500 through 1508, and 24 CFR part 58, including the related Federal authorities listed in § 58.5. The Certifying Officer must also:

(a) Represent the responsible entity and be subject to the jurisdiction of the Federal courts. The Certifying Officer will not be represented by the Department of Justice in court; and

(b) Ensure that the responsible entity reviews and comments on all EISs prepared for Federal projects that may have an impact on the recipient's program.

§ 58.14 Interaction with State, Federal and non-Federal entities.

A responsible entity shall consult, as appropriate, environmental agencies, State, Federal and non-Federal entities and the public in the preparation of an EIS, EA or other environmental reviews undertaken under the related laws and authorities cited in § 58.5 and § 58.6. The responsible entity must also cooperate with other agencies to reduce duplication between NEPA and comparable environmental review requirements of the State (see 40 CFR 1506.2(b) and (c)). The responsible entity must prepare its EAs and EISs so that they comply with the environmental review requirements of both Federal and State laws unless otherwise specified or provided by law. State, Federal and local agencies may participate or act in a joint lead or cooperating agency capacity in the preparation of joint EISs (see 40 CFR 1501.5(b) and 1501.6). A single EIS may be prepared and adopted by multiple users to the extent that the review addresses the relevant environmental issues and there is a written agreement between the cooperating agencies which sets forth the coordinated and overall responsibilities.

§ 58.15 Tiering.

Responsible entities may tier their environmental reviews and assessments to eliminate repetitive discussions of the same issues at subsequent levels of review. Tiering is appropriate when there is a requirement to evaluate a policy or proposal in the early stages of development or when site-specific analysis or mitigation is not currently feasible and a more narrow or focused analysis is better done at a later date. The site specific review need only reference or summarize the issues addressed in the broader review. The broader review should identify and evaluate those issues ripe for decision and exclude those issues not relevant to the policy, program or project under consideration. The broader review should also establish the policy, standard or process to be followed in the site specific review. The Finding of No Significant Impact (FONSI) with respect to the broader assessment shall include a summary of the assessment and identify the significant issues to be considered in site specific reviews. Subsequent site-specific reviews will not require notices or a Request for Release of Funds unless the Certifying Officer determines that there are unanticipated impacts or impacts not adequately addressed in the prior review. A tiering approach can be used for meeting environmental review requirements in areas designated for special focus in local Consolidated Plans. Local and State Governments are encouraged to use the Consolidated Plan process to facilitate environmental reviews.

§ 58.17 Historic Preservation requirements for prior section 17 grants.

A recipient of a section 17 grant shall comply with the historic preservation requirements of this part and existing grant agreements.

§ 58.18 Responsibilities of States Assuming HUD Responsibilities.

(a) States that elect to administer a HUD program shall ensure that the program complies with the provisions of this part. The State must:

(1) Designate the State agency or agencies which will be responsible for carrying out the requirements and administrative responsibilities set forth in subpart H of this part and which will:

(i) Develop a monitoring and enforcement program for post-review actions on environmental reviews and monitor compliance with any environmental conditions included in the award.

(ii) Receive public notices, RROFs and certifications from recipients pursuant to §§ 58.70 and 58.71; accept objections from the public and from other agencies (§ 58.73); and perform other related responsibilities regarding releases of funds.

(2) Fulfill the State role in subpart H relative to the time period set for the receipt and disposition of comments, objections and appeals (if any) on particular projects.

(b) States administering section 17 Programs shall assume the responsibilities set forth in this section for overseeing the State recipient's performance and compliance with NEPA and related Federal authorities as set forth in this part, including receiving RROFs and environmental certifications for particular projects from State recipients and objections from government agencies and the public in accordance with the procedures contained in subpart H of this part. The State shall forward to the responsible HUD Field Office the environmental certification, the RROF and any objections received, and shall recommend whether to approve or disapprove the certification and RROF.

Subpart C—General Policy: Environmental Review Procedures

§ 58.21 Time periods.

All time periods in this part shall be counted in calendar days. The first day of a time period begins at 12:01 a.m. local time on the day following the publication or the mailing and posting date of the notice which initiates the time period.

§ 58.22 Limitations on activities pending clearance.

(a) A recipient may not commit HUD assistance funds under a program listed in § 58.1(b) on an activity or project until HUD or the State has approved the recipient's RROF and the related certification of the responsible entity. In addition, until the RROF and related certification has been approved, the recipient may not commit non-HUD funds on an activity or project under a program listed in § 58.1(b) if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. If an activity is exempt under § 58.34, or not subject to § 58.5 under § 58.35(b), no RROF is required and a recipient may undertake the activity immediately after the award of the assistance.

(b) An option agreement on a proposed site or property is allowable prior to the completion of the environmental review if the option

agreement is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with this part and the cost of the option is a nominal portion of the purchase price. There is no constraint on the purchase of an option by third parties that have not been selected for HUD funding, have no responsibility for the environmental review and have no say in the approval or disapproval of the project.

(c) *Relocation.* Funds may be committed for relocation assistance before the approval of the RROF and related certification for the project provided that the relocation assistance is required by 24 CFR part 42.

§ 58.23 Financial assistance for environmental review.

The costs of environmental reviews, including costs incurred in complying with any of the related laws and authorities cited in § 58.5 and § 58.6, are eligible costs to the extent allowable under the HUD assistance program regulations.

Subpart D—Environmental Review Process: Documentation, Range of Activities, Project Aggregation and Classification

§ 58.30 Environmental Review Process.

(a) The environmental review process consists of all the actions that a responsible entity must take to determine compliance with this part. The environmental review process includes all the compliance actions needed for other activities and projects that are not assisted by HUD but are aggregated by the responsible entity in accordance with § 58.32.

(b) The environmental review process should begin as soon as a recipient determines the projected use of HUD assistance.

§ 58.32 Project aggregation.

(a) A responsible entity must group together and evaluate as a single project all individual activities which are related either on a geographical or functional basis, or are logical parts of a composite of contemplated actions.

(b) In deciding the most appropriate basis for aggregation when evaluating activities under more than one program, the responsible entity may choose: *functional aggregation* when a specific type of activity (e.g., water improvements) is to take place in several separate locales or jurisdictions; *geographic aggregation* when a mix of dissimilar but related activities is to be concentrated in a fairly specific project area (e.g., a combination of water, sewer and street improvements and economic development activities); or *a combination of aggregation approaches,* which, for various project locations, considers the impacts arising from each functional activity and its interrelationship with other activities.

(c) The purpose of project aggregation is to group together related activities so that the responsible entity can:

(1) Address adequately and analyze, in a single environmental review, the separate and combined impacts of activities that are similar, connected and closely related, or that are dependent upon other activities and actions. (See 40 CFR 1508.25(a)).

(2) Consider reasonable alternative courses of action.

(3) Schedule the activities to resolve conflicts or mitigate the individual, combined and/or cumulative effects.

(4) Prescribe mitigation measures and safeguards including project alternatives and modifications to individual activities.

(d) *Multi-year project aggregation.* (1) *Release of funds.* When a recipient's planning and program development provide for activities to be implemented over two or more years, the responsible entity's environmental review should consider the relationship among all component activities of the multi-year project regardless of the source of funds and address and evaluate their cumulative environmental effects. The estimated range of the aggregated activities and the estimated cost of the total project must be listed and described by the responsible entity in the environmental review and included in the RROF. The release of funds will cover the entire project period.

(2) When one or more of the conditions described in § 58.47 exists, the recipient or other responsible entity must re-evaluate the environmental review.

§ 58.33 Emergencies.

(a) In the cases of emergency, disaster or imminent threat to health and safety which warrant the taking of an action with significant environmental impact, the provisions of 40 CFR 1506.11 shall apply.

(b) If funds are needed on an emergency basis and when adherence to separate comment periods would prevent the giving of assistance, the combined Notice of FONSI and the Notice of the Intent to Request Release of Funds may be disseminated and/or published simultaneously with the submission of the Request for Release of Funds (RROF). The combined Notice of FONSI and NOI/ROF shall state that the funds are needed on an immediate emergency basis due to a Presidentially declared disaster and that the comment periods have been combined. The Notice shall also invite commenters to submit their comments to both HUD and the responsible entity issuing the notice to assure that these comments will receive full consideration.

§ 58.34 Exempt activities.

(a) Except for the applicable requirements of § 58.6, the responsible entity does not have to comply with the requirements of this part or undertake any environmental review, consultation or other action under NEPA and the other provisions of law or authorities cited in § 58.5 for the activities exempt by this section or projects consisting solely of the following exempt activities:

(1) Environmental and other studies, resource identification and the development of plans and strategies;

(2) Information and financial services;

(3) Administrative and management activities;

(4) Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;

(5) Inspections and testing of properties for hazards or defects;

(6) Purchase of insurance;

(7) Purchase of tools;

(8) Engineering or design costs;

(9) Technical assistance and training;

(10) Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary only to control or arrest the effects from disasters, imminent threats or physical deterioration;

(11) Payment of principal and interest on loans made or obligations guaranteed by HUD;

(12) Any of the categorical exclusions listed in § 58.35(a) provided that there are no circumstances which require compliance with any other Federal laws and authorities cited in § 58.5.

(b) A recipient does not have to submit an RROF and certification, and no further approval from HUD or the State will be needed by the recipient for the drawdown of funds to carry out exempt activities and projects. However, the responsible entity must document in writing its determination that each activity or project is exempt and meets the conditions specified for such exemption under this section.

§ 58.35 Categorical exclusions.

Categorical exclusion refers to a category of activities for which no environmental impact statement or environmental assessment and finding of no significant impact under NEPA is required, except in extraordinary circumstances (see § 58.2(a)(3)) in which a normally excluded activity may have a significant impact. Compliance with the other applicable Federal environmental laws and authorities listed in § 58.5 is required for any categorical exclusion listed in paragraph (a) of this section.

(a) *Categorical exclusions subject to § 58.5.* The following activities are categorically excluded under NEPA, but may be subject to review under authorities listed in § 58.5:

(1) Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets).

(2) Special projects directed to the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and handicapped persons.

(3) Rehabilitation of buildings and improvements when the following conditions are met:

(i) In the case of multifamily residential buildings:

(A) Unit density is not changed more than 20 percent;

(B) The project does not involve changes in land use from residential to non-residential; and

(C) The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

(ii) In the case of non-residential structures, including commercial, industrial, and public buildings:

(A) The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and

(B) The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another.

(4) An individual action on a one- to four-family dwelling or an individual action on a project of five or more units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four units on any one site.

(5) Acquisition or disposition of an existing structure or acquisition of vacant land provided that the structure or land acquired or disposed of will be retained for the same use.

(6) Combinations of the above activities.

(b) *Categorical exclusions not subject to § 58.5.* The Department has determined that the following categorically excluded activities would not alter any conditions that would require a review or compliance determination under the Federal laws and authorities cited in § 58.5. When the following kinds of activities are undertaken, the responsible entity does not have to publish a NOI/RROF or execute a certification and the recipient does not have to submit a RROF to HUD (or the State) except in the circumstances described in paragraph (c) of this section. Following the award of the assistance, no further approval from HUD or the State will be needed with respect to environmental requirements, except where paragraph (c) of this section applies. The recipient remains responsible for carrying out any applicable requirements under § 58.6.

(1) Tenant-based rental assistance;

(2) Supportive services including, but not limited to, health care, housing services, permanent housing placement, day care, nutritional services, short-term payments for rent/mortgage/utility costs, and assistance in gaining access to local, State, and Federal government benefits and services;

(3) Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment and other incidental costs;

(4) Economic development activities, including but not limited to, equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations;

(5) Activities to assist homeownership of existing ''or new dwelling units not assisted with Federal funds'' including closing costs and down payment assistance to home buyers, interest buydowns and similar activities that result in the transfer of title to a property;

(6) Affordable housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact.

(c) *Circumstances requiring NEPA review.* If a responsible entity determines that an activity or project identified in paragraph (a) or (b) of this section, because of extraordinary circumstances and conditions at or affecting the location of the activity or project, may have a significant environmental effect, it shall comply with all the requirements of this part.

(d) The Environmental Review Record (ERR) must contain a well organized written record of the process and determinations made under this section.

§ 58.36 Environmental assessments.

If a project is not exempt or categorically excluded under §§ 58.34 and 58.35, the responsible entity must prepare an EA in accordance with subpart E of this part. If it is evident without preparing an EA that an EIS is required under § 58.37, the responsible entity should proceed directly to an EIS.

§ 58.37 Environmental impact statement determinations.

(a) An EIS is required when the project is determined to have a potentially significant impact on the human environment.

(b) An EIS is required under any of the following circumstances, except as provided in paragraph (c) of this section:

(1) The project would provide a site or sites for, or result in the construction of, hospitals or nursing homes containing a total of 2,500 or more beds.

(2) The project would remove, demolish, convert or substantially rehabilitate 2,500 or more existing housing units (but not including rehabilitation projects categorically excluded under § 58.35), or would result in the construction or installation of 2,500 or more housing units, or would provide sites for 2,500 or more housing units.

(3) The project would provide enough additional water and sewer capacity to support 2,500 or more additional housing units. The project does not have to be specifically intended for residential use nor does it have to be totally new construction. If the project is designed to provide upgraded service to existing development as well as to serve new development, only that portion of the increased capacity which is intended to serve new development should be counted.

(c) If, on the basis of an EA, a responsible entity determines that the thresholds in paragraph (b) of this section are the sole reason for the EIS, the responsible entity may prepare a FONSI pursuant to 40 CFR 1501.4. In such cases, the FONSI must be made available for public review for at least 30 days before the responsible entity

makes the final determination whether to prepare an EIS.

(d) Notwithstanding paragraphs (a) through (c) of this section, an EIS is not required where § 58.53 is applicable.

(e) *Recommended EIS Format.* The responsible entity must use the EIS format recommended by the CEQ regulations (40 CFR 1502.10) unless a determination is made on a particular project that there is a compelling reason to do otherwise. In such a case, the EIS format must meet the minimum requirements prescribed in 40 CFR 1502.10.

§ 58.38 Environmental review record.

The responsible entity must maintain a written record of the environmental review undertaken under this part for each project. This document will be designated the ''Environmental Review Record'' (ERR), and shall be available for public review. The responsible entity must use the current HUD-recommended formats or develop equivalent formats.

(a) *ERR Documents.* The ERR shall contain all the environmental review documents, public notices and written determinations or environmental findings required by this part as evidence of review, decisionmaking and actions pertaining to a particular project of a recipient. The document shall:

(1) Describe the project and the activities that the recipient has determined to be part of the project;

(2) Evaluate the effects of the project or the activities on the human environment;

(3) Document compliance with applicable statutes and authorities, in particular those cited in § 58.5 and 58.6; and

(4) Record the written determinations and other review findings required by this part (e.g., exempt and categorically excluded projects determinations, findings of no significant impact).

(b) *Other documents and information.* The ERR shall also contain verifiable source documents and relevant base data used or cited in EAs, EISs or other project review documents. These documents may be incorporated by reference into the ERR provided that each source document is identified and available for inspection by interested parties. Proprietary material and special studies prepared for the recipient that are not otherwise generally available for public review shall not be incorporated by reference but shall be included in the ERR.

Subpart E—Environmental Review Process: Environmental Assessments (EA's)

§ 58.40 Preparing the environmental assessment.

The responsible entity may prepare the EA using the HUD recommended format. In preparing an EA for a particular project, the responsible entity must:

(a) Determine existing conditions and describe the character, features and resources of the project area and its surroundings; identify the trends that are likely to continue in the absence of the project.

(b) Identify all potential environmental impacts, whether beneficial or adverse, and the conditions that would change as a result of the project.

(c) Identify, analyze and evaluate all impacts to determine the significance of their effects on the human environment and whether the project will require further compliance under related laws and authorities cited in § 58.5 and § 58.6.

(d) Examine and recommend feasible ways in which the project or external factors relating to the project could be modified in order to eliminate or minimize adverse environmental impacts.

(e) Examine alternatives to the project itself, if appropriate, including the alternative of no action.

(f) Complete all environmental review requirements necessary for the project's compliance with applicable authorities cited in §§ 58.5 and 58.6.

(g) Based on steps set forth in paragraph (a) through (f) of this section, make one of the following findings:

(1) A Finding of No Significant Impact (FONSI), in which the responsible entity determines that the project is not an action that will result in a significant impact on the quality of the human environment. The responsible entity may then proceed to § 58.43.

(2) A finding of significant impact, in which the project is deemed to be an action which may significantly affect the quality of the human environment. The responsible entity must then proceed with its environmental review under subpart F or G of this part.

§ 58.43 Dissemination and/or publication of the findings of no significant impact.

(a) If the responsible entity makes a finding of no significant impact, it must prepare a FONSI notice, using the current HUD-recommended format or an equivalent format. As a minimum, the responsible entity must send the FONSI notice to individuals and groups known to be interested in the activities, to the local news media, to the appropriate tribal, local, State and Federal agencies; to the Regional Offices of the Environmental Protection Agency having jurisdiction and to the HUD Field Office (or the State where applicable). The responsible entity may also publish the FONSI notice in a newspaper of general circulation in the affected community. If the notice is not published, it must also be prominently displayed in public buildings, such as the local Post Office and within the project area or in accordance with procedures established as part of the citizen participation process.

(b) The responsible entity may disseminate or publish a FONSI notice at the same time it disseminates or publishes the NOI/RROF required by § 58.70. If the notices are released as a combined notice, the combined notice shall:

(1) Clearly indicate that it is intended to meet two separate procedural requirements; and

(2) Advise the public to specify in their comments which ''notice'' their comments address.

(c) The responsible entity must consider the comments and make modifications, if appropriate, in response to the comments, before it completes its environmental certification and before the recipient submits its RROF. If funds will be used in Presidentially declared disaster areas, modifications resulting from public comment, if appropriate, must be made before proceeding with the expenditure of funds.

§ 58.45 Public comment periods.

(a) Notice of finding of no significant impact: 15 days from date of publication or if no publication, 18 days from the date of mailing and posting.

(b) Notice of intent to request release of funds: 7 days from date of publication or if no publication, 10 days from date of mailing and posting.

(c) Concurrent or combined notices: Same as FONSI notice.

§ 58.46 Time delays for exceptional circumstances.

The responsible entity must make the FONSI available for public comments for 30 days before the recipient files the RROF when:

(a) There is a considerable interest or controversy concerning the project;

(b) The proposed project is similar to other projects that normally require the preparation of an EIS; or

(c) The project is unique and without precedent.

§ 58.47 Re-evaluation of environmental assessments and other environmental findings.

(a) A responsible entity must re-evaluate its environmental findings when:

(1) The recipient proposes substantial changes in the nature, magnitude or extent of the project, including adding new activities not anticipated in the original scope of the project;

(2) There are new circumstances and environmental conditions which may affect the project or have a bearing on its impact, such as concealed or unexpected conditions discovered during the implementation of the project or activity which is proposed to be continued; or

(3) The recipient proposes the selection of an alternative not in the original finding.

(b) The purpose of the responsible entity's re-evaluation is to determine if the original findings are still valid. If the original findings are still valid but the data or conditions upon which they were based have changed, the responsible entity must amend the original findings and update its ERR by including this re-evaluation and its determination based on its findings. If the responsible entity determines that the original findings are no longer valid, it must prepare an EA or an EIS if its evaluation indicates potentially significant impacts. Where the recipient is not the responsible entity, the recipient must inform the responsible entity promptly of any proposed substantial changes under paragraph (a)(1) of this section, new circumstances or environmental conditions under paragraph (a)(2) of this section, or any proposals to select a different alternative under paragraph (a)(3) of this section, and must then permit the responsible entity to re-evaluate the findings before proceeding.

Subpart F—Environmental Review Process: Environmental Impact Statement Determinations

§ 58.52 Adoption of other agencies' EISs.

The responsible entity may adopt a draft or final EIS prepared by another agency provided that the EIS was prepared in accordance with 40 CFR parts 1500 through 1508. If the responsible entity adopts an EIS prepared by another agency, the procedure in 40 CFR 1506.3 shall be followed. An adopted EIS may have to be revised and modified to adapt it to the particular environmental conditions and circumstances of the project if these are different from the project reviewed in the EIS. In such cases the responsible entity must prepare, circulate, and file a supplemental draft EIS in the manner prescribed in § 58.60(d) and otherwise comply with the clearance and time requirements of the EIS process, except that scoping requirements under 40 CFR 1501.7 shall not apply. The agency that prepared the original EIS should be informed that the responsible entity intends to amend and adopt the EIS. The responsible entity may adopt an EIS when it acts as a cooperating agency in its preparation under 40 CFR 1506.3. The responsible entity is not required to re-circulate or file the EIS, but must complete the clearance process for the RROF. The decision to adopt an EIS shall be made a part of the project ERR.

§ 58.53 Use of prior environmental impact statements.

Where any final EIS has been listed in the Federal Register for a project pursuant to this part, or where an areawide or similar broad scale final EIS has been issued and the EIS anticipated a subsequent project requiring an environmental clearance, then no new EIS is required for the subsequent project if all the following conditions are met:

(a) The ERR contains a decision based on a finding pursuant to § 58.40 that the proposed project is not a new major Federal action significantly affecting the quality of the human environment. The decision shall include:

(1) References to the prior EIS and its evaluation of the environmental factors affecting the proposed subsequent action subject to NEPA;

(2) An evaluation of any environmental factors which may not have been previously assessed, or which may have significantly changed;

(3) An analysis showing that the proposed project is consistent with the location, use, and density assumptions for the site and with the timing and capacity of the circulation, utility, and other supporting infrastructure assumptions in the prior EIS;

(4) Documentation showing that where the previous EIS called for mitigating measures or other corrective action, these are completed to the extent reasonable given the current state of development.

(b) The prior final EIS has been filed within five (5) years, and updated as follows:

(1) The EIS has been updated to reflect any significant revisions made to the assumptions under which the original EIS was prepared;

(2) The EIS has been updated to reflect new environmental issues and data or legislation and implementing regulations which may have significant environmental impact on the project area covered by the prior EIS.

(c) There is no litigation pending in connection with the prior EIS, and no final judicial finding of inadequacy of the prior EIS has been made.

Subpart G—Environmental Review Process: Procedures for Draft, Final and Supplemental Environmental Impact Statements

§ 58.55 Notice of intent to prepare an EIS.

As soon as practicable after the responsible entity decides to prepare an EIS, it must publish a NOI/EIS, using the HUD recommended format and disseminate it in the same manner as required by 40 CFR parts 1500 through 1508.

§ 58.56 Scoping process.

The determination on whether or not to hold a scoping meeting will depend on the same circumstances and factors as for the holding of public hearings under § 58.59. The responsible entity must wait at least 15 days after disseminating or publishing the NOI/EIS before holding a scoping meeting.

§ 58.57 Lead agency designation.

If there are several agencies ready to assume the lead role, the responsible entity must make its decision based on the criteria in 40 CFR 1501.5(c). If the responsible entity and a Federal agency are unable to reach agreement, then the responsible entity must notify HUD (or the State, where applicable). HUD (or the State) will assist in obtaining a determination based on the procedure set forth in 40 CFR 1501.5(e).

§ 58.59 Public hearings and meetings.

(a) *Factors to consider.* In determining whether or not to hold public hearings in accordance with 40 CFR 1506.6, the responsible entity must consider the following factors:

(1) The magnitude of the project in terms of economic costs, the geographic area involved, and the uniqueness or size of commitment of resources involved.

(2) The degree of interest in or controversy concerning the project.

(3) The complexity of the issues and the likelihood that information will be presented at the hearing which will be of assistance to the responsible entity.

(4) The extent to which public involvement has been achieved through other means.

(b) *Procedure.* All public hearings must be preceded by a notice of public hearing, which must be published in the local news media 15 days before the hearing date. The Notice must:

(1) State the date, time, place, and purpose of the hearing or meeting.

(2) Describe the project, its estimated costs, and the project area.

(3) State that persons desiring to be heard on environmental issues will be afforded the opportunity to be heard.

(4) State the responsible entity's name and address and the name and address of its Certifying Officer.

(5) State what documents are available, where they can be obtained, and any charges that may apply.

§ 58.60 Preparation and filing of environmental impact statements.

(a) The responsible entity must prepare the draft environmental impact statement (DEIS) and the final environmental impact statements (FEIS) using the current HUD recommended format or its equivalent.

(b) The responsible entity must file and distribute the (DEIS) and the (FEIS) in the following manner:

(1) Five copies to EPA Headquarters;

(2) Five copies to EPA Regional Office;

(3) Copies made available in the responsible entity's and the recipient's office;

(4) Copies or summaries made available to persons who request them; and

(5) FEIS only—one copy to State, HUD Field Office, and HUD Headquarters library.

(c) The responsible entity may request waivers from the time requirements specified for the draft and final EIS as prescribed in 40 CFR 1506.6.

(d) When substantial changes are proposed in a project or when significant new circumstances or information becomes available during an environmental review, the recipient may prepare a supplemental EIS as prescribed in 40 CFR 1502.9.

(e) The responsible entity must prepare a Record of Decision (ROD) as prescribed in 40 CFR 1502.2.

Subpart H—Release of Funds for Particular Projects

§ 58.70 Notice of intent to request release of funds.

The NOI/RROF must be disseminated and/or published in the manner prescribed by § 58.43 and § 58.45 before the certification is signed by the responsible entity.

§ 58.71 Request for release of funds and certification.

(a) The RROF and certification shall be sent to the appropriate HUD Field Office (or the State, if applicable), except as provided in paragraph (b) of this section. This request shall be executed by the Certifying Officer. The request shall describe the specific project and activities covered by the request and contain the certification required under the applicable statute cited in § 58.1(b). The RROF and certification must be in a form specified by HUD.

(b) When the responsible entity is conducting an environmental review on behalf of a recipient, as provided for in § 58.10, the recipient must provide the responsible entity with all available project and environmental information and refrain from undertaking any physical activities or choice limiting actions until HUD (or the State, if applicable) has approved its request for release of funds. The certification form executed by the responsible entity's certifying officer shall be sent to the recipient that is to receive the assistance along with a description of any special environmental conditions that must be adhered to in carrying out the project. The recipient is to submit the RROF and the certification of the responsible entity to HUD (or the State, if applicable) requesting the release of funds. The recipient must agree to abide by the special conditions, procedures and requirements of the environmental review, and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions.

(c) If the responsible entity determines that some of the activities are exempt under applicable provisions of this part, the responsible entity shall advise the recipient that it may commit funds for these activities as soon as programmatic authorization is received. This finding shall be documented in the ERR maintained by the responsible entity and in the recipient's project files.

§ 58.72 HUD or State Actions on RROFs and certifications.

The actions which HUD (or a State) may take with respect to a recipient's environmental certification and RROF are as follows:

(a) In the absence of any receipt of objection to the contrary, except as provided in paragraph (b) of this section, HUD (or the State) will assume the validity of the certification and RROF and will approve these documents after expiration of the 15-day period prescribed by statute.

(b) HUD (or the State) may disapprove a certification and RROF if it has knowledge that the responsible entity has not complied with the items in § 58.75, or that the RROF and certification are inaccurate.

(c) In cases in which HUD has approved a certification and RROF but subsequently learns (e.g., through monitoring) that the recipient violated § 58.22 or the recipient or responsible entity otherwise failed to comply with a clearly applicable environmental authority, HUD shall impose appropriate remedies and sanctions in accord with the law and regulations for the program under which the violation was found.

§ 58.73 Objections to release of funds.

HUD (or the State) will not approve the ROF for any project before 15 calendar days have elapsed from the time of receipt of the RROF and the certification or from the time specified in the notice published pursuant to § 58.70, whichever is later. Any person or agency may object to a recipient's RROF and the related certification. However, the objections must meet the conditions and procedures set forth in subpart H of this part. HUD (or the State) can refuse the RROF and certification on any grounds set forth in § 58.75. All decisions by HUD (or the State) regarding the RROF and the certification shall be final.

§ 58.74 Time for objecting.

All objections must be received by HUD (or the State) within 15 days from the time HUD (or the State) receives the recipient's RROF and the related certification, or within the time period specified in the notice, whichever is later.

§ 58.75 Permissible bases for objections.

HUD (or the State), will consider objections claiming a responsible entity's noncompliance with this part based only on any of the following grounds:

(a) The certification was not in fact executed by the responsible entity's Certifying Officer.

(b) The responsible entity has failed to make one of the two findings pursuant to § 58.40 or to make the written determination required by §§ 58.35, 58.47 or 58.53 for the project, as applicable.

(c) The responsible entity has omitted one or more of the steps set forth at subpart E of this part for the preparation, publication and completion of an EA.

(d) The responsible entity has omitted one or more of the steps set forth at subparts F and G of this part for the conduct, preparation, publication and completion of an EIS.

(e) The recipient has committed funds or incurred costs not authorized by this part before release of funds and approval of the environmental certification by HUD or the State.

(f) Another Federal agency acting pursuant to 40 CFR part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality.

§ 58.76 Procedure for objections.

A person or agency objecting to a responsible entity's RROF and certification shall submit objections in writing to HUD (or the State). The objections shall:

(a) Include the name, address and telephone number of the person or agency submitting the objection, and be signed by the person or authorized official of an agency.

(b) Be dated when signed.

(c) Describe the basis for objection and the facts or legal authority supporting the objection.

(d) State when a copy of the objection was mailed or delivered to the responsible entity's Certifying Officer.

§ 58.77 Effect of approval of certification.

(a) *Responsibilities of HUD and States.* HUD's (or, where applicable, the State's) approval of the certification shall be deemed to satisfy the responsibilities of the Secretary under NEPA and related provisions of law cited at § 58.5 insofar as those responsibilities relate to the release of funds as authorized by the applicable provisions of law cited in § 58.1(b).

(b) *Public and agency redress.* Persons and agencies seeking redress in relation to environmental reviews covered by an approved certification shall deal with the responsible entity and not with HUD. It is HUD's policy to refer all inquiries and complaints to the responsible entity and its Certifying Officer. Similarly, the State (where applicable) may direct persons and agencies seeking redress in relation to environmental reviews covered by an approved certification to deal with the responsible entity, and not the State, and may refer inquiries and complaints to the responsible entity and its Certifying Officer. Remedies for noncompliance are set forth in program regulations.

(c) *Implementation of environmental review decisions.* Projects of a recipient will require post-review monitoring and other inspection and enforcement actions by the recipient and the State or HUD (using procedures provided for in program regulations) to assure that decisions adopted through the environmental review process are carried out during project development and implementation.

(d) *Responsibility for monitoring and training.* (1) At least once every three years, HUD intends to conduct in-depth monitoring and exercise quality control (through training and consultation) over the environmental activities performed by responsible entities under this part. Limited monitoring of these environmental activities will be conducted during each program monitoring site visit. If through limited or in-depth monitoring of these environmental activities or by other means, HUD becomes aware of any environmental deficiencies, HUD may take one or more of the following actions:

(i) In the case of problems found during limited monitoring, HUD may schedule in-depth monitoring at an earlier date or may schedule in-depth monitoring more frequently;

(ii) HUD may require attendance by staff of the responsible entity at HUD-sponsored or approved training, which will be provided periodically at various locations around the country;

(iii) HUD may refuse to accept the certifications of environmental compliance on subsequent grants;

(iv) HUD may suspend or terminate the responsible entity's assumption of the environmental review responsibility;

(v) HUD may initiate sanctions, corrective actions, or other remedies specified in program regulations or agreements or contracts with the recipient.

(2) HUD's responsibilities and action under paragraph (d)(1) of this section shall not be construed to limit or reduce any responsibility assumed by a responsible entity with respect to any particular release of funds under this part. Whether or not HUD takes action under paragraph (d)(1) of this section, the Certifying Officer remains the responsible Federal official under § 58.13 with respect to projects and activities for which the Certifying Officer has submitted a certification under this part.

Dated: March 27, 1996.

Henry G. Cisneros,

Secretary.

[FR Doc. 96–10467 Filed 4–29–96; 8:45 am]

BILLING CODE 4210–29–P

CHAPTER FOUR:

RELOCATION AND DISPLACEMENT

1. OVERVIEW

1.1 **THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970 (UNIFORM ACT)** - The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), and its implementing regulations, 49 CFR Part 24 requires relocation assistance where acquisition has occurred under the Uniform Act.

1. The Uniform Act coverage was expanded in 1987 to cover displacement of individuals resulting from rehabilitation, demolition or private acquisition carried out under a federally assisted project or program.

1.2 **Section 104(d)** - Section 104(d) of the Housing and Community Development Act ("The Barney Frank Amendments") and HUD's Residential Anti-Displacement and Relocation Assistance Plan include additional relocation requirements. This extra level of relocation protection may be triggered for low income households when units are converted or demolished with CDBG, UDAG, or HOME funds.

1. When Section 104(d) is triggered, jurisdictions may need to replace any low/moderate income dwelling units that are lost to the conversion or demolition. This chapter covers only residential relocation. If non-residential (commercial/industrial) relocation is involved, contact THDA.

2. PROGRAM DESIGN CONSIDERATIONS FOR HOME ADMINISTRATORS

2.1 **RELOCATION CONSIDERATIONS IN PROJECT SELECTION** - Concerns about relocation may cause an administrator to consider establishing a preference for vacant buildings. However, administrators should also consider:

1. Vacant buildings are often very deteriorated. Rehabilitating an occupied building even with the cost of assisting tenants to remain or relocate, may be less costly than rehabilitating a vacant building.

2. Selecting vacant projects does not relieve all relocation concerns. Vacant buildings in good condition may have been recently occupied. If so, the program administrator must consider whether the owner removed the tenants in order to apply for HOME assistance for a vacant building. If so, these tenants are displaced persons.

3. In occupied buildings, program administrators must consider whether occupants will be able to return after rehabilitation and whether Section 8

is available to avoid displacement and whether Section 8 assistance is available to help meet relocation costs.

2.2 **MINIMIZING DISPLACEMENT** - Consistent with the HOME rules and THDA's Non-Displacement Plan, each Grantee must insure that it has taken all reasonable steps to minimize the displacement of persons as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.

2.3 **NEED FOR SKILLED RELOCATION STAFF** - Skilled staff can save the local program money and build goodwill with owners and tenants. Failure to understand and follow relocation requirements can result in unnecessary costs for the local program.

2.4 **EARLY DISCUSSIONS WITH OWNERS AND PROGRAM STAFF** - It is possible for uninformed owners and staff to take steps that would obligate the local program to provide significant relocation benefits and services. Early briefings for owners and program staff on relocation rules are essential.

3. RELOCATION REFERENCE MATERIAL AND RESOURCES

3.1 **HANDBOOK 1378** - Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition consolidates relocation requirements for HOME and other HUD programs in one document. It is available from HUD Field Offices or by contacting THDA.

3.2 **INFORMATIONAL BOOKLETS** - HUD informational booklets for persons who are displaced or whose property is to be acquired are available from HUD Field Offices or by contacting THDA.

4. UNIFORM RELOCATION ACT REQUIREMENTS

4.1 **TRIGGERING URA** - URA requirements are triggered at the time the owner's proposal is submitted and additional requirements are triggered at the time the agreement is signed between the owner and the grantee.

4.2 **TREATMENT OF DISPLACED PERSONS** - Treatment of displaced persons depends upon whether the displaced person is a tenant or owner; a business or family; has income above or below the Section 8 Lower Income Limit.

4.3 **TEMPORARY RELOCATION OF RESIDENTIAL TENANTS** - Residential tenants who will not be required to move permanently but who must relocate temporarily for the project must be provided reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation,

including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.

1. In addition, these tenants must also be provided with:

   a. Appropriate advisory services, including advance written notice of the date and approximate duration of the temporary relocation;

   b. The location of the suitable, decent, safe and sanitary dwelling to be made available for the temporary period;

   c. The terms and conditions under which the tenant may lease and occupy a unit in the building/complex upon completion of the project.

4.4 **DISPLACED PERSON** - A person (family individual, business, non-profit organization or farm, including any corporation, partnership or association) that moves from the real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

1. After notice by the owner to move permanently from the property, if the move occurs on or after:

   a. The date of the submission of an application to the State or HUD, if the applicant has site control and the application is later approved; or

   b. The date the State approves the applicable site, if the applicant does not have site control at the time of the application; or

2. Before the date described in paragraph 4.4(1)(a-b) above if the State or HUD determines that the displacement resulted directly from acquisition, rehabilitation or demolition for the project; or

3. By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:

   a. The tenant moves after execution of the agreement covering the acquisition, rehabilitation or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average utility costs that do not exceed the greater of:

1. The tenant's monthly rent before such agreement and estimated average monthly utility costs; or

2. The total tenant payment, as determined under 24 CFR 813.107, if the tenant is low-income, or 30% of gross household income, if the tenant is not low-income; or

b. The tenant is required to relocate temporarily, does not return to the building/complex, and either:

1. The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or

2. Other conditions of the temporary relocation are not reasonable; or

c. The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.

4.5 **NON-DISPLACED PERSON** – A person *does not qualify as a displaced person if:*

1. The person has been evicted for cause, based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the State determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date for any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.

2. The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the project;

3. The person is ineligible under 49 CFR 24.2(g)(2); or

4. HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

4.6. **INITIATION OF NEGOTIATIONS** - For purposes of determining the formula for computing replacement housing assistance to be provided under the Uniform Relocation Act to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or acquisition of the real property, the term

initiation of negotiations means the execution of the agreement covering the acquisition, rehabilitation or demolition.

4.7 **ADVISORY SERVICES** - Relocation advisory services must be offered and shall include such measures, facilities, and/or services as may be necessary or appropriate to:

1. Determine the need of displaced persons for relocation assistance.

2. Provide current and continuing information on availability, prices, and rentals of comparable replacement properties and housing. A displaced person must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601-19) and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe and sanitary replacement dwellings not located in such areas.

3. Assure that, prior to displacement, decent, safe and sanitary comparable replacement dwellings will be available to displaced persons.

    a. Decent, safe and sanitary are defined as meeting local housing and occupancy codes, or where those do not exist, Section 8 Existing Housing Standards. The unit must also be free of lead-based paint hazards (and of architectural barriers, if serving a handicapped person).

    b. Comparable units refer to size, condition, type of neighborhood, and access to employment, public and commercial facilities.

4. Ensure that the "decent, safe, and sanitary comparable dwelling" is affordable and available to displaced persons.

    a. The replacement unit actually selected must be standard and it may be a better unit than the displaced unit. So, if the displacee chooses to relocate to a better unit, the Grantee should base the relocation payment on the difference between the most comparable unit and the displaced unit or ability to pay, and <u>not</u> on the cost of the unit that the displacee wants to move in.

    b. Affordable means that the monthly housing costs shall not exceed 30% of the household's income with the replacement housing payments.

5. Supply information concerning Federal and State housing programs and services.

6. Provide counseling to affirmatively further fair housing. The regulations require that the Grantee make available to low income and minority families special counseling and related services, e.g., transportation

services. The Grantee may secure these services through fair housing or civil rights groups.

7. Provide other advisory services to displaced persons in order to minimize hardships.

4.8 **BENEFITS AS RIGHTS UNDER THE UNIFORM ACT** - The Grantee should stress that the benefits under the Uniform Act are "rights" to which the individual is entitled and that the Grantee's job is to ensure that all displacees receive the maximum amount of benefits to which they are entitled.

1. It should also be explicitly stated that there are no income or need criteria for benefits. All persons, regardless of income level, are eligible if they are relocated.

2. Certain benefits may be prorated for unrelated individuals living together.

4.9 **NOTICE REQUIREMENTS** - All occupants must receive timely notices explaining whether or not they will be displaced. This applies to REHABILITATION AS WELL AS ACQUISITION projects. *Failure to issue appropriate notices in a timely fashion may result in relocation payments made where they would otherwise not have been required.*

1. The **General Information Notice** must be provided as soon as is feasible after application, and must explain that the project has been proposed, and caution the occupant not to move prematurely. Additional information should also be included in this notice.

2. The **Move-in Notice** informs prospective tenants before moving into potential projects that they may be displaced and that they will not be entitled to assistance.

3. A **Notice of Non-displacement** or a **Notice of Eligibility for Relocation Assistance** must be issued at the time the project agreement is executed. For a rehabilitation project, this refers to the execution of the funding agreement between the Grantee and the owner. For acquisition, this is when an agreement is executed between the purchaser and the seller.

4. The **Temporary Relocation Notice** informs households who will be temporarily relocated of their rights and of the conditions of their temporary move.

5. The **Notice of Eligibility** informs households to be displaced of their rights and levels of assistance under the URA.

6. The **90 and 30 Day Notices** inform displaced households of the day by which they must vacate the property. Note that displaced households may not normally be given less than 90 days to vacate their residence. The 90 Day Notice can be incorporated into the Notice of Eligibility. The 30 Day Notice may be used in certain circumstances.

4.10 STEPS IN PROVIDING RELOCATION ASSISTANCE

1. Design and adopt the relocation assistance program guidelines which address eligibility, payments, counseling services, grievance procedures and operating procedures. They must be written in language that is understandable. If English is not the primary language of the displacee, foreign language translations must be made available.

2. Identify individuals to be relocated as soon as possible.

3. All notices must:

   a. Be written in plain understandable language. If individuals do not speak English, the Grantee must make all notices available in appropriate translations;

   b. Be hard delivered with receipt documented, or sent certified mail, return receipt requested; and

   c. Contain the name and phone number of a person who may be contacted for answers to questions or other needed help.

4. Interview each recipient to determine his/her need for assistance. A sample interview format is provided to show the type of information that is required. During this interview, review the relocation process with the relocatees and ensure that they understand the process. Special attention should be given to:

   a. The assistance to be provided;

   b. The benefits available;

   c. The fact that replacement housing payments cannot be made unless the household relocates to a standard unit;

   d. The importance of keeping in touch with the Grantee; and

   e. The need to notify the Grantee before they move.

5. Prepare the relocation record.

6. Determine replacement housing needs. All comparable units must be decent, safe, and sanitary, as defined above. In addition, they must be affordable.

7. Inventory available housing. The Grantee shall prepare an inventory of available housing which meets the identified needs. Please note that the regulations require that the Grantee make comparable replacement housing available to low income or minority relocatees in areas that do not have concentrations of either low or minority households, if such opportunities are available. This means that if there are vacant, standard affordable units available in middle/upper income areas or predominantly

white areas of the city/county, low income or minority relocatees must be given replacement housing choices in those areas before the Grantee can give such relocatees a 90-Day Notice to Vacate.

8. Send a "Notice of Eligibility" at initiation of negotiations.

9. If the occupant is going to be able to continue to reside in the building or in a nearby building located on the same site, the occupant must be sent a Notice of Non-Displacement.

10. Provide assistance in securing suitable units. The process of finding suitable housing will involve continuous contact with displacees to solicit information, establish rapport, provide referrals to re-housing resources, accompany displacees to inspect possible dwellings, etc.

    a. Up-to-date information on the availability, prices, and rentals of comparable sales and rental housing must be provided.

    b. All units must be inspected and certified as meeting code before being placed on a referral list.

    c. The Grantee must provide assistance in cases of housing discrimination. While it need not become a prosecutor, the Grantee must press displacee's claims of discrimination.

11. Complete processing claims and make payments.

    a. If the Grantee has made a reasonable choice of suitable replacement housing opportunities available to the relocated, the Grantee may issue the 90-Day Notice to Vacate. The date on which the property must be vacated cannot be less than 30 days after the Grantee has obtained title to the property or legal right of possession, whichever comes earlier.

    b. Payments should be issued within 30 days following the submission of sufficient documentation to support the claim.

    c. Advance payments must be made where they would avoid or reduce a hardship. When advance payments are made, the Grantee must document that the payment was used for the purpose intended.

    d. The Grantee should have the recipient sign a letter acknowledging receipt of relocation payments.

12. If relocation has not been completed within 6 months of the date of issuance of the Notice of Eligibility, the Grantee must document in its files the reason for the delay and a plan for timely completion.

13. If the relocation involves inhabitants of mobile homes, the Grantee should follow the procedures contained in the part of the regulations pertaining to mobile home occupants (49 CFR Part 24 Subpart F).

4.11 PAYMENTS

1. **MOVING COSTS** - All displaced persons are eligible for moving costs. The displaced person can choose to receive either:

   a. A fixed moving expense, based upon number of rooms in the residence. Any person displaced from a dwelling or seasonal residence, is entitled to receive an expense as an alternative to a payment for actual moving and related expenses. This allowance is determined according to the applicable schedule approved by the Federal Highway Administration.

   b. Actual moving and related expenses, supported by bills and other documentation that cover actual moving costs for: (1) transportation of the displaced person and personal property for a distance up to 50 miles unless it is determined that relocation beyond 50 miles is justified; (2) packing and unpacking personal property; (3) disconnecting, dismantling, reassembling and reinstalling relocated household appliances and other personal property; (4) storage of the personal property for a period not to exceed 12 months unless it is determined a longer period is necessary; (5) insurance in connection with move and storage; and (6) other costs related to the move if approved by the Grantee as reasonable.

2. **REPLACEMENT HOUSING PAYMENTS UNDER THE URA** - These payments are available to owner-occupants and tenants that meet the following conditions:

   a. A displaced 180-day owner-occupant who relocates to an ownership unit is eligible for a replacement housing payment. The payment represents the combined cost of:

      1. the cost difference between the acquisition price and the lesser of the actual unit plus purchase price and the decent, safe, and sanitary comparable replacement unit;

      2. increased costs; and

      3. eligible incidental settlement (closing) costs.

   b. A tenant or owner-occupant who has occupied the property for 90 days who relocates into a rental unit is eligible for a replacement housing payment. This payment takes into account several factors, including the household's ability to pay, old rent and utilities, the rent/utilities of a comparable unit, and the rent/utilities of the unit they actually rent. Ability to pay under the URA is 30% of gross monthly income. The replacement housing payment is calculated as the difference between: the lower of the ability to pay and the old rent/utilities; and the lower of the comparable rent/utilities and the rent/utilities of the new unit they actually select.

c. For households who have been in residence less than 90 days, the replacement housing payment is calculated as the difference between the ability to pay and the lower of the comparable unit rent/utilities and the actually selected unit rent/utilities.

1. Both the 90 day and the less than 90 day tenant must receive their replacement housing payment in installments.

d. A tenant who relocates to an ownership unit is eligible for a downpayment assistance payment. The downpayment assistance payment must be applied to the purchase price of the replacement dwelling and related incidental expenses. Downpayment assistance for a renter that wishes to become a homeowner is calculated in the same manner as the renter assistance payment except that there is no provision for the new unit actually selected by the household. The downpayment assistance must be paid in lump sum.

e. While not a requirement, the program administrator may work with the local PHA to offer eligible displaced tenants a Section 8 Certificate or Housing Voucher necessary as an alternative to cash rental assistance.

1. A displaced person must be informed of his or her option to choose cash or, if offered, Section 8 assistance.

2. Since Section 8 assistance is adjusted periodically for increased market rents and because it is unlikely to cease at the end of 42 months, this will be a more valuable option than cash for a substantial number of lower-income tenants. The program also benefits when Section 8 assistance is used in place of a replacement housing payment.

3. In the unusual case where the displacement dwelling rent/utility cost is less than the TTP, the tenant is eligible for cash to cover the gap. In the case of a Section 8 Voucher, if the rent/utility cost of the replacement dwelling (actual or comparable, whichever is less) exceeds the payment standard, the tenant will qualify for cash to cover the gap.

4.12 SPECIAL CONSIDERATIONS CONCERNING THE DENIAL OF CLAIMS

1. Payments for downpayment assistance must be applied to the purchase of a replacement dwelling and related incidental expenses.

2. Payments for rental assistance to owners or renters need not necessarily be applied to housing costs. The rental assistance payment must be made in installments. The Grantee has no right to question the use(s) of that payment so long as the household initially occupies a standard unit.

3. If a payment must be denied, the Grantee must:

a. Inform the claimant in writing why the claim is being denied.

b. Indicate what assistance is available to bring the current unit up to code (in case of a substandard unit).

c. Indicate the ongoing opportunity to qualify for assistance by moving into a standard unit (if the case of moving to a substandard unit is the reason for denying the claim).

d. Fully document its efforts to provide payments, the reasons payments were not made, and signed waivers of payment, if possible.

e. Fully document its initial notification and all later reminders of the requirement to submit the claim within 18 months of the move (if this is the reason for denying the claim).

4. The claim may be denied for any of the following reasons:

a. The unit is substandard.

b. The move was not completed within one year of the date of removal from the acquired dwelling or the date of receipt of final payment (if owner-occupant), whichever is later.

c. Or the claim was not submitted within 18 months of the move.

5. RENT BURDEN AND ECONOMIC DISPLACEMENT

5.1 **RENT BURDEN** - If a tenant's rent increases as a result of a federally assisted activity, and the rent is more than the tenant can afford, the tenant is "rent burdened".

1. Rent Burden is defined differently under various HUD programs. In general, the factors considered are (1) whether the old rent went up and (2) what percentage of income the new rent and utility costs represent.

2. The HOME program uses the 30% of gross income threshold for tenants whose incomes are above the Section 8 Lower Income Limit and the Section 8 Total Tenant Payment (TTP) as the threshold for tenants at or below the Section 8 Lower Income Limit.

3. TTP is the greater of 30% of adjusted income or 10% of gross monthly income.

5.2. **ECONOMIC DISPLACEMENT** - Occupants who move because their rent went up and they could not be offered a decent, safe, and sanitary, affordable unit within the project, are "economically" displaced, and are due the same relocation considerations as an occupant who is physically displaced.

6. OPTIONAL RELOCATION ASSISTANCE

6.1. **TEMPORARY BUT VOLUNTARY DISPLACEMENT** - HOME funds may be used to provide relocation assistance to persons who are temporarily but voluntarily displaced. The Uniform Act does not mandate benefits to homeowners who participate in the program on a voluntary basis but may be temporarily relocated due to reconstruction of their home.

1. THDA policy allows the Grantee to cover the cost of the moving expenses and a temporary living arrangement with HOME funds.

2. The Grantee must include the provision of equal relocation assistance within each class of displaced persons in their written Policies and Procedures, which are available for public review.

6.2 Although temporary relocation assistance may be provided to households who are voluntarily displaced during rehabilitation, the Grantee must determine if the lead-hazard reduction work will require relocation for the safety of the household. If it is determined that temporary relocation for occupant safety is required, the Grantee *must* provide this assistance. The cost of relocation is a project soft cost and subject to the subsidy levels. *See Chapter 8, Section 6 - Occupant Protection.*

7. BARNEY FRANK (SECTION 104(d))

7.1 **APPLICABILITY** - If CDBG, UDAG, or HOME funds are used as a part of the total project cost, Section 104(d) may apply to the project.

7.2 **SECTION 104(d)** - Section 104(d) and its implementing regulations apply to displaced low-income families, and requires one for one replacement of occupiable "low-moderate income dwelling units", including units in substandard condition which are "suitable for rehabilitation", that are demolished or converted to other use (including change in the number of bedrooms). Contact THDA if your project involves low income housing being demolished or converted. It will be necessary to comply with the conditions of THDA's HOME Residential Anti-Displacement and Relocation Assistance Plan.

1. *Low-moderate income dwelling units* are those units that do not exceed the Section 8 Fair Market Rent (FMR) limits.

2. *Suitable for rehabilitation* may be defined by the Grantee, but includes units <u>in any</u> <u>condition</u> that have been occupied within a one year period (except by a squatter) preceding the executed contract date between the Grantee and the project owner.

7.3 **REPLACEMENT UNITS** - Grantees may take up to three years from the time of demolition or conversion to replace the affected units. The replacement units

must be designed to remain at or below the Section 8 rent limits for ten years. In some cases, newly rehabilitated vacant units may count as replacement units.

8. GRIEVANCE PROCEDURES

8.1 **APPEALS PROCESS** - The grievance procedure must outline the appeals process contained in 49 CFR Part 24.10. These requirements include:

1. The grounds for filing an appeal
2. To whom the appeal should be filed
3. Appropriate time limits, the displaced persons right of appeal to the State, if the complaint cannot be satisfactorily resolved.

9. RECORD KEEPING REQUIREMENTS

9.1 **SEPARATE CASE FILES** - Grantees must maintain a separate case file on each displaced person for at least three years after project completion or after receipt of final relocation payment, whichever is later. Each case file must include the following:

1. Record form with:
   a. Data identifying the parcel and dwelling;
   b. Number of individuals and family units;
   c. Family composition (including age, sex, location of employment, source and amount of income);
   d. Veterans status of family members;
   e. Description of current dwelling (number and types of rooms);
   f. Length of time of occupancy;
   g. Amount of housing payment or rent; and
   h. Replacement housing preferences regarding tenure type, location and willingness to increase monthly payments; and other important characteristics (health/disability programs, special needs such as furniture, public assistance, etc.).
2. Copy of a Notice of Eligibility or Non-Displacement
3. Documentation of suitable replacement housing offered to displacees
4. Copy of the 90-Day Notice

5. Record of inspection with specified information

6. Copy of the 30-Day Notice

7. Copy of each relocation claim form and supporting documentation

8. Copy of evidence of verification of the claim

9. Copy of a cancelled check or other evidence or receipt of payment.

10. Evidence of receipt of all notices

11. Copies of all correspondence related to the claim

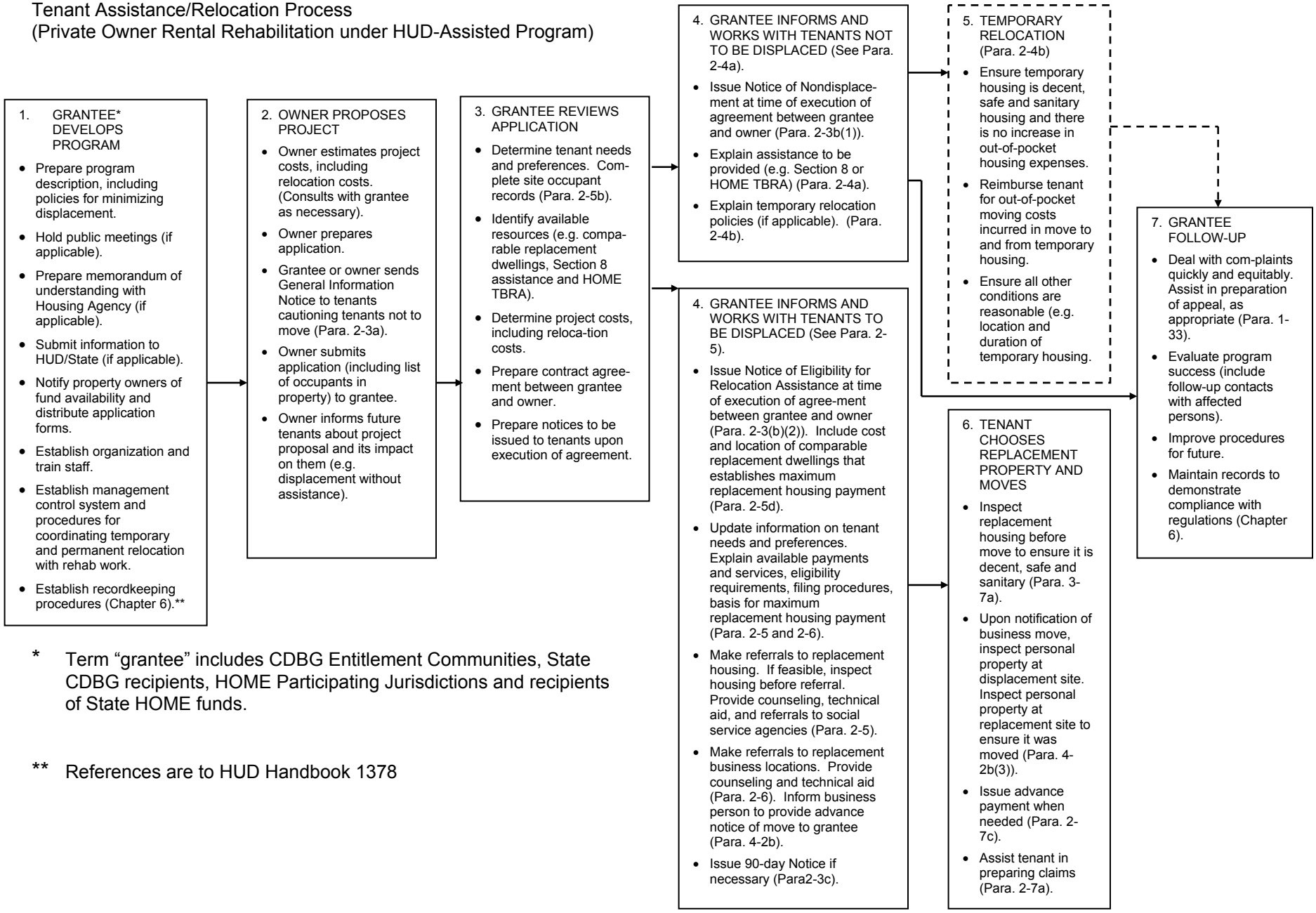
12. Copies of any appeals made and outcomes and other pertinent data, such as referral of discrimination complaints, etc.

13. A summary of the relocation.

9.2 **RELOCATION MANAGEMENT CONTROL REPORT** - It is highly recommended for relocation projects which cover several cases, that a Relocation Management Control Report be maintained.

ATTACHMENT II: TENANT ASSISTANCE/RELOCATION PROCESS

Tenant Assistance/Relocation Process
(Private Owner Rental Rehabilitation under HUD-Assisted Program)



* Term "grantee" includes CDBG Entitlement Communities, State CDBG recipients, HOME Participating Jurisdictions and recipients of State HOME funds.

** References are to HUD Handbook 1378

GUIDEFORM GENERAL NOTICE
RESIDENTIAL TENANT THAT WILL NOT BE DISPLACED

Grantee of Agency Letterhead

(Date)

Dear _____:

On ____*(date)*____, _____*(property owner)*_____, submitted an application to the _____ for financial assistance to rehabilitate the building which you occupy at _____*(address)*_____.

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.

If the application is approved that Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30 percent of your average monthly gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because Federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact: _____*(name)*_____, _____*(title)*_____, at ___*(phone)*_____, _____*(address)*_____.

Sincerely,

(name and title)

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM GENERAL NOTICE
RESIDENTIAL TENANT TO BE DISPLACED

Grantee of Agency Letterhead

(Date)

Dear _____:

The City of _____ is interested in acquiring the property you occupy at _____*(address)*_____, for the _____*(project)*_____. This notice is to inform you of your rights under Federal law. If the City acquired the property and you are displaced for the project, you will be eligible for relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. However, do not move now. This is not a notice to vacate the premises. You should continue to pay your monthly rent to your landlord because failure to pay rent and meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. You are urged not to move or sign any agreement to purchase or lease a new unit before receiving formal notice of your eligibility for relocation assistance. If you move or are evicted before receiving such notice, you may not receive any assistance. Please contact us before you make any moving plans.

If the City acquires the property and you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement housing, and at least 90 days advance written notice of the date you will be required to move. You would also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or buy a replacement house. This assistance is more fully explained in the enclosed brochure, "Relocation Assistance to Tenants Displaced from Their Homes."

If for any reason any other persons move into this unit with you after this notice, your assistance may be reduced. If you have any questions, please contact: _____*(name)*_____, _____*(title)*_____, at _____*(phone)*_____, _____*(address)*_____.

Again, this is not a notice to vacate and does not establish eligibility for relocation payments or other relocation assistance. If the City decides not to purchase the property, you will be notified in writing.

Sincerely,

(name and title)

Enclosure

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM NOTICE OF NONDISPLACEMENT TO RESIDENTIAL TENANT

Grantee of Agency Letterhead

(Date)

Dear _____:

On ___*(date)*_____, we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On ___*(date)*___, the owner's request was approved, and the repairs will begin soon.

This is a notice of nondisplacement. You will not be required to move permanently as a result of the rehabilitation. This notice guarantees you the following:

1. You will be able to lease and occupy your present apartment [or another suitable, decent, safe and sanitary apartment in the same building/complex] upon completion of the rehabilitation. Your monthly rent will remain the same or, if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.

2. If you must move temporarily so that the repairs can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you have any questions, please contact: _____*(name)*_____, *(title)*_____, at *(phone)*_____, _____*(address)*_____. Remember, do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE - RESIDENTIAL TENANT

Grantee of Agency Letterhead

(Date)

Dear _____:

On ____*(date)*____, we notified you of proposed plans to _____*(identify project)*_____. On ____*(date)*__, the project was approved.

This is a **notice of eligibility for relocation assistance**. To carry out the project, it will be necessary for you to relocate. However, **you do not need to move now**. You will not be required to move without at least 90 days advance written notice of the date by which you must vacate. And when you do move, you will be entitled to relocation payments and other assistance in accordance with Federal regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).

The effective date of this notice is *(date of initiation of negotiations)*. You are now eligible for relocation assistance, including:

Counseling and Other Advisory Services.

Payment for Moving Expenses. You may choose either (1) a payment for your actual reasonable moving and related expenses, or (2) if you prefer, a fixed moving expense and dislocation allowance of $ _____.

Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors, including the cost of a "comparable replacement home," the monthly rent and average cost of utility services for your present home, and 30 percent of your average gross household income.

Listed below are three "comparable replacement homes" that you may wish to consider:

	ADDRESS	RENTand UTILITY COSTS	CONTACT PERSON and TELEPHONE NUMBER
1.			
2.			
3.			

We would be pleased to provide you with transportation to inspect these dwelling units. We believe that the unit at _____*(address)*_____ is the most representative of your present home. The rent and the estimated average cost of utility services for that unit is $ _____. Based on the information you have provided about your income, you may be eligible for a rental assistance payment up to $ _____ (42 x $ _____). This is the maximum amount that you would be eligible to receive. It would be paid in *(indicate number of installments or lump sum)*. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than $ _____, your rental assistance payment would be based on the actual cost of such unit.

Contact us immediately if you do not agree that these units are comparable to your home. We will explain the basis for our selecting these units. And, if necessary, we will find other units. We will not base your payment on any unit that is not a "comparable replacement home." Should you choose to buy (rather than rent) a decent, safe and sanitary replacement home, you would be eligible for a down payment of $ _____. Let us know if you would prefer to buy a replacement home, and we will help you find such housing.

I am enclosing a brochure entitled, "Relocation Assistance to Tenants Displaced from Their Homes." Please read the brochure carefully. It explains your rights and some things you must do to obtain a payment. For example, to obtain a replacement housing payment you must move to a decent, safe and sanitary home within one year after you vacate your present home. Therefore, do not commit yourself to rent or buy a unit until we inspect it.

I want to make it clear that you are eligible for assistance to help you relocate. In addition to relocation payments and housing referrals, counseling and other services are available to you. A representative of this office will soon contact you to determine your needs and preferences. He/She will explain your rights and help you obtain the relocation payments and other assistance for which you are eligible. If you have any questions, please contact: *(name)*_____, *(title)*_____, at _____*(phone)*_____, _____*(address)*
.

Remember, do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)

Enclosure

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM WAIVER OF RELOCATION ASSISTANCE UNDER THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, AS AMENDED

1. I, _____, am presently [the owner of] [a residential tenant of] property located at _____.

2. I have been formally notified that this property is to be [acquired, rehabilitated, demolished] for a program or project to be carried out by _____*(agency)*_____, with Federal financial assistance provided by the United States Department of Housing and Urban Development, and that it will therefore be necessary for me to move permanently from this property. I have been further advised that I am eligible for relocation payments and other relocation assistance under URA in connection with this displacement. It has been explained to me that the law provides for advisory assistance, including referral to comparable (affordable, decent, safe and sanitary) replacement housing; for payment of actual, reasonable moving and related expenses or for a fixed expense and dislocation allowance, at my election; and, in addition, for a replacement housing payment to assist me in buying or renting a replacement home.

3. The nature and amounts of such payments and other assistance have been specifically described to me in such a manner and in sufficient detail that I fully understand my eligibility.

4. I have determined not to claim the benefits available to me under the URA, and hereby release the _____*(agency)*_____ from all obligations and liability regarding them. I do this freely, on the basis of my full understanding of all my legal rights. I am under no duress or coercion by the _____*(agency)*_____ and make this decision without reservation or qualification.

5. This waiver shall expire on ____*(date)*_____, unless the assisted program or project has been completed by that date.

Witness: _____ Signature: _____

Witness: _____ _____
Notary Public

My Commission Expires on: _____

SCHEDULE FOR "FIXED MOVING EXPENSE AND DISLOCATION"

NEW PAYMENT SCHEDULE

On March 2, 1989, the Department of Transportation (DOT) published in the Federal Register (54 FR 8951), a payment schedule for a "fixed moving expense and dislocation allowance" in lieu of a payment for actual moving and related expenses to persons displaced from a dwelling by a project subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). The schedule covers all residential displacements occurring on or after April 2, 1989 as a direct result of rehabilitation, demolition or acquisition (privately undertaken or public) for a HUD-assisted project. The schedule implements the government-wide URA rule at 49 CFR 24.302 which applies to HUD-assisted programs.

RELOCATION OF MOBILE HOMES

The occupant of a mobile home who relocates the mobile home from the displacement site is not entitled to a fixed moving expense and dislocation allowance. Such persons are eligible for a payment for the actual cost of moving the mobile home plus the actual reasonable cost for packing, securing, moving and unpacking the personal property.

RESIDENTIAL MOVING EXPENSE AND DISLOCATION ALLOWANCE SCHEDULE UNDER 49 CFR PART 24 FOR THE STATE OF TENNESSEE

OCCUPANT OWNS FURNITURE									OCCUPANT DOES NOT OWN FURNITURE	
NUMBER OF ROOMS OF FURNITURE									FIRST ROOM	EACH ADDITIONAL ROOM
1	2	3	4	5	6	7	8			
250	350	450	550	625	700	775	850	75	200	25

SITE OCCUPANT RECORD—RESIDENTIAL

PROJECT NAME _____
PROJECT NO. _____
RELOCATION CASE NO. _____
ACQUISITION PARCEL NO. _____

LOCALITY/AGENCY

DATE OF INITIAL INTERVIEW _____ INTERVIEWER _____

NAME OF OCCUPANT _____

ADDRESS _____

TELEPHONE NUMBER _____ CENSUS TRACT _____

DATE OCCUPANT FIRST OCCUPIED THIS DWELLING

CHECK: ☐ FAMILY ☐ INDIVIDUAL ☐ OWNER ☐ TENANT

DATE OF GENERAL INFORMATION NOTICE _____

EFFECTIVE DATE OF NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE _____
(INCLUDE COPY OF NOTICES IN CASE FILE)

RACIAL/ETHNIC CLASSIFICATION

☐ WHITE, NOT OF HISPANIC ORIGIN
☐ BLACK, NOT OF HISPANIC ORIGIN
☐ AMERICAN INDIAN OR ALASKAN NATIVE
☐ HISPANIC
☐ ASIAN OR PACIFIC ISLANDER

HOUSING COSTS AND CHARACTERISTICS OF DISPLACEMENT DWELLING

TENANT:
MONTHLY CONTRACT RENT $ _____
AVERAGE MONTHLY UTILITY COSTS $ _____
MONTHLY HOUSING COST $ _____

OWNER:
MONTHLY MORTGAGE PAYMENT (P&I) $ _____
AVERAGE MONTHLY UTILITY COSTS $ _____
REAL PROPERTY TAXES $ _____
MON. HOUSING COSTS $ _____

NO. OF ROOMS _____
NO. OF BEDROOMS _____
UNIT IS:
HOUSEKEEPING ☐
NONHOUSEKEEPING ☐

SURNAME, GIVEN NAME(S)	RELATION-SHIP	SEX	AGE	OCCUPATION	SOURCE OF INCOME: EMP.	WELF.	PENS.	OTHER (Identify)	GROSS MONTHLY INCOME	NAME OF EMPLOYER–TELEPHONE NO.
									$	
				TOTAL GROSS MONTHLY INCOME: $						

SPECIAL CHARACTERISTICS OF HOUSEHOLD (E.G., DISABLED, ELDERLY, ETC.)

REHOUSING PREFERENCES:
PURCHASE ☐ RENT ☐ SUBSIDIZED HOUSING ☐ NONE ☐
LOCATION/NEIGHBORHOOD CONSIDERATIONS: _____
PETS, GARAGE, ETC.: _____

REHOUSING REQUIREMENTS:
NO. OF ROOMS _____
NO. OF BEDROOMS _____
MAX. MON. HOUSING COST $ _____
MAXIMUM PURCHASE PRICE $ _____

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HANDBOOK 1378
APPENDIX 8

HOUSING REFERRALS

DATE	ADDRESS (Include Apt. No.)	CENSUS TRACT	TYPE OF UNIT ☑			SIZE OF UNIT		MONTHLY RENT AND EST. AVG. MONTHLY UTILITY COSTS/ SALES PRICE	UNIT INSPECTED?	DATE UNIT WILL BE AVAILABLE	LOW-INCOME OR MINORITY AREA?	ACTION ON REFERRAL (If refused, indicate why. Also, indicate whether unit is representative comparable used as basis for payment limit)
			RENT	SALES	SUBSIDIZED	NUMBER OF ROOMS	NUMBER OF BEDROOMS					

REPLACEMENT DWELLING UNIT

DATE OF MOVE _____ ADDRESS _____ CENSUS TRACT _____

MONTHLY HOUSING COST (MHC)

☐ RENTAL
MONTHLY RENT $_____
EST. AVERAGE MONTHLY UTILITY COSTS $_____
TOTAL MHC $_____

☐ PURCHASE:
MORTGAGE PAYMENT (P&I) $_____
REAL PROPERTY TAXES $_____
EST. UTILITY COSTS $_____
TOTAL MHC $_____
SALES PRICE $_____

☐ D, S, & S ☐ NOT D, S, & S
DATE OF INSPECTION _____
DATE OF REINSPECTION _____
NO. OF ROOMS _____
NO. OF BEDROOMS _____
(Include copy of Inspection Report in Case File)

RELOCATION PAYMENT(S)

	MOV. EXP.	RHP
TYPE	☐ ACTUAL ☐ FIXED	☐ RENTAL ☐ DOWNPYMT ☐ 180-DAY HO
AMOUNT	$_____	$_____
DATE CLAIM FILED	_____	_____
DATE CLAIM PAID	_____	_____

(Include Copy of Claim Forms in Case File)

IS UNIT IN AREA OF LOW-INCOME OR MINORITY CONCENTRATION?
☐ YES ☐ NO
IS UNIT SUBSIDIZED? ☐ YES ☐ NO
_____
(Identify)

TEMPORARY HOUSING
DATE _____ REASON _____
_____
ADDRESS _____ RENTAL $ _____
DATE OF MOVE TO PERMANENT DWELLING _____
OUT-OF-POCKET EXPENSES PAID:
MOVING EXPENSES $ _____
INCREASED HOUSING COST $ _____

APPEAL FILED: ☐ YES ☐ NO
IF YES, INDICATE TYPE:
☐ PAYMENT(S)
☐ HOUSING
☐ OTHER _____
(Include Copy of Appeal in Case File)

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RECORD OF ADVISORY ASSISTANCE AND OTHER CONTACTS

NAME OF OCCUPANT: _____ PAGE _____ OF _____.

NAME OF AGENCY REP & DATE OF CONTACT	COMMENTS

Claim for Moving and Related Expenses

Families and Individuals

See back of page for Public Reporting Burden and Privacy Act Statements before completing this form

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0016
(exp. 04/30/2005)

RL-9

For Agency Use Only Name of Agency	Project Name or Number	Case Number

Instructions: This claim form is for the use of families and individuals applying for payment of moving and related expenses. You may apply for either (1) a fixed allowance, or (2) an amount to cover the actual moving and related expenses incurred (as described on page 2 of this form). A claim for actual expenses must be supported by receipts or other evidence. The Agency will explain the differences between the two types of payments and will help you complete this form. If the full amount of your claim is not approved, the Agency will provide you with a written explanation of the reason. If you are not satisfied with the Agency's determination, you may appeal that determination. The Agency will explain how to make an appeal.

1. Your Name(s) (You are the Claimant(s)) and Present Mailing Address	1a. Telephone Number(s)

2. Have All Members of the Household Moved to the Same Dwelling? ☐ Yes ☐ No
(If "No," list the names of all members and the addresses to which they moved in the Remarks Section.)

Dwelling	Address (include Apartment No.)	How many rooms did you occupy? *	Was it furnished with your own furniture?	When did you move to this unit?
3. Unit That You Moved From			☐ Yes ☐ No	
4. Unit That You Moved To		* Excluding bathrooms, hallways and closets.		

5. Is This a Final Claim? ☐ Yes ☐ No

6. **Computation of Payment** (complete Item 6a or 6b)

Item	6a. Fixed Allowance	6b. Actual Moving Expenses	**For Agency Use Only**
(1) Moving Cost		$	$
(2) Transportation Cost—Families and Individuals			
(3) Cost of Insurance Covering Move and/or Storage			
(4) Storage Cost (Complete Item 10 on page 2)			
(5) Other (Explain in Remarks Section)			
(6) Total Amount of Claim (Consult Agency for amount of fixed allowance)	$	$	$
(7) Amount Previously Received, if any			
(8) Amount Requested (Subtract line (7) from line (6))	$	$	$

7. **Certification of Eligibility for Relocation Payments and Services**

Instructions: To qualify for relocation advisory services or relocation payments authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, a "displaced person" must be a United States citizen or national, or an alien lawfully present in the United States. The certification below must be completed in order to receive any benefits. (This certification may not have any standing with regard to applicable State laws providing relocation benefits.) **Your signature(s) on this claim form constitutes certification.**

The individual(s) listed below occupy/occupies the dwelling at _____.

_____ _____ _____

_____ _____ _____

I, _____, as head of household, hereby certify that all individuals are either United States citizens or nationals, or are aliens lawfully present in the United States.

For unrelated individuals, each individual by affixing their signature below certifies that they are either a United States citizen or national, or an alien lawfully in the United States.

_____ _____ _____
(Signature and Date) (Signature and Date) (Signature and Date

_____ _____ _____
(Signature and Date) (Signature and Date) (Signature and Date

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Previous versions obsolete.

form **HUD-40054** (02/2002)
ref. Handbook 1378

To Be Completed by the Agency

Payment Action	Amount of Payment	Signature	Name (Type or Print)	Date (mm/dd/yyyy)
8. Recommended	$			
9. Approved	$			

10. **Supporting Data For Storage Cost** (Describe property stored in Remarks Section or attach list.)

Is this a Final Claim for Storage? ☐ Yes ☐ No

Date moved to Storage (mm/dd/yyyy)	Date moved from Storage (mm/dd/yyyy)

Name & Address of Storage Company

Should Payment be made directly to Storage Company? ☐ Yes ☐ No

Computation of Storage Costs

Item	Amount	**For Agency Use Only**
Monthly Rate for Storage	$	$
Number of Months in Storage		
Total Storage Costs (enter on line (4) of Item 6b)	$	$
Amount Previously Received (Include this Amount in line (7) of Item 6b)	$	$

Remarks (Attach additional sheets, if necessary)

Additional sheets attached? ☐ Yes ☐ No

Moving and Related Expenses Which Are Paid For

1. Transportation of individuals, families and personal property from the displacement site to the replacement site. Transportation costs for a distance beyond 50 miles are not eligible, unless the Agency determines that relocation beyond 50 miles is justified.
2. Packing, crating, uncrating and unpacking of personal property.
3. Necessary charges for the removal and hookup of appliances, equipment and other items, not acquired as real property.
4. Storage of the personal property, as determined necessary by the Agency.
5. Insurance of the personal property in connection with the move and necessary storage.
6. The replacement value of property lost, stolen or damaged in the move where insurance is not reasonably available.

Moving and Related Expenses Which Are Not Paid For

1. Cost of moving any building or other real property in which the displaced person reserved ownership.
2. Interest on a loan to cover moving expenses.
3. Personal injury.
4. Any legal fee or other cost for preparing the claim for moving and related expenses or for representing the claimant before the Agency.
5. Expenses for searching for a replacement dwelling.

Public Reporting Burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Privacy Act Notice: This information is needed to determine whether you are eligible to receive a payment for moving and related expenses. You are not required by law to furnish this information, but if you do not provide it, you may not receive any payment for these expenses or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The information may be made available to a Federal agency for review.

RL-10

Selection of Most Representative

Comparable Replacement Dwelling

for Computing a Replacement Housing Payment

U.S. Department of Housing and Urban Development
Office of of Community Planning and Developmemt

OMB Approval No. 2506-0016
(exp. 04/30/2005)

1. Agency	2. Project	3. Household	4. Select One	5.Case Number
			☐ Owner ☐ Tenant	

Public reporting burden for this collection of information is estimated to average 1.0 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Privacy Act Notice: This information is needed to determine whether you are eligible to receive a payment to help you rent or buy a new home. You are not required by law to furnish this information, but if you do not provide it, you may not receive any payment for these expenses or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The information may be made available to a Federal agency for review.

Factors (see back of page)	Displacement Dwelling	Comparable No.1	Comparable No.2	Comparable No.3
Address				
Type of Unit				
Stories / Style				
Lot Size				
Type of Construction				
Age (in years)				
Condition				
Area of Living Space				
No.Rooms/Bedrooms /Baths	/ /	/ /	/ /	/ /
Basement				
Parking/No. of Cars				
Type of Heating /Fuel	/	/	/	/
Type of Air Conditioning				
Neighborhood				
Transportation (distance)				
Current Work (distance)				
High School/Grade School (distance)	/	/	/	/
Neighborhood Shopping (distance)				
Religious Facility (distance)				
Sale Price or Rent/Utility Costs	$	$	$	$
Other				
Date of Inspection				
Date Available				
Most Representative Comparable Replacement Dwelling (Check "Comparable no.1, 2, or 3" and complete Comments)		☐	☐	☐

Comments: Include appropriate analysis and correlation of data. If Agency makes adjustment to the asking price for a comparable replacement dwelling to reflect the anticipated sale price, indicate the basis for the adjustment. For rental units, indicate utilities included in rent and provide estimates for other utility costs. Indicate availability of any housing subsidy. If condominium or cooperative, indicate required fees. (Continue on back of page)

Comments continued on back of page ☐ Yes ☐ No

Prepared By	Date (mm/dd/yyyy)	Approved by	Date (mm/dd/yyyy)

Previous editions are obsolete.

form **HUD-40061** (02/2002)
ref. Handbook 1378

Comments Continued:

Comments continued on a separate page ☐ Yes ☐ No

Factors	Examples
Type of Unit	Detached,Row, End Row, Townhouse, Highrise Apartment, Mobile Home (Indicate whether this is subsidized housing)
Stories	1, 11/2, 2, 21/2, Split Level, Split Foyer
Style	Colonial, Cape, Ranch, Contemporary, Tudor, Mediterranean
Type of Construction	Frame, Masonry, Pre-Fab, Stone, Concrete Block, Concrete, Veneer (wood, brick, or aluminum siding)
Condition	Poor, Fair, Good, Very Good, Excellent
Basement	Full, Partial (1/2), None; Finished or Unfinished
Parking	Attached, Built-In, Detached, Carport Paved Open Area, Unpaved Open Area, None
Type of Heating	Forced Air, Hot Water, Electric, Heat Pump, Steam, Space Heater, Solar, None
Type of Fuel	Natural Gas, Propane Gas, Oil, Electric, Coal, Solar
Type of Air Conditioning	Central, Wall, Window, None
Neighborhood	Poor, Fair, Good, Very Good, Excellent. (Based on characteristics such as vacancy levels, quality and maintenance of dwellings, landscaping, Street Maintenance, Trash Pickup, and Nonconforming land uses)
Other	Swimming Pool, Fireplace, Patio, Porch, Greenhouse

Claim for Rental Assistance or Down Payment Assistance

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0016
(Exp. 04/30/2005)

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See back of page for Public Reporting Burden and Privacy Act Statements before completing this form

For Agency Use Only Name of Agency	Project Name or Number	Case Number

Instructions: This claim form is for the use of families and individuals applying for rental or down payment assistance. The Agency will help you complete the form. If the full amount of your claim is not approved, the Agency will provide you with a written explanation of the reason. If you are not satisfied with the Agency's determination, you may appeal that determination. The Agency will explain how to make an appeal.

1. Your Name(s) (You are the Claimant(s)) and Present Mailing Address	1a. Telephone Number(s)

2a. Have all members of the household moved to the same dwelling? ☐ Yes ☐ No (If "No", list the names of all members and the addresses to which they moved in the Remarks Section.)

2b. Do you (or will you) receive a Federal, State, or local housing program subsidy at the dwelling you moved to? ☐ Yes ☐ No

Dwelling	Address	When Did You Rent/Buy This Unit?	When Did You Move To This Unit?	When Did You Move Out of This Unit?
3. Unit That You Moved From				
4. Unit That You Moved To				

5. Computation of Payment: Complete Items 13 and 14 on the back of this form before completing this section. If you are filing for down payment assistance, check this box ☐ and skip line (1).	To Be Completed By Claimant (a)	(b)	For Agency Use Only (c)
(1) Monthly Rent and Average Monthly Utility Costs for Unit That You Moved To (From line (8), Column (c), Item 13)	$		$
(2) Monthly Rent and Average Monthly Utility Costs for Comparable Replacement Dwelling (From line (8), Column (e) of Item 13) (To be provided by the Agency)			
(3) Lesser of line (1) or (2) (If claim is for down payment assistance, enter amount from line (2))		$	
(4) Monthly Rent and Average Monthly Utility Costs for Unit That You Moved From (From line (8), Column (a) of Item 13)			
(5) 30% of Average Gross Monthly Household Income (From line (4),Column (a) of Item 14)			
(6) Lesser of line (4) or (5)			
(7) Monthly Need (Subtract line (6) from line (3))			
(8) Amount of Payment Claim (Amount on line (7) multiplied by 42)		$	$
(9) Amount Previously Received (if any)			
(10) Amount Requested (Subtract line (9) from line (8))		$	$

6. **Certification of Eligibility for Relocation Payments and Services**

Instructions: To qualify for relocation advisory services or relocation payments authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, a "displaced person" must be a United States citizen or national, or an alien lawfully present in the United States. The certification below must be completed in order to receive any benefits. (This certification may not have any standing with regard to applicable State laws providing relocation benefits.) **Your signature(s) on this claim form constitutes certification.**

The individual(s) listed below occupy/occupies the dwelling at _____.

_____ _____ _____
_____ _____ _____
_____ _____ _____

I _____, as head of household, hereby certify that all individuals are either United States citizens or nationals, or are aliens lawfully present in the United States.

For unrelated individuals, each individual by affixing their signature below certifies that they are either a United States citizen or national, or an alien lawfully in the United States.

_____	_____	_____
(Signature and Date)	(Signature and Date)	(Signature and Date)
_____	_____	_____
(Signature and Date)	(Signature and Date)	(Signature and Date)

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

To be Completed by the Agency	7. Effective date (mm/dd/yyyy) of eligibility for relocation assistance	8. Date of referral (mm/dd/yyyy) to comparable replacement dwelling	9. Date (mm/dd/yyyy) replacement dwelling inspected and found decent, safe and sanitary

10. Payment To Be Made In: ☐ Lump Sum (only for down payment assistance) ☐ Monthly Installments ☐ Other (specify in the Remarks Section)

Payment Action	Amount of Payment	Signature	Name (Type or Print)	Date (mm/dd/yyyy)
11. Recommended	$			
12. Approved	$			

13. **Determination of Rent and Average Monthly Utility Costs**

Instructions: To compute the payment, entries on line (8) must reflect all utility services. Therefore, identify on lines (2) through (5) each utility necessary to provide heat, hot water, cooking, lighting, water and sewer. In those cases where the utility service is not covered by the monthly rent, indicate the estimated out-of-pocket monthly cost. In those cases where the utility service is covered by the monthly rent, enter "IMR" (In Monthly Rent). Determine the estimated average monthly cost of a utility service by dividing the reasonable estimated yearly cost by 12. If a monthly housing program subsidy (e.g., Section 8 Housing Assistance Payment (HAP)) has been provided, enter the applicable amount on line (7).

Item	**Average Monthly Cost**				
	Unit That You Moved From		Unit That You Moved To (Do not complete if claim is for down payment assistance.)		Comparable Replacement Dwelling
	(a) Claimant	**(b) For Agency Use Only**	(c) Claimant	**(d) For Agency Use Only**	**(e) To Be Provided By Agency**
(1) Rent (The amount paid under the terms and conditions of occupancy. It may or may not cover any utilities.)	$	$	$	$	$
(2)					
(3)					
(4)					
(5)					
(6) Gross Monthly Rent and Utility Costs (add lines (1) through (5))	$	$	$	$	$
(7) Monthly Housing Subsidy, if applicable (e.g., Section 8 HAP)					
(8) Net Monthly Rent and Utility Costs (subtract line (7) from line (6)) (Enter these amounts on the appropriate lines in Item 5)	$	$	$	$	$

14. **Determination of Person's Financial Means**

Item		Household Income: Claimant (a)	Household Income: For Agency Use Only (b)
(1) Annual Gross Income of Household. Include income from net family assets. Enter name of each household member with income. (See paragraph 7-21 of HUD Handbook 1378)		$	$
(2) Total Gross Annual Income (Sum of entries in line (1))			
(3) Gross Monthly Income (Divide line (2) by 12)			
(4) 30% of line (3) (Enter this amount on line (5) of Item 5)		$	$

Remarks

Remarks continued on a separate page? ☐ Yes ☐ No

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Privacy Act Notice: This information is needed to determine whether you are eligible to receive a payment to help you rent or buy a new home. You are not required by law to furnish this information, but if you do not provide it, you may not receive this payment or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The information may be made available to a Federal agency for review.

RESIDENTIAL RELOCATION MANAGEMENT REPORT

PROJECT NAME AND NUMBER _____ STATUS AS OF _____

Page ___ of ___

CASE NUMBER	ADDRESS	NAME OF OCCUPANT(S)	(T)ENANT (O)WNER	DATE OF ELIGIBILITY	NOTICE ISSUED		NUMBER OF PEOPLE	(E)LDERLY (D)ISABLED	RACIAL/ETHNIC CLASSIFICATION**	REPRESENTATIVE COMPARABLE OFFERED*** ☑	NUMBER OF REFERRALS MADE	90-DAY NOTICE ISSUED ☑	NOTICE TO VACATE ISSUED ☑	DATE MOVED	MOVING EXPENSES		REPLACEMENT HOUSING PAYMENT	CASE CLOSED ☑	REMARKS
					TYPE*	DATE									(A)CTUAL (F)IXED	AMOUNT			
																$	$		

* E - Notice of Eligibility for Relocation Assistance
N - Notice of Nondisplacement

** W - White, Not Hispanic
B - Black, Not Hispanic
A/I - American Indian
H - Hispanic
A/P - Asian or Pacific Islander

*** Representative comparable to be used as basis for determining maximum Replacement Housing Payment.

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SAMPLE GRIEVANCE PROCEDURE

I. GROUNDS

You have the right to appeal any action of _____ on the following grounds:

1. Failure to properly determine your eligibility for, or the amount of, a relocation or other payment due you under the Uniform Act;

2. Refusal to waive the time limit for filing a claim or the one-year purchase and occupancy requirement;

3. Failure to properly inspect the replacement dwelling; and

4. Failure to comply with a requirement of 24 CFR 42.209 (Availability of Comparable Replacement Dwelling Prior to Displacement).

Your acceptance of the amount offered you by _____ does not limit your right to appeal _____'s determination and seek a larger payment.

II. METHODS AND TIME LIMITS FOR INITIATING AN APPEAL

If your appeal concerns your eligibility for, or the amount of, payment, you must file your appeal within 6 months after _____ notifies you of its determination on your claim.

If your appeal concerns an alleged failure to provide appropriate housing referrals or to properly inspect the replacement dwelling or to comply with 24 CFR 42.209 (Availability of Comparable Replacement Dwellings Prior to Displacement), you must file your appeal within 6 months after (a) your permanent move from your home or apartment; or (b) the end of the four-year occupancy period, whichever comes first.

If your appeal concerns _____'s refusal to waive the one-year purchase and occupancy requirement, your appeal must be filed within 30 days after the refusal.

If you have any questions concerning these procedures, do not hesitate to contact:

Relocation Officer: _____
Agency: _____
Address: _____
Telephone: _____

_____ _____
Occupant's Signature Agency Representative

_____ _____
Occupant's Address Date

RL-14

GUIDEFORM NOTICE TO PROSPECTIVE TENANT

Grantee of Agency Letterhead

(Date)

Dear _____:

On ___*(date)*___, _____*(property owner)*_____ submitted an application to the _____*(Grantee)*_____, for financial assistance to [acquire] [rehabilitate] [demolish] [convert] the building located at _____*(address)*_____. Because Federal funds are being used in this project, the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1979, as amended (URA) applies for tenants in residence at the time of application. However, as a new tenant, you will not be eligible for relocation benefits under URA.

This notice is to inform you of the following information **before you enter into any lease agreement and occupy a unit at the above address:**

- You may be displaced by the project.
- You may be required to relocate temporarily.
- You may be subject to a rent increase.
- You will not be entitled to any relocation benefits provided under the URA. If you have to move or your rent is increased as a result of the above project, you will not be reimbursed for any such rent increase or for any costs or expenses incurred by you in connection with a move as a result of the project.

Please read this notification carefully prior to signing a rental agreement and moving into the project. If you should have any questions about this notice, please contact _____*(Grantee)*_____, at _____*(address and telephone number)*_____. Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

Sincerely,

(name and title)

CHAPTER FIVE:

ACQUISITION

1. OVERVIEW

1.1. **UNIFORM ACT** - The acquisition, rehabilitation or demolition of any real property associated with a HOME-funded project must follow the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Sect. 4601 et seq.), hereafter called the "Uniform Act" or "URA", and the HUD implementing regulations (49 CFR Part 24).

1. The Uniform Act applies:

   a. Regardless of whether the actual acquisition is being paid from local or HOME dollars;

   b. To any acquisition which takes place on or after the date of submission of a HOME application to fund an activity on that property unless the Grantee shows that the acquisition was clearly unrelated to the proposed HOME funded activity; and

   c. Any acquisition that took place before the date of submission of the application can be subject to the Uniform Act if that acquisition was intended to support a later HOME activity.

2. All Grantees must either establish that they own the real property necessary for their project, or they will need to acquire that property by following specific federally mandated procedures. The term "property" when used in this context refers to any kind of permanent interest in real property: fee title, permanent easements, long-term leases (50 year or more), and rights of way.

3. Before starting acquisition activities, Grantees should review HUD Handbook 1378 to obtain a better idea of the process, individual procedures to be followed, and recordkeeping requirements.

4. Grantees should not assume that acquisition is not required until all city or county records have been searched. The results of this search must be documented in the Real Property Acquisition file.

2. METHODS OF ACQUISITION

2.1. The Uniform Act has four (4) methods of acquiring real property. These are:

1. Voluntary
2. From another Public Agency
3. Donation
4. Uniform Act Acquisition

2.2. The first two methods are exempt from the Uniform Act, but the Grantee must maintain adequate documentation to show that the acquisition conforms with the appropriate definitions.

3. VOLUNTARY ACQUISITION

3.1 *To comply with the URA and carry out cost-effective programs, it is strongly recommended that acquisition under HOME be limited to arms-length, voluntary transactions***.**

3.2. Voluntary acquisition may be the most expeditious method available to a Grantee when a property is needed for a project activity that is not site-specific. Projects that require particular sites by their very nature preclude the use of this method of acquisition.

3.3 Voluntary acquisition must meet **ALL** of the following conditions:

1. No specific site needs to be acquired -- the search may be limited to a general geographic area;

2. The property being acquired is not part of a project area where all or substantially all of the property will be acquired; and

3. The Grantee will not acquire (by condemnation) if negotiations fail and informs the owner of this. The seller must be told in writing that the Grantee will not take the property by eminent domain. The Grantee must also include an estimate of the property's fair market value in this notice to the seller. This notice will be included as part of the purchase offer and contract of sale which serves as an Addendum to Sales Contract. (See AQ-1).

3.4 To acquire property by voluntary acquisition, the Grantee should advertise/solicit sites for the particular project, for instance using a real estate agent's multiple listing service to identify sites. A general geographic location (e.g., the north side of town) can be included.

3.5 A formal appraisal which is independent and unbiased is required.

4. ACQUISITION FROM ANOTHER PUBLIC AGENCY

4.1 Acquisition between governmental/public agencies is exempt from the Uniform Act, if the acquiring agency does not have condemnation authority over the other agency. The Grantee is simply responsible for documenting that it does not have condemnation authority, and it may then negotiate with the agency from which the property, easement or right of way is needed.

5. DONATIONS

5.1. Donations are a common way that many Grantees acquire property. To be considered a voluntary sale, the Grantee must:

1. Inform the owner (in writing) of his right to receive just compensation under the Uniform Relocation Act (URA) based on an appraisal of the real property. The owner must waive these rights in a written consent document; and

2. Assure that an appraisal is obtained unless the owner releases them from such obligation (in writing).

5.2. PROCEDURES FOR ACQUISITION BY DONATION

1. Grantees must send donating owners a statement that the Grantee is required by law to offer just compensation to the owner based on an appraisal of the real property which establishes fair market value.

2. Provision must be made for a response from the property owner. It should be equally easy to respond either positively or negatively. They may also provide the opportunity for the owner to release the Grantee from its responsibility for an appraisal.

3. The property owner then signs the consent agreement. (See AQ-2).

6. REGULAR UNIFORM ACT ACQUISITION

6.1 BASIC ACQUISITION REQUIREMENTS OF THE UNIFORM ACT:

1. Appraise the real property, inviting the owner to accompany the appraiser, except when:

   a. The owner is donating the property and releases the locality from the obligation to appraise the property.

b. The acquisition is simple and to the best knowledge available to the Grantee, the fair market value is less than $2,500. The basis for this determination must be well documented.

2. Establish just compensation for property in an amount not less than appraised fair market value. For tenant-owned improvements, just compensation shall be the greater of:

   a. The contributory (enhancement) value of the improvement; or

   b. its salvage value

3. Review the appraisal at the local level to determine the adequacy and soundness of the appraiser's opinion of fair market value.

4. Offer just compensation for property in writing before initiating negotiations. Include summary statement of basis for determination of just compensation.

5. Make reasonable efforts to acquire property expeditiously by negotiation. Do not take any coercive action to induce an agreement on the purchase price.

6. Do not require the transfer of possession of property until compensation is made available to owner.

7. Pay all costs incidental to the acquisition, including recording fees, mortgage prepayment penalties and prepaid property taxes.

8. If occupant is permitted to remain on the property on a short-term basis after acquisition, the rent shall not exceed the fair market rent for such occupancy.

6.2 PROCEDURES

1. *Notify all property owners* as soon as possible of the Grantee interest in acquiring the property and the owner's basis rights (See AQ-3). A brochure "When a Public Agency Acquires Your Property" (AQ-4) has been published by HUD in Spanish and English editions. Copies of this publication are available from THDA.

2. *Determine if an appraisal is needed*. This determination must be based on whether the two exceptions mentioned in A.1 apply. If there is no need for an appraisal, then proceed with step 5.

3. *Obtain an unbiased and independent appraisal*.

   a. An independent appraiser <u>must</u> be selected.

i. The Grantee shall establish criteria for appraiser qualifications, assuring that they are consistent with the level of difficulty of the appraisal assignment.

ii. No appraiser (or review appraiser) shall have any direct or indirect interest in the property to be appraised.

iii. No one may act as a negotiator for real property that he has appraised if the value of the property exceeds $2,000.

b. A minimum of one appraisal is required. However, if the project is potentially controversial (e.g., as with an unwilling seller) or where property values are high, it is recommended that two independent appraisals be conducted.

c. The Grantee or the appraiser selected must formally invite the property owner to accompany the appraiser during the inspection of the property prior to the appraisal. This notice should be in writing and a copy placed in the property acquisition file. (See AQ-5).

d. Appraisals that are detailed and consistent with established, commonly accepted practices shall be prepared for all acquisitions except for those which, by virtue of their low value and/or simplicity, do not require an in-depth analysis. Nationally recognized appraisal standards shall be used, including the Uniform Appraisal Standards for Federal Land Acquisition to the extent feasible. Minimum requirements for an appraisal as listed at Section 24.103(a)(1)-(6) of the HUD implementing regulations.

4. *Have the appraisal reviewed.*

a. This review must be conducted by a qualified review appraiser with no direct or indirect interest in the property who will assure that the appraisal meets applicable requirements and seek corrections or revisions to the appraisal as necessary.

b. The review appraiser may develop appraisal documentation (in accordance with HUD regulations) to support a recommended value IF he is unable to approve the appraisal submitted as an adequate basis for establishing just compensation, AND, it is not practical to obtain an additional appraisal.

c. The review appraiser shall set forth in a signed statement a certification of the recommended value of the property that identifies appraisal reports reviewed and explains the basis for the recommended value. If there are damages or benefits to any remaining property, these shall also be identified.

5. *Establish and Offer Just Compensation.* This amount cannot be less than the review appraiser's recommended fair market value, and is usually the same. A prompt, written offer to acquire for this amount (AQ-6) must then be sent to the owner. A written "Statement of Basis for Just Compensation" (AQ-7) must accompany this offer.

6. *Negotiate with the owner, or his representative*.

   a. Discuss the offer and acquisition policies and procedures including the payment of incidental expenses as provided for in Section 24.106 of the HUD implementing regulations.

   b. Give the owner an opportunity to evaluate the offer and, if he chooses, to present any material that he feels is relevant and/or make a counter-offer.

   c. Consider any counter-offer and either accept it, obtain a new appraisal (usually only recommended if significant time has passed since the original appraisal), institute condemnation proceedings, or decide not to acquire the property.

   d. Maintain full documentation of negotiation proceedings in the project acquisition file.

      i. NOTE: Condemnation can be substantially more expensive than negotiation, particularly if the property owner is an elderly or infirm individual to whom juries tend to be very generous. The Grantee is required to pay the amount established by the court. It is advisable to try to avoid condemnation and secure a successful acquisition by negotiation when at all possible.

7. *Prepare, execute and record the contract of sale*. Before taking possession of the property, the Grantee must pay the agreed-upon purchase price to the owner. (See AQ-8). The only exception is in circumstances when the owner has granted a right-of-entry for construction purposes. The Grantee shall pay what it deems "fair and reasonable" incidental costs associated with the transfer of title (i.e., recording fees, transfer taxes, penalty costs or other charges for prepayment of any pre-existing recorded mortgages, etc.), or reimburse the owner for same.

8. At the conclusion of settlement, the Grantee must provide the owner with a Statement of Settlement Costs (AQ-9) that identifies all settlement costs regardless of whether they are paid at, before, or after closing, and must clearly separate charges paid by the owner. The Statement of Settlement Costs must be dated and certified as true and correct by the person handling the transaction. A receipt for purchase price must be secured by the Contractor locality. All title/deed transfer documents must also be on file.

9. *If the local entity decides not to acquire* the property, it must notify the owner and all tenants in writing by registered mail, return receipt requested, of its intention not to acquire the property and that any person moving from the property thereafter will not be eligible for relocation payments and assistance. This notice must be sent within 10 days of the Grantee's determination not to acquire. (See AQ-10).

7. ACQUISITION AND LEAD-BASED PAINT REGULATIONS

7.1 **ACQUISITION WITHOUT REHABILITATION** - Prior to the closing, the following steps must be followed for the acquisition of a vacant unit:

1. A visual inspection must be conducted to identify any deteriorated paint.
2. Deteriorated paint must be tested or presumed to be lead-based paint.
3. Deteriorated paint must be stabilized.
4. The unit must undergo clearance testing after paint stabilization. Clearance must be achieved prior to occupancy.
5. A copy of the clearance form (LBP-3) must accompany the draw request for acquisition funds.
6. If the unit is occupied at the time of acquisition, the above steps must be followed immediately after closing.

7.2 If the property being acquired is rental property, an on-going maintenance plan must be established to protect tenants from lead-based paint hazards.

7.3 **ACQUISITION WITH REHABILITATION** - See *Chapter 8: Lead-Based Paint, Section 3 - Requirements for Rehabilitation Assistance (Subpart J).*

8 RECORD KEEPING REQUIREMENTS

8.1 The following documentation must be kept for <u>each</u> property, easement or rights-of-way acquired:

1. Identification of property and property owner(s)
2. Evidence owner was informed on a timely basis about acquisition and his or her rights.
3. Copy of each appraisal report, including the review appraiser's report, and evidence that the owner was invited to accompany each appraiser on appraiser's inspection of property.

4. Copy of written purchase offer and summary statement of the basis for the determination of just compensation and date of delivery to owner.

5. Copy of purchase contract and document(s) conveying property.

6. Copy of settlement statement and evidence that owner received net proceeds due from sale.

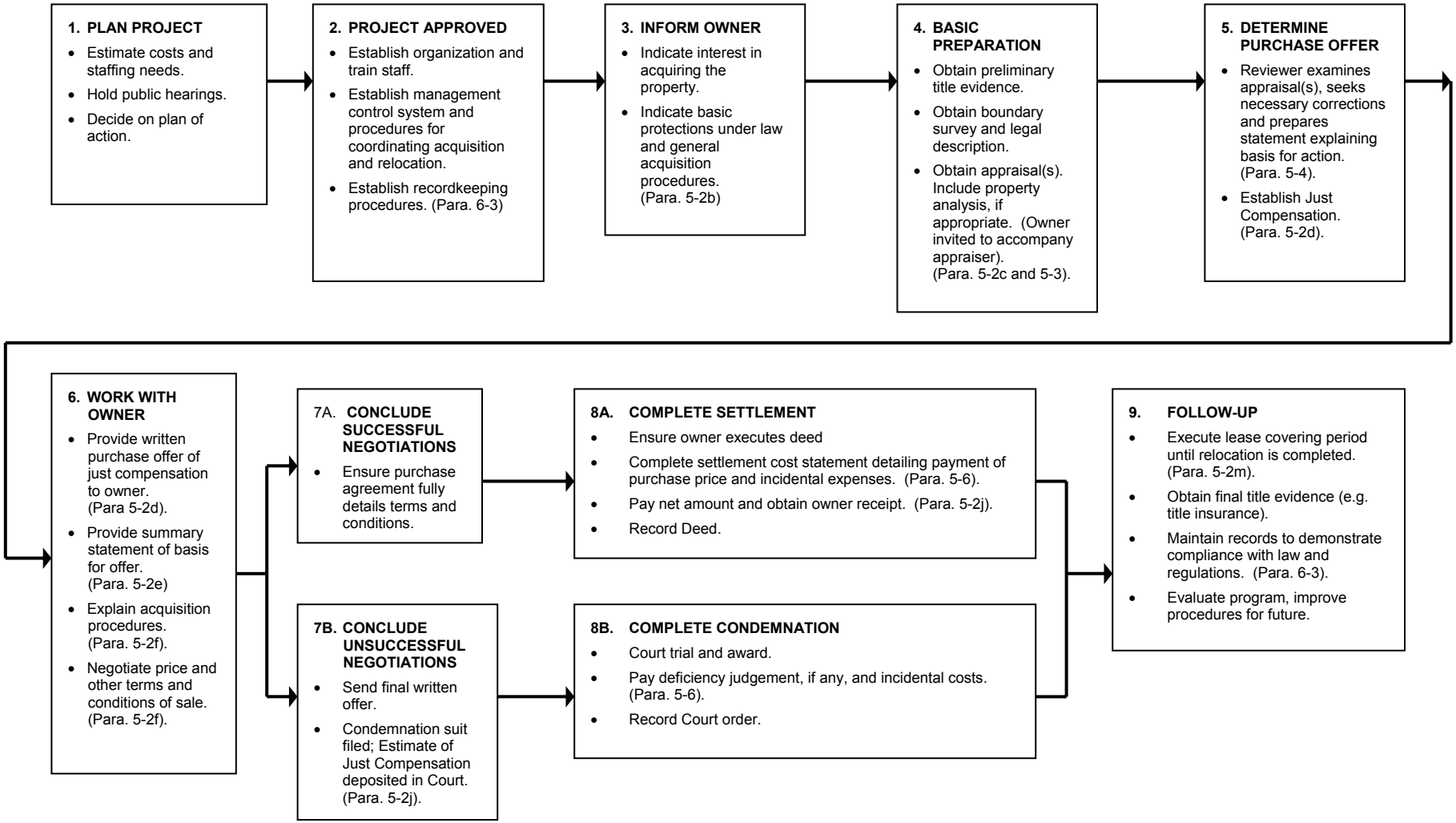
7. Copy of any appeal or complaint filed and response.

8. NOTE: All notices to the owners and/or tenants should be either sent return receipt requested, or hand delivered and a signed receipt of delivery maintained.

9 REPORTING REQUIREMENTS

9.1 The Grantee must complete the Report on Real Property Acquisition Activities (AQ-11). This report should be sent to THDA directly after completion of real property acquisition activities that were paid for with HOME funds. This must occur prior to start of construction.

ATTACHMENT III: ACQUISITION PROCESS UNDER URA*



*UNIFORM RELOCATION ACT RULES EFFECTIVE 4/2/89 (HUD HANDBOOK 1378)

ADDENDUM TO CONTRACT

ADDENDUM # _____ DATED: _____

ORIGINAL CONTRACT DATED ____/_____/_____/ FOR PURCHASE OF THE PROPERTY LOCATED AT:_____BETWEEN THE FOLLOWING PARTIES:

BUYER:

_____

_____

_____

SELLER:

_____

_____

_____

DATE BUYER INITIATED THIS CONTRACT ADDENDUM # ____ IS ____/____/_____

_____
BUYER'S SIGNATURE INITIATING THIS ADDENDUM

I, _____ (the Buyer), am seeking federal funds through the HOME program to assist me in acquiring your property. Please be informed of the following:

1. I _____, do not have the right of eminent domain and, therefore, will not acquire the property that you (the Seller) have offered for sale if negotiations fail to result in an amicable agreement; and
2. The property you (the Seller) have for sale is estimated to have a fair market value of $_____.
3. Even though federal funds will be used in the acquisition of your property, you (the Seller) **WILL NOT** be entitled to any relocation benefits

I understand that I, _____ (the Seller), having reviewed this Contract Addendum # _____, have the right to accept or not accept this Contract Addendum # _____

ACCEPTANCE:

I understand the above comments in this Contract Addendum # _____ and wish to accept this Addendum # _____ to the contract. I do not wish to terminate the contract dated _____/_____/_____ between myself (the Seller) and _____ (the Buyer).

_____
Seller's Signature of Acceptance

Date of Acceptance:_____

TERMINATION:

I understand the above comments in this Contract Addendum and do not wish to accept this Addendum # _____ to the contract. I wish to terminate the contract dated _____/_____/_____ between myself (the Seller) and _____ (the Buyer).

_____
Seller's Signature of Termination

Date of Termination:_____

WAIVER OF RIGHTS AND BENEFITS OF THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES OF 1970 (42 U.S.C. 4601)

WHEREAS, _____ has received HOME funds from the Tennessee Housing Development Agency; and

WHEREAS, one of the conditions imposed upon the use of such funds is compliance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601), hereinafter referred to as the Uniform Act, and the regulations pursuant thereto at 24 CFR Part 42; and

WHEREAS, nothing in the Uniform Act or regulations prevents a person, after being informed of the right to receive just compensation, from making a gift or donation of real property or any interest therein to the City/County/Non-Profit Organization, and that the landowner will be assured that property disturbed during construction will be put back or replaced in as good or as reasonably good condition than before; and

WHEREAS, as to the property specifically described as follows:

I hereby elect to donate the above described property and thereby waive any rights and benefits potentially accruing to me under the Uniform Act.

NOW, THEREFORE, let it be known that by my signature hereon, I freely and without duress waive any and all rights accruing to me under the Uniform Act. Specifically, I hereby release _____ from the obligation to obtain an appraisal of the above described property prior to my donating a (FEE SIMPLE or EASEMENT) interest in said property.

_____ Acquiring Official

_____ Property Owner

_____ Date

PRELIMINARY ACQUISITION NOTICE*

This is to formally notify you of our intent in acquiring certain property which you own located at:

_____
LOCATION OF PROPERTY TO BE ACQUIRED)

We are interested in purchasing the property you own to:

_____
(*BRIEF DESCRIPTION OF THE PROJECT*)

THIS NOTICE IS PRELIMINARY IN NATURE AND IS NOT A NOTICE TO VACATE. IT DOES NOT ESTABLISH ELIGIBILITY FOR RELOCATION PAYMENTS OR OTHER RELOCATION ASSISTANCE. To help explain the acquisition procedures, we are enclosing a copy of the booklet, "When A Public Agency Acquires Your Property".

You may donate this property or an easement interest in this property if you so desire.

If you have any questions before this office can contact you again, please call (*NAME OF PERSON TO CONTACT AT AGENCY*), who is the (*TITLE OF PERSON TO CONTACT*). Our telephone number is (*AGENCY TELEPHONE NUMBER*), and our regular office hours are (*OFFICE HOURS - from* _____ *to* _____, _____ *through* _____.

Sincerely,

(*COMMUNITY OFFICIAL*)

---

* This notice (and all notices) should be hand-delivered and a signed receipt obtained or sent registered or certified mail, return receipt requested.

REQUEST COMPLETE BOOKLET FROM THDA

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

WHEN A PUBLIC AGENCY ACQUIRES YOUR PROPERTY

INTRODUCTION

This booklet describes important features of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended** (URA) and provides general information about public acquisition of real property (real estate) that should be useful to you.

Most acquisitions of real property by a public agency for a Federal project or a project in which Federal funds are used are covered by the URA. If you are notified that your property will be acquired for such a project, it is important that you learn your rights under this important law.

This booklet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you sell your property. Afterwards, it may be too late.

INVITATION TO ACCOMPANY AN APPRAISER

(*Current Date*)

(*Name of Owner*)
(*Address*)
(*City*), (*State*) (*Zip Code*)

Dear (*Mr. or Mrs. Owner*):

I have been requested by the (*Community*) to prepare an appraisal of your property on (*Address of Property*). I will visit the property (*Date of Appraisal Visit*). If you wish to accompany me, please phone me at (*Telephone Number*) to arrange a mutually convenient time.

Sincerely,

(*Appraiser's Name*)
(*Title*)

OFFER TO PURCHASE

(*Current Date*)

(*Name of Owner*)
(*Address*)
(*City*), (*State*) (*Zip Code*)

Dear _____:

The City would like to buy you property located at:

_____
(*LOCATION OF PROPERTY TO BE ACQUIRED*)

Your property is needed for:

_____
(*BRIEF DESCRIPTION OF THE PROJECT*)

Based on fair and independent appraisal of the property, we propose to offer:

_____
(*AMOUNT OF OFFER*)

We feel the offer represents just and reasonable payment. Please read carefully the attached "Statement Of The Basis For The Determination Of Just Compensation". If contains a complete description of the property and any improvements we propose to acquire. It also explains how the amount of our offer was determined.

If the offer is acceptable, please sign below.

Sincerely,

(*SIGNATURE AND TITLE OF COMMUNITY OFFICIAL*)

Attachment

Signed,

_____
(*SIGNATURE OF OWNER*)

_____
(*DATE*)

STATEMENT OF THE BASIS FOR DETERMINATION OF JUST COMPENSATION

(*Current Date*)

(*Inside Address*)

SUBJECT: Statement of the Basis for Determination of Just Compensation _____ HOME Program _____, Tennessee.

Dear _____:

The following information is a summary of how the _____ established the amount of the offer, which is felt to be a fair and reasonable price for certain property you own in the _____ HOME Program Area, _____, Tennessee.

DESCRIPTION OF PROPERTY (Legal description or plat)

STREET ADDRESS (or other positive identification)

INTEREST TO BE ACQUIRED

LISTING OF FIXTURES, STRUCTURES, OR OTHER IMPROVEMENTS TO THE LAND TO BE ACQUIRED

OTHER ITEMS OF REALTY, OWNED BY OTHER PARTIES TO BE A PART OF THE ACQUISITION: (Item and Owner)

AMOUNT OF THE OFFER

$ (numerical amount)

_____

(spelled out in CAPS)

We believe that our offer represents just compensation for your property. It is **not less than** the approved appraisal for the property. Any increase or decrease in the market value caused by this project for which your property is being acquired or the likelihood that it would be acquired, other than to physical wear and tear within your reasonable control, has been disregarded by our appraisers. Our offer does not take into account any relocation assistance or payments that you may be entitled to receive. We will pay all reasonable closing costs. Of course, expenses to provide us with good title are your responsibility. This includes such items as liens for taxes, materials and mechanics liens, and outstanding mortgages.

Our offer to you is based on Fair Market Value, defined as "the price the property will bring in a competitive market under conditions requisite to a fair sale resulting from negotiations between a buyer and a seller, each acting prudently and wisely, and without pressure or undue influence."

APPRAISAL PROCEDURES

The appraiser(s) which were hired to appraise your property used practices and techniques recognized by all professional appraisal societies and organizations. These techniques are:

1. COST APPROACH TO VALUE: The appraiser appraises the land as if vacant. To that value, he adds the depreciated cost of the improvements. The land value is determined by using recent vacant land sales. The depreciated building value is determined by calculating the cost **today** of reproducing the building new and deducting for all causes of depreciation.

2. DIRECT SALES COMPARISON APPROACH: The value of the property is estimated by comparing it with similar properties that have recently sold in the same or similar area. The appraiser makes adjustments to the sales price for differences between the sales and the subject property.

3. INCOME APPROACH: This approach depends on determining the market rent for the subject property and finding what similar property has sold for on the market. The sales price is then divided by the actual rent to determine a multiplier (the technical term is the Gross Rent Multiplier or GRM). The market rent of the subject is multiplied by the GRM. The result is the Value Indicated by the Income Approach.

   NOTE: For non-residential and large multi-family properties, the income approach is more complicated and involves capitalization of net income. It is not discussed in detail since few such properties are being acquired.

CORRELATION AND FINAL VALUE STATEMENT

The appraiser then has as many as three indications of value if all three approaches are appropriate. At this point, the appraiser re-analyzes all the information and selects one amount that most nearly reflects the consensus of his/her data. This amount is not an average, but the conclusion based on this analysis. The appraiser then recommends this value to us as of a specific date.

Please realize that much of the language above is required by the Federal Regulations and Law, and as such, is sometimes confusing. If you have any questions, please feel free to contact us. We are located (LOCATION OF OFFICE). Our office hours are (OFFICE HOURS) and our telephone number is (OFFICE TELEPHONE NUMBER). (NAME OF PERSON TO CONTACT) is the person who could better answer any questions of a specific nature.

Sincerely,

(GRANTEE)

OFFER OF SALE OF LAND

In consideration of the sum of one dollar ($1) and other valuable consideration in hand paid, the receipt whereof is hereby acknowledged, the undersigned (hereinafter called the "Seller") being the owner thereof, hereby offers and agrees to sell and convey to the City of _____ (hereinafter called "the City") or its assignee or nominee the following described property located in the City of _____, County of _____, State of _____.

Upon the following terms and conditions:

Upon closing, the Seller shall convey to the City or its assignee or nominee by general warranty deed a good and marketable fee simple title thereto, together with all improvements, hereditaments and appurtenances thereto belonging, free and clear of all liens (except liens for current taxes and assessments), easements, restrictions, delinquent taxes and assessments, leases and encumbrances of any kind, existing or inchoate with proper release of dower, courtesy, and waiver of homestead rights, if any, together with all of his right, title and interest in and to any streets or alleys, adjoining or abutting thereon. Taxes and assessments shall be adjusted as of the time of closing. Possession shall be delivered to the City at the time of closing.

The total purchase price shall be $ _____. All expenses of examination of title and of preparation and recording of the deed shall be paid by the City. Payment of the purchase price shall be made upon transfer of title to the City.

This offer shall be irrevocable for a period of _____ days from the date hereof and shall remain in force thereafter until terminated by the Seller. Such termination may be effected at any time after the expiration of such _____ days period by Seller giving 60 days prior written notice to the City of such termination. If this offer is accepted, the City shall endorse its acceptance hereon and mail notice thereof to the Seller at the address specified below. The City shall specify the place and time of closing, which shall not be more than 60 days after the date of acceptance. The Seller agrees that this offer shall not be revocable and that he will not sell, mortgage, encumber, or otherwise dispose of such property or any part thereof prior to said expiration date, except to the City. This agreement shall be binding upon the seller and his heirs, executors, administrators, successors, and assigns.

Notwithstanding the prior acceptance of this offer, the City in lieu of completing the purchase of said premises may, at any time prior to closing, proceed to acquire the same by condemnation. The Seller agrees, as an independent stipulation, which shall survive the expiration or termination of this offer, to such condemnation upon the payment of just compensation, which shall be the purchase price above stated, which price the Seller hereby declares to be the fair market value of said premises, inclusive of every interest therein. Loss or damage to the property by fire or casualty shall be at the risk of the Seller until the title has been conveyed to the City.

Accepted _____, 20___ _____, 20___

_____ _____

BY: _____ Address:_____

A. Settlement Statement

U.S. Department of Housing and Urban Development

AQ-9

OMB Approval No. 2502-0265

B. Type of Loan

1. ☐ FHA 2. ☐ FmHA 3. ☐ Conv. Unins.
4. ☐ VA 5. ☐ Conv. Ins.

6. File Number:

7. Loan Number:

8. Mortgage Insurance Case Number:

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower:

E. Name & Address of Seller:

F. Name & Address of Lender:

G. Property Location:

H. Settlement Agent:

Place of Settlement:

I. Settlement Date:

J. Summary of Borrower's Transaction		**K. Summary of Seller's Transaction**	
100. Gross Amount Due From Borrower		**400. Gross Amount Due To Seller**	
101. Contract sales price		401. Contract sales price	
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)		403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		**Adjustments for items paid by seller in advance**	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower		**420. Gross Amount Due To Seller**	
200. Amounts Paid By Or In Behalf Of Borrower		**500. Reductions In Amount Due To Seller**	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		**Adjustments for items unpaid by seller**	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower		**520. Total Reduction Amount Due Seller**	
300. Cash At Settlement From/To Borrower		**600. Cash At Settlement To/From Seller**	
301. Gross Amount due from borrower (line 120)		601. Gross amount due to seller (line 420)	
302. Less amounts paid by/for borrower (line 220)	( )	602. Less reductions in amt. due seller (line 520)	( )
303. Cash ☐ From ☐ To Borrower		**603. Cash ☐ To ☐ From Seller**	

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are manadatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper.

The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The information requested does not lend itself to confidentiality.

L. Settlement Charges

		Paid From Borrowers Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price $ @ % =			
Division of Commission (line 700) as follows:			
701. $ to			
702. $ to			
703. Commission paid at Settlement			
704.			
800. Items Payable In Connection With Loan			
801. Loan Origination Fee %			
802. Loan Discount %			
803. Appraisal Fee to			
804. Credit Report to			
805. Lender's Inspection Fee			
806. Mortgage Insurance Application Fee to			
807. Assumption Fee			
808.			
809.			
810.			
811.			
900. Items Required By Lender To Be Paid In Advance			
901. Interest from to @$ /day			
902. Mortgage Insurance Premium for months to			
903. Hazard Insurance Premium for years to			
904. years to			
905.			
1000. Reserves Deposited With Lender			
1001. Hazard insurance months@$ per month			
1002. Mortgage insurance months@$ per month			
1003. City property taxes months@$ per month			
1004. County property taxes months@$ per month			
1005. Annual assessments months@$ per month			
1006. months@$ per month			
1007. months@$ per month			
1008. months@$ per month			
1100. Title Charges			
1101. Settlement or closing fee to			
1102. Abstract or title search to			
1103. Title examination to			
1104. Title insurance binder to			
1105. Document preparation to			
1106. Notary fees to			
1107. Attorney's fees to			
(includes above items numbers:)			
1108. Title insurance to			
(includes above items numbers:)			
1109. Lender's coverage $			
1110. Owner's coverage $			
1111.			
1112.			
1113.			
1200. Government Recording and Transfer Charges			
1201. Recording fees: Deed $; Mortgage $; Releases $			
1202. City/county tax/stamps: Deed $; Mortgage $			
1203. State tax/stamps: Deed $; Mortgage $			
1204.			
1205.			
1300. Additional Settlement Charges			
1301. Survey to			
1302. Pest inspection to			
1303.			
1304.			
1305.			
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)			

Borrower: _____ Seller: _____

Borrower: _____ Seller: _____

Date: _____ Date: _____

NOTICE OF INTENT NOT TO ACQUIRE

(*Current Date*)

(*Property Owner*)
(*Address*)

Dear _____:

The (*COMMUNITY*) has determined not to acquire your (*LOCATION OF PROPERTY*) property. Any person moving from the premises from the date of this notice will not be eligible for relocation payments or benefits.

Sincerely,

(*Community Official*)

cc: (*Tenant*)

REPORT ON REAL PROPERTY ACQUISITION

NOTE: This report is due at the completion of an acquisition

Is this the final report for this Project: [ ] Yes [ ] No

REAL PROPERTY ACQUISITION	DATE (MO/YR)	NUMBER OF PARCELS	AMOUNT PAID
Acquired by Voluntary Acquisition (not site specific, i.e., advertised for proposed sites.)			
Acquired by Donation (right to just compensation waived by owner)			
Acquired from another Public Agency			

REAL PROPERTY ACQUISITION SUBJECT TO UNIFORM ACT	DATE (MO/YR)	NUMBER OF PARCELS	AMOUNT PAID
Accepted "Just Compensation" Amount			
Acquired by Negotiation			
Acquired by Condemnation			

PREPARED BY:

Name: _____

Phone: _____

Title: _____

Date: _____

AQ-12

SITE ACQUISITION REPORT PROJECT NAME AND NUMBER _____ STATUS AS OF _____

PARCEL NUMBER	ADDRESS OF PROPERTY	NAME OF OWNER(S)	DATE				WRITTEN PURCHASE OFFER AND SUMMARY SETTLEMENT		DATE OF CONTRACT	CONDEMNATION			PURCHASE PRICE OF PROPERTY	SETTLE-MENT COSTS	CONSTRUC-TION DATE	REMARKS
			OWNERS NOTIFIED OF INTEREST	SURVEY COMPL	TITLE EVIDENCE RECEIVED	REVIEW APPRAISAL RECEIVED	DATE	AMOUNT		DATE SUIT FILED	DATE OF COURT AWARD	INTEREST ON COURT AWARD				

CHAPTER SIX:

FAIR HOUSING AND EQUAL OPPORTUNITY

1. OVERVIEW

1.1 Each Grantee funded under Tennessee Housing Development Agency's (THDA) HOME Program must comply with both state and federal laws with regard to fair housing and equal opportunity (FHEO). FHEO requirements have been developed to protect individuals and groups against discrimination on the basis of: race, color, national origin, religion, sex, age, physical or mental handicap, and family status.

1.2 In particular, HOME program administrators will need to be aware of discrimination issues with regard to: housing opportunities; benefits resulting from activities funded in full or in part by HOME dollars, employment opportunities, and business opportunities.

2. BASIC STATUTORY PROVISIONS

2.1 THDA Grantees must comply with all of the following federal laws, executive orders, and regulations pertaining to fair housing and equal opportunity.

1. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 AS AMENDED (42 U.C.A.. 2000D) - States that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving federal financial assistance on the basis of race, color, or national origin. Its implementing regulations may be found in 24 CFR Part 1.

2. TITLE VII OF THE CIVIL RIGHTS ACT OF 1964 AS AMENDED (42 U.C.A. 2000E) - Prohibits discrimination in employment against any individual on the basis of race, color, religion, sex or national origin, and allows victims of intentional discrimination to seek punitive and compensatory damages through jury trials.

3. TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968, AS AMENDED "THE FAIR HOUSING ACT" (42 U.C.A.. 3601) - Prohibits discrimination in the sale or rental of units in the private housing market against any person on the basis of race, color, religion, sex, national origin, familial status or handicap. Its implementing regulations may be found in 24 CFR Part 100-115.

4. EQUAL OPPORTUNITY IN HOUSING (EXECUTIVE ORDER 11063, AS AMENDED BY EXECUTIVE ORDER 12259) - Prohibits discrimination in housing or residential property financing related to any federally assisted

activity against individuals on the basis of race, color, religion, sex or national origin. Implementing regulations may be found in 24 CFR Part 107.

5. SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED (29 U.C.A.. 794) - States that no otherwise qualified individual may be excluded, solely because of his/her handicap, from participation in, the benefits of, or subject to discrimination under any program or activity receiving federal financial assistance. The implementing regulations may be found in 24 CFR Part 8.

6. AMERICANS WITH DISABILITIES ACT (42 U.S.C 12131; 47 U.S.C. 155, 201, 218 AND 225) – Provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. The Act, also referred to as the ADA, also states that discrimination includes failure to design and construct facilities (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communications barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.

7. AGE DISCRIMINATION ACT OF 1975, AS AMENDED (42 U.S.C.. 6101-07) - Prohibits age discrimination in programs receiving federal financial assistance. Its implementing regulations may be found in 24 CFR Part 146.

8. EQUAL EMPLOYMENT OPPORTUNITY, EXECUTIVE ORDER 11246, AS AMENDED - Prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin. Provisions to effectuate the prohibition must be included in all construction contracts exceeding $10,000. Implementing regulations may be found at 41 CFR Part 60.

9.. MINORITY AND WOMAN BUSINESS OPPORTUNITIES (EXECUTIVE ORDERS 11625, 12138, AND 12432) - To ensure that all federal agencies with substantial procurement or grant making authority adopt minority and woman business development plans (See EO-1). The implementing regulations may be found in 24 CFR Section 511.13(c).

10. AFFIRMATIVE MARKETING (24 CFR 511.13(B)) FOR RENTAL PROPERTIES CONSISTING OF FIVE (5) OR MORE UNITS **-** Requires that each THDA Grantee establish procedures to inform the public, owners and potential tenants of federal Fair Housing laws and the Grantee's affirmative marketing program; develop requirements for owners assisted under THDA's Program; outline procedures by which owners will solicit applications from eligible potential tenants; maintain records of Grantee and owner efforts to affirmatively market rehabilitation units; and develop a system for evaluating owners' affirmative marketing efforts (See EO-3).

11. SECTION 3 OF HOUSING AND URBAN DEVELOPMENT ACT OF 1968, AS AMENDED, 12 U.S.C. 1701u. - The purpose of which is to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very-low-income persons, particularly those who are recipients of government assistance for housing.

12. SITE AND NEIGHBORHOOD STANDARDS FOR NEW CONSTRUCTION (24 CFR 882.709) - The purpose of which is to ensure that all proposed new construction sites are approved by HUD.

3. General Responsibilities

3.1 The Grantee must take actions to ensure that no protected person or group is denied benefits such as employment, training, housing, access to information, or contracts generated by THDA funded projects on the basis of minority status. As the project progresses the Grantee:

1. Must exercise non-discrimination in the decision-making process for all elements of the project;

2. Must take any necessary actions to ensure that members of the protected groups have equal access to any information, related services, and job opportunities associated with THDA-funded projects;

3 Must make reasonable accommodations (modifications or exceptions) to rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities an equal opportunity participate in the program;

   a. If a requested modification imposes an undue financial or administrative burden on a local government, of if a modification creates a fundamental alteration in a local government's land use and zoning scheme, it is not to be deemed a "reasonable" accommodation;

4. Must monitor the extent to which protected groups are participating and receiving benefits from the project.

5. Must maintain records of all tenants who initially occupy units that have been rehabilitated with HOME funds, by race, ethnicity, and sex and include this information in the Project Completion Report; and

6. Must ensure that all subrecipients and contractors are taking all required actions.

7. Must ensure compliance with Section 3 requirements by verifying that recipients and contractors are making efforts to utilize low income residents in the Section 3 area for training and employment opportunities.

8. Construction contracts will probably generate the employment of local residents. Those responsible for hiring must be aware of the requirements of Equal Opportunity.

9. Must ensure that every effort is being made to notify minority/female owned businesses as well as document efforts, the following documents have been developed:

   a. Policy and Procedures for Outreach to Minority and Women Business Enterprises (EO-1); and

   b. Directory of Minority and Female Business Contractors and Suppliers in Tennessee (EO-2).

4. ACTIVITIES

4.1 **FAIR HOUSING ACTIVITY** - For the 1998 HOME Program, a copy of the pamphlet of Fair Housing Laws (EO-8) will be distributed to each program applicant. Each grantee will need to maintain records to demonstrate that this requirement has been met.

4.2 **SECTION 3** - Grantees and contractors must make every effort to utilize low income residents for employment and training opportunities.

Section 3 Questionnaire (EO-5) - This form must be completed by all grantees whose HOME contract is $200,000 or more.

4.3 **POLICY OF NONDISCRIMINATION** - A written policy of nondiscrimination (EO-6) must be posted conspicuously so all recipients, job applicants, contractors, subcontractors and interested parties may see it.

4.4 **CONSTRUCTION GENERATED EMPLOYMENT** - Your HOME grant will probably generate employment through construction contracts. Those responsible for hiring must be aware of the Equal Opportunity requirement. Following is a list of requirements to help the grantee meet Equal Opportunity requirements:

1. Construction contracts must have the proper equal opportunity language and correct goals for minority and female employment. Goals will need to be inserted for contracts other than homeowner rehabilitation. (Refer to EO-7 for Minority goals)

2. Document efforts to inform minority/female owned businesses.

3. Any subcontractor working with the prime contractor must also provide documentation where they also attempted to use minority/female owned businesses.

4.5 **MINORITY/FEMALE SOLICITATION** - Every effort must be made to assure minority and female owned businesses are offered opportunities to bid on service, material and construction contracts. To meet this requirement the following steps should be taken:

1. The grantee should notify minority and female owned businesses of contracts and bid deadlines.

2. A list of minority/female contractors and businesses must be maintained. A State-wide directory is included in this chapter (EO-2).

3. A contract/subcontract activity report (EO-4) must be completed on all contracts awarded.

4.6 **SECTION 504** - Both new construction and rehabilitation of multi-family housing assisted with HOME funds are subject to and must meet the standards of Section 504. Section 504 standards apply to all units in a project and not just the HOME-assisted units.

1. For new construction of all multi-family units and for rehabilitation projects with 15 or more units for which the rehabilitation cost will equal at least 75% of the replacement cost: 5% of the units in the project must be accessible to individuals with mobility impairments, and an additional 2% must be accessible to individuals with sight and hearing impairments.

4.7 **SITE AND NEIGHBORHOOD STANDARDS** - Proposed sites for new construction units must be approved by HUD as meeting the following site and neighborhood standards.

1. Site must be adequate in size to accommodate the number of units proposed and have adequate utilities and streets to service the site.

2. Site and neighborhood must be suitable from the standpoint of facilitating and furthering full compliance with applicable provisions of Title VI of the Civil Rights Act of 1964. The Fair Housing Act, Executive Order 11063 and Implementing HUD Regulations.

3. The site must not be located in an area of minority concentration and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

4. The site may be located in an area of minority concentration *ONLY* if:

   a. Sufficient comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration; or

b. the project is necessary to meet overriding housing needs that cannot be met in that housing market area.

4.8 **FAIR HOUSING AND LOCAL ZONING ORDINANCES** - The Fair Housing Act does not pre-empt local zoning laws. The Act does, however, apply to municipalities and other local government entities and prohibits them from making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against protected persons, including individuals with disabilities. The Fair Housing Act makes the following unlawful:

a. To utilize land use policies or actions that treat groups of persons with disabilities less favorably than groups of non-disabled persons. An example would be an ordinance prohibiting housing for persons with disabilities or a specific type of disability, such as mental illness, from locating in a particular area, while allowing other groups of unrelated individuals to live together in that area.

b. To take action against, or deny a permit, for a home because of the disability of individuals who live or would live there. An example would be denying a building permit for a home because it was intended to provide housing for persons with mental retardation.

c. To refuse to make reasonable accommodations in land use and zoning policies and procedures where such accommodations may be necessary to afford persons or groups of persons with disabilities an equal opportunity to use and enjoy housing.

5. Recordkeeping AND EO/FH CHECKLIST

5.1 Grantees must maintain careful records of their actions for FHEO monitoring purposes. This documentation must include: all advertisements for employment and documentation regarding the subsequent applications and individuals hired. Advertisements should contain the required equal opportunity language.

5.2 CONTRACTOR/SUBCONTRACTOR ACTIVITY REPORT - This form (EO-4) is to be maintained by the Grantee and copies sent to THDA by *May 31st of every year*. This report should include *only* the completed projects.

5.3 Complaints, if any. Notify THDA who will address the Grantee as proper procedures to follow.

5.4 Beneficiary data by race, ethnicity, sex, and handicap.

5.5 Directory of Minority and Female Contractors & Suppliers *(Pull from manual and place in EO/FH file)*.

5.6 Documentation to solicit minority/female businesses participation (copy of letters sent, copy of bid advertisement specifically encouraging participation).

5.7 City or County hiring policies.

5.8 Documentation of Fair Housing Activity (signed copies of Fair Housing Law Pamphlet).

5.9 Section 3 Questionnaire.

5.10 Policy of Non-Discrimination.

EO-1

STATE OF TENNESSEE

TENNESSEE HOUSING DEVELOPMENT AGENCY

POLICY AND PROCEDURES FOR OUTREACH TO MINORITY AND WOMEN BUSINESS ENTERPRISES

It is the policy of the Tennessee Housing Development Agency that contractors, vendors or suppliers may not be denied an opportunity for employment under the HOME program on the basis of:

- ⇒ Race
- ⇒ Color
- ⇒ Religion
- ⇒ National Origin
- ⇒ Sex
- ⇒ Age
- ⇒ Handicap

All state recipients and sub-recipients of federal funds must take affirmative steps to assure women and minority businesses are afforded opportunities to bid on service, material and construction contracts. To meet the requirement, recipients must take steps to inform women and minority businesses about federally funded contracts.

Each recipient's outreach effort to minority and women-owned businesses should as a minimum be:

1. A good faith, comprehensive and continuing endeavor;
2. Supported by a statement of public policy and commitment published in the print media of widest local circulation;
3. Supported by an office and/or key, ranking staff person with oversight responsibilities and access to the chief elected official; and
4. Designed to use all available and appropriate public and private sector local resources.

The following activities shall be considered a minimally acceptable level of implementation:

The recipient should notify minority and women businesses of contracts and bid deadlines. This applies to professional service contracts and material and equipment purchases as well as to construction contracts. For construction contracts, notices should be published in the local newspaper. In addition, notice may also be published in a minority publication.

The invitation to bid should be sent directly to minority and women firms in addition to running advertisements. Document your efforts.

Solicit quotes and proposals from minority and women firms. For non-construction contracts, or any contract where formal advertising is not required (e.g., small purchases or local procurement contracts), it is a good idea for larger cities and counties to develop a list of minority and women businesses to use when small purchase and local procurement procedures are followed.

A list of minority/female contractors, vendors and suppliers must be maintained. A state-wide directory will also be maintained and made available to recipients.

Invite by phone or letter any minority and female contractors in a reasonable geographic area to bid. For example, a project in Marion County should solicit bids not only from within the county, but also from Hamilton County. Copies of letters and memos of phone calls should be placed in the file (examples of form letters will be provided).

A contract and subcontractor activity report must be filled out each time a contract or subcontract is awarded. These forms must be sent to the Tennessee Housing Development Agency as soon as contracts have been awarded.

EO-2

JULY 2001

DIRECTORY

OF

MINORITY AND FEMALE

CONTRACTORS AND SUPPLIERS

IN

TENNESSEE

PREPARED BY:

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
PROGRAM MANAGEMENT DIVISON

ANDERSON COUNTY

Advanced Integ. Management Services, Inc.
575 Oak Ridge Turnpike, Suite B-3
Oak Ridge, Tennessee 37830

(865) 482-9879

Reginald Hall

Engineering, Architecture, Health and Safety, and Construction Management

Certified By: TDOT

Brown Painting & Sandblasting Company
438 W. Outer Drive
Oak Ridge, Tennessee 37830

(865) 482-5754

James J. Brown

Painting (exterior & interior) Sandblasting - Market Area, within 50 miles.

Certified By: None

Engineering Construction Services
5603 Harriman Hwy.
Oliver Springs, Tennessee 37840

(865) 435-1007

Telena Moore

Construction and engineering services

Certified By: TDOT

Golden Landscape & Reclamation
459 Peach Orchard Road
Clinton, Tennessee 37716

(865) 494-9040

Mary Lou Golden

Aggregate construction, excavation and embankment, general contracting building, moving, demolition, clearing, grubbing, landscaping, sodding, seeding

Certified By: TDOT

Industrial Hardware & Supply, Inc.
733 Emory Valley Road
Oak Ridge, Tennessee 37830

(865) 482-5522

Crystal Duke

Wholesale distributorship

Certified By: None

J & D Enterprises
395 Lakeview Lane
Andersonville, Tennessee 37705

(865) 494-9630

Jackie Proffer

Supplier and manufacturer or patch cord assemblies

Certified By: TDOT

M.K. Wilson & Associates
550 Oak Ridge Turnpike, Box 5207
Oak Ridge, Tennessee 37830

(865) 482-9442

Kathey Wilson

Supplier of asphalt, concrete, fence, posts, plants, sand, signs, electrical, paper products, & office equipment

Certified By: TDOT

MS Technology, Inc.
118 Ridgeway Center
Oak Ridge, Tennessee 37830

(865) 483-0895

Harbans Singla

Engineering design information

Certified By: TDOT

Oak Ridge Research Institute
113 Union Valley Road
Oak Ridge, Tennessee 37830

(865) 481-5000

Dr. Nathaniel Revis

Environmental, geotechnical, soils analysis, studies, test matter

Certified By: None

Pruitt Landscaping Company
531 West Broad Street
Clinton, Tennessee 37716

(865) 457-4733

William M. Pruitt

Landscaping

Certified By: TDOT

Security Consultants Group, Inc.
178 Northwestern Avenue
Oak Ridge, Tennessee 37830

(865) 482-7440

Marsha Langford

Security annd consulting

Certified By: TDOT

Step, Inc.
1009 Commerce Park Drive, Box 5479
Oak Ridge, Tennessee 37831-5479

(865) 481-7837

Kenneth Shepard

Driveways, sidewalks, landscaping, rip rap

Certified By: TDOT

BEDFORD COUNTY

Brave Construction Co., Inc.
P.O. Box 124, 204 Greenbrier Ave.
Shelbyville, Tennessee 37160

(931) 684-5097

Neal Mathews

Road, bridge, drainage, and related work

Certified By: TDOT

First Ambulance Center of Tenn. Inc.
P.O. Box 172, 250 Thompson Street
Shelbyville, Tennessee 37160

(931) 684-3033

Jasper Moon

Manufactures ambulances

Certified By: OMBE

T & T Steel Erectors, Inc.
1201 Knob Creek Road
Wartrace, Tennessee 37183

(931) 389-9650

Vivian L. Thomas

Placement of reinforcing steel

Certified By: TDOT

Thomison Brothers, Inc.
264 Henslee Road
Shelbyville, Tennessee 37160

(931) 684-1878

George Thomison

Labor and materials for stone masonry, riprap, and miscellaneous concrete

Certified By: None

Tillman Construction Company, Inc.
264 Henslee Road
Shelbyville, Tennessee 37160

(931) 684-9403

Ronald W. Tillman

General Contractor - Market Area, statewide

Certified By: None

BENTON COUNTY

Arnold Trucking & Leasing
6915 Hwy. 641 South
Camden, Tennessee 38320

(731) 584-2888

Francis Arnold

Trucking and hauling

Certified By: TDOT

D & D Trucking Co. of Tennessee
P.O. Box 326, 2900 70 Bypass West
Camden, Tennessee 38320

(731) 584-5007

Kim Dudley

Trucking and hauling

Certified By: TDOT

BLOUNT COUNTY

Cable Construction, Inc.
P.O. Box 5776
Maryville, Tennessee 37801

(865) 977-4290

Debbie S. Cable

Construction and contracting all types

Certified By: TDOT

Caldwell Fence Co.
P.O. Box 5239
Maryville, Tennessee 37802

(865) 982-2185

Marilyn Caldwell

Fencing, Guardwell

Certified By: TDOT

JMT, Inc.
Box 5415
Maryville, Tennessee 37802

(865) 984-5696

Mari Wilkerson

Trucking and hauling

Certified By: TDOT

Shore Tank Lines, Inc.
P.O. Box 6018
3835 Fieldview Road
Maryville, Tennessee 37802

(865) 984-0752

Judy Shore

Trucking

Certified By: TDOT

Whaley & Sons, Inc.
P.O. Box 369
10123 Chapman Hwy.
Seymour, Tennessee 37865

(865) 573-7542

Lynda Whaley

Earthwork, clearing, grubbing, fence

Certified By: None

W & W Painting Services
3426 Russellwood Drive
Rockford, Tennessee 37853

(865) 982-6489

Herchell B. White

Painting – commercial and industrial

Certified By: TDOT

BRADLEY COUNTY

American Custom Manufacturing
Box 3630
Cleveland, Tennessee 37320

(423) 476-5599

Lee Otis Burton

Manufacturing and supplier of steel pressure vessels
and handrails

Certified By: TDOT

F & W Construction Co., Inc.
686 Rakestraw Rd., SW
McDonald, Tennessee 37353

(423) 473-9847

Sandra F. Rakestraw

Rip-rap, curb, gutter, driveways, sidewalks, inlets, catch basins, manholes and culverts

Certified By: TDOT

Marvin Wood
135 Fair Street
Cleveland, Tennessee 37311

(423) 472-9595

Housing rehabilitation

Certified By: None

M.C. Construction
535 Willow Street, N.W.
Cleveland, Tennessee 37311

(423) 339-1146

Mike Campbell

Masonry and concrete work

Certified By: TDOT

Southern Erosion Control
Box 2384
Cleveland, Tennessee 37320

(423) 478-5455

Jo Ann Reece

Manufacturing and installation of silk fence

Certified By: TDOT

CARTER COUNTY

ALH Construction Company
415 W.E. St.
Elizabethton, Tennessee 37643

(423) 543-4946

Annette Hall

Concrete flatwork, structures, and underground general construction

Certified By: TDOT

Native Green Landscaping
142 Lovers Lane
Elizabethton, Tennessee 37643

(423) 542-7396

Lori Shell

Clearing, landscaping, erosion control

Certified By: TDOT

Perry Wash
830 Watauga Avenue
Elizabethton, Tennessee 37603

(423) 542-5379

Concrete contractors

Certified By: None

CHEATHAM COUNTY

Lu, Inc.
P.O. Box 607, 430 Park St.
Kingston Springs, Tennessee 37082

(615) 952-5501

Betty Cole

General, commercial, highway specialty contractors, guardrail

Certified By: TDOT

Reginald Ewin Trucking Co.
4064 Manning Hollow
Pegram, Tennessee 37143

(615) 353-1684

Reginal Ewin

Trucking and hauling

Certified By: TDOT

R J Abstract and Translation Services
1008 Mayes Road
Kingston Springs, Tennessee 37082

(615) 952-5626

Ricardo Colon/Jennifer Colon

Titles searches for residential and commercial properties and translation from English to Spanish

Certified By: TDOT

R. N. Ferguson Co. Inc.
1311 Dry Creek Road, P.O. Box 327
Ashland City, Tennessee 37015

(615) 792-7602

Carolyn Ferguson

Painting, sandblasting

Certified By: TDOT

CLAY COUNTY

TKM, Inc.
915 Weaver Bottom Road
Celina, Tennessee 38551

(931) 243-3958

Tammie K. Melton

Erosion and traffic control, landscaping

Certified By: TDOT

COCKE COUNTY

Erby Contractors, Inc.
P.O. Box 701
Newport, Tennessee 37822

(423) 625-1658

Deborah Erby

Trucking & Hauling - Communications Equipment/Radios

Certified By: TDOT

Roland Dykes Mason
1105 Dykes Street
Newport, Tennessee 37821

Housing rehabilitation

Certified By: None

COFFEE COUNTY

Gilley Contruction
Box 2214, 4741 Murfreesbor Hwy.
Manchester, Tennessee 37355

(931) 728-3296

Vicki Gilley

Rebar and wire mesh (in concrete)

Certified By: TDOT

Harold Holloway
Route 1, Box 340B
Tullahoma, Tennessee 37388

Harold Holloway

Housing rehabilitation

Certified By: None

Mid-Tenn Turf, Inc.
Route 3, Box 3199
Manchester, Tennessee 37355-9117

(931) 366-7178

Marilyn Howard

Seeding and sodding

Certified By: TDOT

New Horizons Services, Inc.
1301 E. Carroll Street
Tullahoma, Tennessee 37388

(931) 455-6000

Rebecca Parker

Employment and labor service

Certified By: OMBE

Roberts Seeding and Sod, Inc.
1657 Old Airport Road
Hillsboro, Tennessee 37342

(931) 596-2411

Theresa Roberts

Sodding, seeding, erosion control, trees and shrubs

Certified By: TDOT

CROCKETT COUNTY

Gridco Way, Inc.
2900 Maury City, Chestnut Bluff Road
Friendship, Tennessee 38034

(731) 656-4131

Lynda Riddick

Installs guardrails and concrete work

Certified By: None

J. R. Construction, Inc.
P.O. Box 268, 214 First Street
Maury City, Tennessee 38050

(731) 656-2731

Barbara Riley

Road and bridge work, concrete paving

Certified By: TDOT

K and L Construction Company
Route 1, Chestnut Bluff Road
Friendship, Tennessee 38034

(731) 656-2326

Lynda Riddick, Kerel Riddick

Grading/dirt construction

Certified By: None

CUMBERLAND COUNTY

England Striping Inc.
P.O. Box 891
Crossville, Tennessee 38557

(931) 484-6188

Judith England

Pavement marking

Certified By: TDOT

DAVIDSON COUNTY

A. Buchanan Electric & Plumbing
172 Moss Road
Nashville, Tennessee 37221

(615) 832-7111

William Moss

Electrical and plumbing

Certified By: None

A. C. Power, Inc.
827 West McKenzie Ave.
Nashville, Tennessee 37206

(615) 226-8476

Kelly Holmes

General contracting concrete, clearing, grubbing, steel erection and trucking

Certified By: TDOT

Advanced Parking Lot Service
725 Rocky Mtn. Ct.
Antioch, Tennessee 37013

(615) 361-9999

Vanessa Childress

Commercial & industrial line striping, tennis courts, asphallt maintenance, power washing & seal coating

Certified By: TDOT

Aggregrate Logistics LLC
315 Tenth Avenue North, Suite 118
Nashville, Tennessee 37203

(615) 255-3519 - 800-967-6199

Richard Friley

Trucking and hauling transportation logistics

Certified By: TDOT

Alexander & Associates
P.O. Box 80357
Nashville, Tennessee 37208

(615) 244-3202

Victor Alexander

Insurance products and risk management services

Certified By: TDOT

Allied Concrete Construction
105 Joyner Avenue
Nashville, Tennessee 37210

(615) 834-3657

Brian Wilhite

Concrete contractor

Certified By: None

Allied Technology Group, Inc.
315 Woodland Street
Nashville, Tennessee 37206

(615) 664-1150

James Tucker

Engineering services

Certified By: OMBE

Alpha Computech
315 10th Avenue North, Suite 108
Nashville, Tennessee 37203

(615) 259-0066

Saletta Holloway

Hardware and software computer training

Certified By: TDOT

Aztech Industrial Supply, Inc.
1305 Elm Hill Pike
Nashville, Tennessee 37210

(615) 255-8700

Lesly Hart-Kelly

Industrial supply

Certified By: OMBE

Big M. Trucking Co., Inc.
P.O. Box 17157
Nashville, Tennessee 37217

(615) 399-7013

Cecilia Kay Little

Trucking and hauling supplier of crushed stone

Certified By: TDOT

Blake Industries, Inc.
425 Harding Industrial Drive
Nashville, Tennessee 37211

(615) 834-7949

Marilyn Blake

Water quality control

Certified By: OMBE

Bodie & Associates
150 Fourth Avenue North, Suite 110
Nashville, Tennessee 37219

(615) 327-1144

Al Bodie

Marketing public relation information systems and general management

Certified By: TDOT

Booker Engineering, Inc.
3200 Cynthia Lane
Nashville, Tennessee 37207

(615) 262-3800

Brenda Booker

Engineering

Certified By: TDOT

Care Management Consultants
Box 3101
Brentwood, Tennessee 37024

(615) 373-2273

Kathy Ingleson

Medial case management

Certified By: TDOT

Caution, Inc.
P.O. Box 1266, 307 Arlington Avenue
Brentwood, Tennessee 37027

(615) 254-3557

Deborah Carol Cole

General construction - commercial, industrial buildings, miscellaneous and speciality items - guardrails, fences, signs, lighting, pavement markings, traffic control devices

Certified By: TDOT

Centennial Express, Inc.
P.O. Box 91117, 4200 Delaware Avenue
Nashville, Tennessee 37209

(615) 383-2200

Phillip A. Carman, III

Temperature and non-temperature controlled semi-trailer hauling

Certified By: TDOT

Childs Enterprise
4900 Indian Summer Dr.
Nashville, Tennessee 37207

(615) 876-2479

Donald Childs

Manufactures wood products

Certified By: None

Commerical Gunite Inc.
605 Vanoke Drive
Madison, Tennessee 37115

(615) 865-4557

Beverly Nollner

Concrete and bridge repair using pneumatically applied mortor

Certified By: None

Connico Incorporated
P.O. Box 270036
Nashville, Tennessee 37227-0036

(615) 399-8300

Connie S. Gowder

Construction consultant, scheduling

Certified By: TDOT

Conway Metal Culvert Co., Inc.
P.O. Box 140199
Nashville, Tennessee 37214

(615) 889-0700

Iva Delay

Construction of culverts, sewers and guardrails

Certified By: None

Eddie Randolph Construction Company, Inc.
P.O. Box 70127, 615 Douglas Avenue
Nashville, Tennessee 37207

(800) 765-0694

Eddie Randolph

Concrete paving

Certified By: OMBE

Elite Roofing Company
1048 A Jefferson Street
Nashville, Tennessee 37208

(615) 259-0774

D'Arcy Porter/Katherine Lee

Commercial, industrial and residential roofing

Certified By: TDOT

Eubanks & Sons Construction Company
1401 Litton Avenue
Nashville, Tennessee 37216

(615) 228-0409

Anthony Eubanks

General contractor - commerical building, residential rehab, municipal sewer and water lines

Certified By: None

Geotek Engineering Co., Inc.
2909 Elizabeth Street
Nashville, Tennessee 37211

(615) 833-3800

Louis Mishu

Engineering, environmental, geotechnical, soils analysis, inspection and materials testing

Certified By: TDOT

H. M. C. Contractors, Inc.
2704 Larmon Drive, P.O. Box 40542
Nashville, Tennessee 37204

(615) 298-1003

B.J. Hogan

Concrete paving, barrier walls, bridge rails, curb and gutter, concrete sidewalks, drives, culverts, box bridge - miscellaneous concrete work

Certified By: TDOT

Holland's Lawn and Landscaping
1439 Ardee Avenue
Nashville, Tennessee 37216

(615) 226-7251

Norma Holland

Landscaping, guardrail, fence, sodding, seeding, painting and concrete (curb, gutter, driveways and sidewalks)

Certified By: TDOT

I.C.F. Builders and Consultants
784 McGavox Pike
Nashville, Tennessee 37214

(615) 883-7335

Roger Ligon

Commercial, industrial residential construction and rehabilitation

Certified By: TDOT

I.D.E.A.L. Inc.
P.O. Box 78125, 3002 Ambrose Avenue
Nashville, Tennessee 37207

615) 262-6401

Ramiro Muralles

Electrical and plumbing supplies

Certified By: TDOT

Ideals on Paper, Inc.
2803-B Foster Avenue, Suite 201
Nashville, Tennessee 37210

(615) 834-6555

BeLinda Wright

Computer aided drafting, utilities mapping, and digitized mapping

Certified By: TDOT

J F Collier Roofing Co, Inc.
1523 Jones Avenue
Nashville, Tennessee 37207

(615) 226-2844

Yvonne Collier

Commercial and industrial roofing

Certified By: TDOT

C.E. Jones, Inc.
805 A West McKenzie Avenue
Nashville, Tennessee 37206

(615) 228-0881

Carl Jones

General contracting, bridges, roadways, drainage and excavation, flat concrete work, etc.

Certified By: TDOT

J T & D Contractors Co.
545 Phipps Drive
Nashville, Tennessee 37218

(615) 876-1323

Masonry and backhoe

Certified By: None

Keepsake, Inc.
830 Fesslers Pkwy., Suite 122
Nashville, Tennessee 37210

(615) 726-2266

Sarah Hart

Manufactures carrying bags

Certified By: OMBE

Kerr Bros. & Associates, Inc.
P.O. Box 110071, 935 3rd Ave. South
Nashville, Tennessee 37222

(615) 255-8614

M. L. Kerr

Pavement Markings

Certified By: TDOT

Kiddway Construction
P.O. Box 80210, 1314 5th Avenue North
Nashville, Tennessee 37208

(615) 256-6144

C.P. Kiddway

Aggregate construction, concrete, earthwork, general contracting, and incidental

Certified By: TDOT

K S Ware & Associates, Inc.
315 Tenth Avenue North, Suite 122
Nashville, Tennessee 37203

(615) 773-7125, (615) 742-7476

Kathryn Ware

Architectural engineering, soil analysis, materials testing and consulting

Certified By: TDOT

Landau Landscaping
3208 Vailview Drive
Nashville, Tennessee 37207

(615) 262-2270

George Alexander

Landscaping

Certified By: TDOT

Manyam, Shull, Thompson, Inc.
2143 Belcourt Avenue
Nashville, Tennessee 37212

(615) 292-4500

Harold Thompson

Engineering services

Certified By: OMBE

Martha Stinson Public Relation
2606 Westwood Avenue
Nashville, Tennessee 37212

(615) 385-3890

Martha Stinson

Public relations, marketing, communications brochures and event management

Certified By: TDOT

Martin Kidd Associates
3200 West End Avenue, Suite 500
Nashville, Tennessee 37203

(615) 783-1626

Yvonne Martin-Kidd

Advertising/Public relations, banking, and marketing consulting

Certified By: TDOT

Mayes Masonry Company
530 Veritas Street
Nashville, Tennessee 37211

(615) 833-5565

Augusta Mayes

Masonary

Certified By: None

McAlco Construction, Inc.
P.O. Box 210702
Nashville, Tennessee 37221

(615) 373-8646

Tracy McAlister

Inlets, catch basins, manholes, curbs, concrete paving, and gutters

Certified By: TDOT

McFall Sod and Seed
340 Driel Avenue
Nashville, Tennessee 37210

(615) 832-3839

Jackie McFall

Seeding and sodding

Certified By: TDOT

McKibbens Maintenance Repair
4804 Indian Summer Drive
Nashville, Tennessee 37207

(615) 292-9150

Kerry A. McKibbens

General contracting roofing, painting, electrical work
and home renovations

Certified By: TDOT

McKissack & McKissack Architect
2014 Broadway, Suite 260
Nashville, Tennessee 37203

(615) 327-0455

Leatrice McKissack

Architect and engineering, planning design and construction

Certified By: TDOT

M.G. and Associates
P.O. Box 121647
Nashville, Tennessee 37212

(615) 329-4455

Melvin Gill

Engineering services

Certified By: OMBE

Mid-South Materials Co.
310 Madison Street
Madison, Tennessee 37115

(615) 868-7113

Ralph E. White

Industrial building materials and supplies

Certified By: OMBE

Milam Enterprises, Inc.
P.O. Box 111513
Nashville, Tennessee 37211

(615) 352-3466 or 377-6681

Edgar Milam

Trucking, guardrail and other highway developments

Certified By: None

Minorico Supply Co., Inc.
P.O. Box 80360
Nashville, Tennessee 37208

(615) 255-5570, (800) 786-1064

Joseph T. Owner

Supplier of industrial, electrical, uniform & office products

Certified By: TDOT

M.K.L.A.V. Inc. DBA Parker Construction
315 10th Ave., N., Suite 128
Nashville, Tennessee 37203

(615) 255-1633

Maquel H. Parker

General contracting, concrete, reinforcing steel, steel erection and roofing, architectural/eng. services

Certified By: TDOT

Morgan & Morgan, Inc.
1812 Pearl Street
Nashville, Tennessee 37203

(615) 329-1797

George Morgan

Consulting architectural, environmental, planning,
inspection and studies

Certified By: TDOT

Music, Inc.
1012 17th Avenue, South
Nashville, Tennessee 37212

(615) 327-4369

Sherytha Scaife

Manufacturer: Music recording

Certified By: OMBE

Music City Office Supply House
230 Great Circle Road
Nashville, Tennessee 37204

(615) 269-0395

Joseph Jackson

Customer services, telecommunications

Certified By: OMBE

Office At Home Enterprises, Inc.
5504 S. Stanford Drive
Nashville, Tennessee 37215

(615) 665-0258

Denise B. Gore

Office products and services

Certified By: OMBE

Panther Construction Co., Inc.
2120 Gains Street
Nashville, Tennessee 37207

(615) 227-9747

James Davis

Building restoration, waterproofing, stuco and exterior thermal systems

Certified By: TDOT

Planning, Design & Research, Inc.
200 Lindell Avenue
Nashville, Tennessee 37203

(615) 298-2065

Ak Upadhyaya

Engineering, environmental, hydrology, geotechnical, soils analysis, planning, inspection, studies, and materials testing

Certified By: TDOT

Preventive Maintenance Co., Inc.
Box 270845
Nashville, Tennessee 37227-0845

(615) 882-0064

Vita Gardner

Clearing, grubbing, landscaping, sodding, and seeding

Certified By: TDOT

Professional Touch Landscaping and Excavating
107 Music City Circle, Suite 300
Nashville, Tennessee 37214

(615) 885-2242

Gerald Beard

Landscaping, sodding and seeding, clearing and grubbing

Certified By: TDOT

R.B. Jr.'s Hauling Service
1249 Massman Drive
Nashville, Tennessee 37217

(615) 366-6109

Robert Blackman, Jr.

Trucking and hauling

Certified By: OMBE

Reginald Ewing Trucking Co.
3906 Crouch Drive
Nashville, Tennessee 37207

(615) 923-9663 - (615) 876-3722

Reginald Ewing

Trucking and hauling

Certified By: TDOT

Robertson Electrical Company
1618 Buchanan Street
Nashville, Tennessee 37208

(615) 256-0692

D. J. Robertson

Electrical

Certified By: None

Roe Construction Company
950 Maxwell Avenue
Nashville, Tennessee 37206

(615) 227-0263

Rufus Evans

Residential rehab

Certified By: None

SEJ Cement Finishing, Inc.
763 Lynwood Avenue
Nashville, Tennessee 37203

(615) 242-9878

Searcy McClain

Paving, curbs and gutters, slabs

Certified By: OMBE

Southeast Power and Equipment, Inc.
1967 Nolensville Road, P.O. Box 101416
Nashville, Tennessee 37211

(615) 256-8445

Joyce Jackson

Heavy equipment sales and services

Certified By: OMBE

Stones River Electric, Inc.
P.O. Box 100965
510 Cave Road
Nashville, Tennessee 37224

(615) 885-0019

Jami Wilson

Lighting and traffic control

Certified By: TDOT

Superior Systems
100 Rock Street
Nashville, Tennessee 37207

(615) 226-6140

Richard H. Earring

Installation systems, caulking waterproofing, building restoration, water treatment facilities

Certified By: OMBE

Swann and Company
3712-B Nolensville Road
Nashville, Tennessee 37211

(615) 315-0948

Martha S. Murphy

Manufactures signs

Certified By: OMBE

Tennessee Equipment Sales & Installation
924 South Douglas
Nashville, Tennessee 37204

(615) 463-8711

Tina Hill

Installation of athletic equipment, lockers and bleachers

Certified By: TDOT

The Renick Company, LLC
2905 Harbor View Drive
Nashville, Tennessee 37217

(615) 360-8458

Glenda Renick

Construction interior design

Certified By: TDOT

Thompson Landscaping & Excavating
4701 Lebanon Road, F-152
Hermitage, Tennessee 37076

(615) 872-0530

Charles Thompson

Landscaping

Certified By: None

Thornton & Associates
1205 S. Graycroft Ave.
Nashville, Tennessee 37115-5130

(615) 226-5621

Erly Thornton

Surveying and inspection

Certified By: TDOT

TRC International, Ltd.
1657 Murfreesboro Road, Suite C
Nashville, Tennessee 37217

(615) 360-2126

Surendra Ramanna

Engineering

Certified By: TDOT

Trice Transportation
2169 Riverway Drive
Old Hickory, Tennessee 37188

(615) 847-9395

John Trice

Trucking and hauling

Certified By: TDOT

Williams-Russell and Johnson
220 Athens Way, Plaza One, Suite 450
Nashville, Tennessee 37228

(615) 254-2170

Ernest Brown

Engineering services

Certified By: OMBE

William Smith & Son Contractors
3213 Wilmoth Court
Nashville, Tennessee 37207

(615) 226-3315

Terry Ezell

General contractor, municipal water and sewer line, residential - rehab - commerical

Certified By: OMBE

Wilmot & Associates, Inc.
3654 Knollwood Road
Nashville, Tennessee 37215

(615) 297-0478

Tiffany Wilmot

Waste management and prevention

Certified By: TDOT

Zycron Computer Services, Inc.
2620 Clarksville Pike
Nashville, Tennessee 37208

(615) 251-9588

Darrell S. Freeman

Computer technology and consultation

Certified By: TDOT

DICKSON COUNTY

Ameri-Clean
1313 Allen Road, P.O. Box 97
Burns, Tennessee 37029

(615) 446-0350

Julie Gopperton

Commercial, industrial and residential pressure washing and painting, truck wash terminal

Certified by: None

Specialized Communications
103 Forrest Hills Circle
Dickson, Tennessee 37055

(615) 740-1200

Elizabeth A. Hall

Provide and install testing of fiber optic equipment

Certified By: TDOT

TN Precision Machine Co., Inc.
P.O. Box 393
Dickson, Tennessee 37056

(615) 226-4816

Pam Collins

Concrete Paving

Certified By: TDOT

DYER COUNTY

American Building Contractors
1101 Hornbrook St.
Dyersburg, Tennessee 38024

(731) 286-2520

Charles McCright

Painting and texture coating

Certified By: TDOT

Debra H. Campbell
P.O. Box 1050
Dyersburg, Tennessee 38025

(731) 285-6567

Debra H. Campbell

Housing rehabilitation

Certified By: None

H & B Painting & Construction Co.
Route 5, Box 551
Dyersburg, Tennessee 38024

(731) 587-9889

Mr. Harlan

Painting drywall, texture coating of bridges, guard rail installation and landscaping

Certified By: None

J. L. Hart
Highway 20 West, Box 1021
Dyersburg, Tennessee 38025

(731) 285-1065

J. L. Hart

Landscaping, yard sowing, yard grading, dirt and gravel hauling, site grading, light dozer work and backhoe work

Certified By: TDOT

FAYETTE COUNTY

Clayton Contracting Company
5710 Highway 57
Rossville, Tennessee 38066

(901) 759-1193

Peggy Clayton

Concrete flatwork, building moving, demolition, clearing and grubbing, fence, guardrail, joint sawing, sealing, pavement patching, erosion control

Certified By: TDOT

Heritage Landscaping Company
203 W. Marginal St.
Somerville, Tennessee 38068

(901) 465-7104

Tracy Lindsey

Landscaping, sodding and seeding

Certified By: TDOT

GIBSON COUNTY

J & N Construction
208 State Rt. 187
Milan, Tennessee 38358

(731) 686-8279 - (731) 686-7726

Robert Jenkins

Excavation

Certified By: TDOT

Payne Steel Erectors, Inc.
P.O. Box 247
Kenton, Tennessee 38233

(731) 749-7991

Geoffrey Payne

Hauling, concrete flatwork and painting

Certified By: TDOT

Smith's Excavating Service, Inc.
488 Gibson Wells Road
Humboldt, Tennessee 38343

(731) 784-8700

Scarlett Smith

Excavation, building terrraces, ponds and lakes

Certified By: TDOT

GILES COUNTY

Landscaping Concepts
Route 1, P.O. Box 745
Frankewing, Tennessee 38459

(931) 732-4578

Nancy Strong

Landscaping

Certified By: None

S & S Backhoe & Dozer Construction Co.
241 B Greenfield Road
Prospect, Tennessee 38477

(931) 424-5723

Taft Smith

Excavation, embankments, catch basins, culverts, clearing and grubbing

Certified By: TDOT

GRAINGER COUNTY

Edd's Construction Co., Inc.
Box 107-B
Blaine, Tennessee 37709

(865) 933-4912

Edward Ray Howell, Jr.

Building and road construction and maintenance

Certified By: None

GREENE COUNTY

M. V. Contractors
5606 Horton Hwy.
Greeneville, Tennessee 37745

(423) 234-0229

Margaret Vuillemier

Trucking, hauling, clearing and grubbing, excavation and roadway grading

Certified By: TDOT

Sprague & Sprague Engineers
P.O. Box 9292
Greeneville, Tennessee 37743

(615) 299-5393

Gaye Sprague

Traffic engineering, transportation planning and geosynthetic engineering

Certified By: TDOT

GRUNDY COUNTY

Haynes Erosion Control
Box 81
Pelham, Tennessee 37366

(931) 467-3487

Martha L. Haynes

Erosion control, fence and guardrail

Certified By: TDOT

HAMBLEN COUNTY

Jones Concrete Construction
303 East Louise Avenue
Morristown, Tennessee 37814

(423) 586-9594

Kenneth Jones

Concrete construction

Certified By: None

Magnum Construction
P.O. Box 81
Talbott, Tennessee 37877

(865) 475-4020

Judy Tallent

Road construction

Certified By: None

Mills Construction Co.
1176 Tair Road
Talbott, Tennessee 37877

(865) 475-8686

Carl Mills

General contractor

Certified By: None

Mills Landscaping
3557 Falcon Road
Morristown, Tennessee 37814

(423) 581-0681

Ruth A. Mills

Landscaping, clearing, grubbing and erosion control

Certified By: TDOT

Rucker Masonry
1534 Goodson Avenue
Morristown, Tennessee 37814

(423) 586-0619

Charles Rucker

Masonry

Certified By: None

HAMILTON COUNTY

Alert Plumbing & Heating
2201 Shepherd Road
Chattanooga, Tennessee 37421

(423) 267-7320

Alvin Thomas

Plumbing/mechanical contractor

Certified By: OMBE

Anne M. Wilkins Co., CPA
6918 Shallowford Road, Suite 201
Chattanooga, Tennessee 37422-3234

(423) 899-2298

Accounting services

Certified By: OMBE

APCO Construction Company
912 M. Orchard Knob Avenue
Chattanooga, Tennessee 37406

(423) 698-0961

Herbert Wright

Residential - rehab, commercial

Certified By: None

Arun Wagh, Inc.
8299 Beaverwood Drive
Germantown, Tennessee 38138

(901) 755-3230

Arun Wagh

Engineering, environmental, hydrology, geotechnical, soils analysis, materials testing and consulting

Certified By: TDOT

Ball Construction Company, Inc.
2311 Benton Avenue
Chattanooga, Tennessee 37406

(423) 624-1475

James A. Ball

General contractor

Certified By: OMBE

Bluett Plumbing
6011 Walden Avenue
Chattanooga, Tennessee 37421

(423) 894-9716

John Bluett

Plumbing contractor

Certified By: None

BMG Specialties
1420 B South Moore Road
Chattanooga, Tennessee 37412

(423) 899-9400

Bonnie Gilreath

Construction materials supplier and other speciality items

Certified By: TDOT

Brackett Construction Services
214 Frawley Road
East Ridge, Tennessee 37412

(423) 892-4780

Dixon Brackett

Design surveying, construction surveying, and field engineering

Certified By: None

Choo-Choo Pack
7436 Hamilton Run Drive
Chattanooga, Tennessee 37421

(423) 855-1939

Juanita Barbee

Distributor of containers

Certified By: OMBE

Clay Construction Company
4616 Leslie Lane
Chattanooga, Tennessee 37415

(423) 629-1024

James Clay

General construction

Certified By: OMBE

Diversified Supply
1150 Latta Street
Chattanooga, Tennessee 37406

(423) 698-1551

Dan Anderson

Commercial and industrial electrical supplies

Certified By: TDOT

Ecitco Service Company, Inc.
1101 East 23rd Street
Chattanooga, Tennessee 37408

Kathryn C. Bird
Rhonda B. Vella

Electrical and concrete excavation

Certified By: None

Fletcher Books
5968A Brainerd Road
Chattanooga, Tennessee 37421

(423) 894-4411

Doris M. Fletcher

Retail Sales

Certified By: None

G & H Steel Erection Co.
P.O. Box 22722
Chattanooga, Tennessee 37422

(423) 892-3861

Archie Griffin

Steel erection

Certified By: TDOT

Hanner Construction Company
5117 Lantana Lane
Chattanooga, Tennessee 37416

(423) 499-0080

Jerry Hanner

Concrete construction, manholes and driveways

Certified By: TDOT

Herman Grant Company, Inc.
1100 Ashemore Avenue, P.O. Box 15006
Chattanooga, Tennessee 37415

(423) 266-6138

Paula Grant

Highway construction

Certified By: TDOT

J.B. Transportation Services
2912 South Hickory
Chattanooga, Tennessee 37404

(423) 624-0959

Janie Burns

Freight hauling, tractor/trailer repair

Certified By: None

J.R. Seymore Construction Company
2203 Gilbert Street
Chattanooga, Tennessee 37406

(423) 698-1872

J.R. Seymore

Residential - rehab

Certified By: None

James Agnew Contractor, Inc.
439 Manufacturers Road
Chattanooga, Tennessee 37405

(423) 266-7268

Martha A. Hicks

Grading contractors - heavy equipment and hauling

Certified By: None

James Smith Construction Company
1815 Shephard Road
Chattanooga, Tennessee 37410

(423) 629-4014

James Smith

Concrete construction

Certified By: None

Jenkins Enterprises
1937 East 34th Street
Chattanooga, Tennessee 37407

(423) 624-5906

Eric Jenkins

General contractor - residential

Certified By: None

K & E Trucking Inc.
4295 Cromwell Road, Box 23966
Chattanooga, Tennessee 37422

(423) 894-6430

Donna K. Mullins

Trucking and hauling

Certified By: TDOT

Lewis C & O Construction Company
1403 Wisdom
Chattanooga, Tennessee 37406

(423) 622-7709

James Lewis

General contractor - residential

Certified By: None

Mandrill Corp. Inc.
P.O. Box 11221
Chattanooga, Tennessee 37401

(423) 876-9734

James Mathis

Demolition and site preparation

Certified By: TDOT

Mosely Construction Company
1710 Newton Street
Chattanooga, Tennessee 37406

(423) 629-6396

Eules Mosley

General contractor - residential

Certified By: None

Ocie Brown & Son Plumbing Company
4921 Swan Road
Chattanooga, Tennessee 37416

(423) 894-4866

Ocie Brown

Plumbing contractor

Certified By: None

Phillips Plumbing Company
507 Mealo Drive
Chattanooga, Tennessee 37411

(423) 698-0561

Jessie Phillips

Plumbing contractor

Certified By: None

PLT Construction Company, Inc.
7626 Dayton Pike
Chattanooga, Tennessee 37343

(423) 842-8892

Patricia Thomas

Concrete finishing, trucking

Certified By: TDOT

Professional Concrete Finishing Co., Inc.
Box 1565
Soddy Daisy, Tennessee 37384

(423) 267-4074

Ivan Toney, Jr.

Concrete work

Certified By: TDOT

Robbs Electric
5201 Central Avenue
Chattanooga, Tennessee 37410

(423) 821-8815

Herbert Robbs

Electrical

Certified By: OMBE

Scenic City Electric Company
728 Moore Street
Chattanooga, Tennessee 37411

(423) 629-4944

Justin Odom

Electrical

Certified By: None

Shrop Construction Company
3605 Rogers Road
Chattanooga, Tennessee 37411

(423) 622-2539

James Shropshire

Concrete flatwork, driveways and sidewalks and building construction

Certified By: TDOT

Signal Design Group
2525 Broad Street, Suite 101
Chattanooga, Tennessee 37408

(423) 265-4400

Ann Weeks

Interior Design

Certified By: OMBE

S. J. Thomas Incorporated
8047 Dayton Boulevard
Chattanooga, Tennesse 37343

(423) 842-1041

Shirley Thomas

Fencing and guard railing, concrete paving

Certified By: TDOT

Thomas & Thomas, Inc.
1108 Moss Drive
Chattanooga, Tennessee 37411

(423) 622-6623

Daniel Thomas

Plumbing

Certified By: OMBE

Vantage Point Consulting
1915 East 25th Street Place
Chattanooga, Tennessee 37407

(423) 624-9475

Renee Smith

Consulting, management information, process, design and training

Certified By: TDOT

Vasco Electric, Inc.
702 Woods Avenue
Chattanooga, Tennessee 37411

(423) 622-2708

Vasco Jones

Electrical contractor

Certified By: OMBE

Vega Corporation of TN
P.O. Box 11126
Chattanooga, Tennessee 37401

(423) 266-8876

Lou Garcia

General contractor

Certified By: TDOT

HARDEMAN COUNTY

Hayes Herron
Route 3, Box 388
Bolivar, Tennessee 38008

(731) 658-3321

Hayes Herron

Housing rehabilitation, brick work, plumbing, roofing

Certified By: None

Pirtle Paving Company
Route 1, P.O. Box 64
Toone, Tennessee 38381

(731) 658-3790

Willie Pirtle

Asphalt paving and incidental work thereto

Certified By: None

HARDIN COUNTY

Burdine Construction Company
Catfish Drive, P.O. Box 157
Crump, Tennessee 38327

(731) 687-3402

Prentis Burdine

Trucking and hauling, aggregate construction, earthwork, concrete

Certified By: TDOT

Damron Trucking
645 Damron Loop
Counce, Tennessee 38326

(731) 689-3877

Lee Damron

Hauling rock, gravel, asphalt

Certified By: TDOT

Pickwick Construction Company
P.O. Box 253
Counce, Tennessee 38326

(731) 689-3020

Charles Irons

General construction

Certified By: TDOT

HAWKINS COUNTY

RMK Construction Company
Box 337
Rogersville, Tennessee 37857

(423) 272-5426

Rebecca George

Steel erection, pavement marking, flatwork excavation

Certified By: TDOT

HAYWOOD COUNTY

Jones Paving Company
2422 Scrub Oak Road
Stanton, Tennessee 38069

(731) 294-2611

Richard Jones

Paving, trucking, hauling, asphalt and dozer

Certified By: TDOT

Taylor's Construction
1103 Devonne Street
Brownsville, Tennessee 38012

(731) 772-2191

Construction and engineering

Certified By: None

HENRY COUNTY

J.R. Hayes Construction Co., Inc.
2525 Highway South
Paris, Tennessee 38242

(731) 642-4704

Leisha Reynolds

Concrete flatwork, trucking and paving

Certified By: TDOT

Ray Enterprises
P.O. Box 205
Puryear, Tennessee 38251

(731) 247-5198

Sarah L. Ray

Construction

Certified By: TDOT

L. I. Smith & Associates
302 North Caldwell
Paris, Tennessee 38242

(731) 644-1014

Lucile D. Smith, R.L.S.

Land surveying and engineering

Certified By: TDOT

HUMPHREYS COUNTY

Earthmoving Engineers
Route 2, Box 186
Waverly, Tennessee 37185

(931) 296-2410

Wesley Ridgeway

Construction

Certified By: None

JACKSON COUNTY

W and W Construction Company
Route 1, Box 187C
Bloomington Springs, Tennessee 38545

(931) 526-9120

Henry Wood

General contractor, municipal sewer and water lines, roads and bridges

Certified By: OMBE

JOHNSON COUNTY

Watauga Whitewater Paving
Route 1, Box 250, 9th Street
Watauga, Tennessee

(423) 929-8409

Patricia Archie

Paving contractor

Certified By: None

KNOX COUNTY

Alpine Construction Co.
1820 Azrock Drive
Knoxville, Tennessee 37914-8007

(865) 637-1107

Charlie W. Elder

General, residential & industrial contracting and painting

Certified By: TDOT

Anderson Cement Contractor
1211 Dailey, S.E.
Knoxville, Tennessee 37915

(865) 637-0380

Isaac Anderson

Contractor

Certified By: None

Best Service Group, Inc.
4760 Western Ave., P.O. Box 50938
Knoxville, Tennessee 37950

(865) 584-1111

Theresa Stubblefield

Commercial/Public and private fencing

Certified By: TDOT

Boyzie Turner Wrecking Company
1924 Leslie Street
Knoxville, Tennessee 37921

(865) 522-7902

Boyzie Turner

Contractor

Certified By: None

Business Dynamics
411 Gay Street, Box 6748
Knoxville, Tennessee 37914

(865) 546-7245

James Rice

General contractors - asphalt paving, trucking, sidewalks, hauling, concrete work, excavation, road and bridge construction

Certified By: TDOT

C. D. Truck Service
4416 Plymouth
Knoxville, Tennessee 37914

(865) 521-7892

Cleveland Drummond

Trucking business

Certified By: None

CGS, Inc.
P.O. Box 22310
Knoxville, Tennessee 37922

(865) 988-9080

Joy G. McCabe

Underground sanitary sewer and gas, supplier of pipeline products and other natural gases

Certified By: TDOT

Cherokee Porcedlain Enamel Corporation
2717 Independence Lane
Knoxville, Tennessee 37914

(865) 637-7833

Vicki Corum

Manufacturing of porcelain enamel over streel, porcelain signage

Certified By: TDOT

City Wide Electric Company
Box 14458
Knoxville, Tennessee 37914

(865) 546-7238

Richard Woods

Electrical contracting

Certified By: TDOT

Colbar, Inc.
P.O. Box 51946
Knoxville, Tennessee 37901

(865) 584-8618

A. B. Coleman

Sale of building materials, general contracting and service contracts

Certified By: TDOT

Community Health Care Clinic
1601 Western Avenue
Knoxville, Tennessee 37921

(865) 546-5177

Health care testing diagnosis and treatment

Certified By: TDOT

Compcare Consulting Services
P.O. Box 12616
Knoxville, Tennessee 37912

(865) 687-0008

Lesi K. McQueeney

Medical consulting/medical case management

Certified By: TDOT

Dinkins Environmental
7103 Bayless Lane
Powell, Tennessee 37849

(865) 947-2213

Barbara Dinkins

Biological laboratory

Certified By: None

East Tennessee Geosynthetics
1321 Greenwell Drive
Knxoville, Tennessee 37938

(865) 938-7157

Peggy Plauger

Sales and solicitation of geosynthetic and erosion control materials

Certified By: TDOT

East Tennessee Mechanical Contractors, Inc.
109 Bertrand Street
Knoxville, Tennessee 37917

(865) 522-6108

Mark Deathridge

Concrete, earthwork, general contracting

Certified By: TDOT

Gaiter General Contractors, Inc.
P.O. Box 14005
Knoxville, Tennessee 37927

(865) 524-4944

Felix R. Gaiter

Commercial and residential contractor

Certified By: None

Giosah, Inc.
P.O. Box 31111
Knoxville, Tennessee 37930

(865) 583-3226

Lechelle Davenport

Engineering and environmental management

Certified By: TDOT

Greater TN Linoleum & Tile
222 Baxter Avenue
Knoxville, Tennessee 37921

(865) 522-0606

Beulah Hall

Commercial and residential supplier and installer of linoleum and tile

Certified By: None

Hall Communications, Inc.
1515 East Magnolia Ave., Suite 301
Knoxville, Tennessee 37917

(865) 521-6500, (865) 521-6508

Frances W. Hall

Community relations, marketing, support services, construction management

Certified By: TDOT

Henry's Excavating Company
3206 Cindy Lane
Knoxville, Tennessee 37912

(865) 673-5007

Robin Williams/Willie Henry

Grading, landscaping, roofing, concrete work, sewer lines and demolition

Certified By: TDOT

Horizon Environmental
211 Sherrod Road
Knoxville, Tennessee 37920

(865) 577-6597

Cynthia McIvaine

Environmental consulting

Certified By: TDOT

Huskey Aluminum Co.
5322 N. Broadway
Knoxville, Tennessee 37918

(865) 688-7657

Claudia Huskey

Storm windows, screens, general remodeling

Certified By: None

Ivnes Construction Company
5130 Dewine Circle
Knoxville, Tennessee 37821

(865) 588-9538

Leon Ivnes

Roofing work, concrete work, masonry, stone setting Market area, within 1,000 miles

Certified By: OMBE

Johnson Concrete Construction Co.
6316 Ridge Rock Road
Knoxville, Tennessee 37919

(865) 588-6045

Robert Johnson

Concrete work - Market area, within 30 miles

Certified By: None

Lane Hauling & Excavating, Inc.
2909 Shipe Road
Mascot, Tennessee 37806

(865) 933-5263

Debra Young

Aggregate construction, earthwork, trucking and hauling

Certified By: TDOT

Linda A. Mosch Consulting Inc.
509 Sundown Road
Knoxville, Tennessee 37922

(865) 777-2025

Linda A. Mosch

Tranportation planning/engineering, traffic analysis

Certified By: TDOT

Lones, Inc.
P.O. Box 23191
Knoxville, Tennessee 37933

(865) 966-2459

Racheal A. Lones

General contractor, municipal sewer and water lines, streets and curbs

Certified By: None

Meade Construction, Inc.
10319 Cogill Rd., Suite 210
Knoxville, Tennessee 37932

(865) 675-6846

Carol Meade Jamerson

Concrete and general contracting

Certified By: TDOT

Neat Idea
9724 Kingston Pike, Suite 505C
Knoxville, Tennessee 37922

(865) 694-0025

Curtis Webb

Computer support software, design software, training and web page design

Certified By: TDOT

Northeast Knox Sheet Metal & Roofing Co., Inc.
P.O. Box 6157
Knoxville, Tennessee 37914

(865) 687-1161

Carol Webber

Commercial contractor

Certified By: None

P. Smith
4222 Asheville Highway
Holston Center
Knoxville, Tennessee 37914

(865) 637-7336

Patti Smith

Sign and displays

Certified By: None

Pasley General Contractors
1029 Wilder Place
Knoxville, Tennessee 37915

(865) 522-2691

William and Robert Pasley

General contractor

Certified By: None

Patricks Trucking Company
1747 E. Old Topside
Louisville, Tennessee 37777-5039

(865) 681-3552

George E. Patrick

Trucking and hauling and excavation

Certified By: TDOT

Pioneer Builders, Inc.
2918 Magnolia Avenue
Knoxville, Tennessee 37914

(865) 329-9958

Albert Beasley

General contracting commercial and private building, guardrail, excavating

Certified By: TDOT

R & J General Contractor
P.O. Box 6115
Knoxville, Tennessee 37914

(865) 525-4223

Mr. A. Jones

General contractor, commerical building and housing rehab

Certified By: None

Randolph Trucking Co.
1808 Holston River Road
Knoxville, Tennessee 37914

(865) 523-4241

Margie Randolph

Truck hauling, excavation

Certified By: TDOT

R. W. Medical Supplies
3202 Middlebrook Pk.
Knoxville, Tennessee 37921

(865) 522-9192

Reene Wilhoit

Medical supplies and safety equipment

Certified By: None

Samico Professional Service
P.O. Box 1248
Powell, Tennessee 37849

(865) 938-0208

Shelia R. Hijer

Staff augmentation, engineering locator svc.., drafting and design support

Certified By: TDOT

Slyman Insurance Agency, Inc.
411 South Gay Street, Suite B
Knoxville, Tennessee 37902

(865) 525-7193

Susie Slyman

Insurance and bonds

Certified By: TDOT

Southeastern Constructors, LLC
109 Berfrand St., NE
Knoxville, Tennessee 37917

(865) 522-6108

Mark S. Deathridge

General contracting and underground storm sewers, sanitary sewer and watermains

Certified By: TDOT

Technical Specialty Sales
P.O. Box 22713
Knoxville, Tennessee

(865) 588-5013

Edgar Johnson

Electrical supplies

Certified By: None

Tennessee Highway Supply & Service
3001 Blount Avenue
Knoxville, Tennessee 37920

(865) 609-2030

Felicia S. Carson

Guardrail, fence, pavement marking and highway signs

Certified By: TDOT

VRF Construction Co.
1712 Sterchi Street
P.O. Box 4192
Knoxville, Tennessee

(865) 521-7715

Lersa L. Davis

General construction, asbestos removal

Certified By: None

Vineyard Floor Covering Co.
1127 Broadway
Knoxville, Tennessee 37917

(865) 525-9492

Karen Wright

Sales and installation of commercial or residential floor coverning

Certified By: None

Volunteer Highway & Supply Company, Inc.
P.O. Box 5658
Knoxville, Tennessee 37938

(865) 922-7473

Sherlene C. Hibben

Sales and installation of highway guardrail and road striping

Certified By: TDOT

Walter Thompson Excavating
2420 Webster Avenue
Knoxville, Tennessee

(865) 525-3723

Walter Thompson

Excavation, general hauling

Certified By: None

Woods Electrical Service
2630 Sunset Avenue
Knoxville, Tennessee 37914

(865) 546-7238

Richard Woods

Electrical contracting

Certified By: OMBE

LAUDERDALE COUNTY

Lattimore Trucking
P.O. Box 714
Route 4, Box 2480, Hwy. 19W
Ripley, Tennessee 38063

(731) 635-8398

William A. Lattimore

Trucking and hauling

Certified By: TDOT

Morris McCorkle
509 N. Wilson Street
Halls, Tennessee 38040

(731) 836-7200

Morris McCorkle

Housing rehabilitation

Certified By: None

LINCOLN COUNTY

Alaten Products
3013 Huntsville Hwy.
Fayetteville, Tennessee 37334

(931) 433-4330

Anne Bankston

Distribution and manufacturing of parts from raw materials

Certified By: TDOT

Lincoln Rock Products
P.O. Box 1137
Fayetteville, Tennessee 37334

(931) 433-7738

Teresa Reese

Aggregated production only

Certified By: TDOT

WBH Construction Company
2638B Huntsville Hwy.
Fayetteville, Tennessee 37334

(931) 433-1774

Shawn Brinkley

Steel installation and tying

Certified By: TDOT

LOUDON COUNTY

Graves Trucking LLC
404 Thornton Drive
Lenoir City, Tennessee 37772

(865) 986-7180

Penny Graves

Trucking and hauling

Certified By: TDOT

Planet, Inc.
9227 Friendsville Road
Lenoir City, Tennessee 37772

(865) 986-9186

Janet M. Manuel

Commercial painting and sandblasting

Certified By: TDOT

MADISON COUNTY

Cole Construction Co.
2720 Old Medina Road
Jackson, Tennessee 38305-9436

(731) 424-8243

Bobby Cole

Road construction

Certified By: None

Cole Transports
84 Brenda Lane
Jackson, Tennessee 38301

(731) 422-4186

Willie Cole

Hauling rock, asphalt, sand, etc.

Certified By: TDOT

Construction Supply, Inc.
887 Airways Blvd.
Jackson, Tennessee 38301

(731) 424-9094

Bonnie Davidson

Sale and supply of construction supplies, drainage products, traffic paint & pipe

Certified By: TDOT

Energy Innovation
135 Gates Street
Jackson, Tennessee 38302

(731) 427-8484

Lester Perry

Pavement markings, traffic control, road signs inspection and petroleum products

Certified By: None

Hornsby Electric, Inc.
85 Miffin Road
Jackson, Tennessee 38301

(731) 423-0719

Sandra Hornsby

Electrical contracting

Certified By: TDOT

Miss. Paving & Construction
113 East McDowell Rd.
Jackson, Tennessee 38204

(901) 373-2900

Bruce Guyton

Clearing, landscaping

Certified By: TDOT

Phinnessee's Earthmoving
2480 Highway 18 South
Medon, Tennessee 38356

(731) 427-1461

Milton Phinnessee

Aggregate construction, earthwork, trucking and hauling

Certified By: TDOT

Robert Adams Dozier Work
Route 7, Box 475
Jackson, Tennessee 38301

(731) 427-8766

Robert Adams

Bulldozing and excavating

Certified By: None

Robert Allen Trucking
475 Rochelle Road
Jackson, Tennessee 38301

(731) 427-8766

Robert Allen

Clearing, grubbing, trucking, hauling

Certified By: None

Surface Sealants, Inc.
210 Gordon Street
Jackson, Tennessee 38301

(731) 389-9650

Niki Blackmon

Placement of Reinforcing Steel

Certified By: TDOT

MARSHALL COUNTY

Bowden Construction Company
2797 Verona Caney Road
Lewisburg, Tennessee 37091

(931) 359-5029

Judy Bowden

Construction, riprap

Certified By: TDOT

MAURY COUNTY

Beejay Trucking
P.O. Box 1761
Columbia, Tennessee 38402

(931) 388-8884

Jaqueline B. Jordan

Trucking and hauling

Certified By: TDOT

Columbia Construction Co., Inc.
P.O. Box 398
Columbia, Tennessee 38402

(931) 388-0586

Kim Willis

General contracting construction

Certified By: TDOT

DataComm. Tek, Inc.
Post Office Box 1523
Columbia, Tennessee 38402-1523

(931) 388-4121

James Childress

Computer Service

Certified By: None

Global Construction & Engineering Inc.
1324 Trotwood Ave.
Columbia, Tennessee 38401

(615) 646-4912

H. Singh Kahlon

Construction and engineering

Certified By: TDOT

McFall Seed & Sod
2685 Hampshire Pike
Columbia, Tennessee 38401

(931) 381-3667

Jackie McFall

Landscaping, sodding, seeding, erosion control

Certified By: TDOT

MCMINN COUNTY

Farner Tunneling, Inc.
P.O. Box Drawer I
Etowah, Tennessee 37331

(423) 263-2797

Helen Farner

General contractor, municipal sewer and water lines, road and bridges

Certified By: None

L. H. Mashburn Construction
2542 Sullins Road
Athens, Tennessee 37303

(423) 507-8801

Linda H. Mashburn

Trucking and hauling

Certified By: TDOT

MCNAIRY COUNTY

Lee Damron Trucking
Route 1
Counce, Tennessee 38326

(731) 689-3755

Lee Damron

Hauling rock, gravel, asphalt

Certified By: TDOT

MEIGS COUNTY

The E.M. Company, Inc.
Route 3, Box 148
Decatur, Tennessee 37322

(423) 334-9068

Edward Moore

General contractors

Certified By: None

MONTGOMERY COUNTY

Bellamy Excavation
319 North Second, Suite 1
Clarksville, Tennessee 37040

(931) 645-6302

Rosa Bellamy

Excavating and foundation work, wrecking and demolition - Market area, within 50 miles

Certified By: OMBE

Ellis Electrical Contractors
417 Savannah Trace
Clarksville, Tennessee 37043

(931) 358-2040

Anthony D. Ellis

Electrical contracting

Certified By: TDOT

Harris Trucking & Bulldozer Service
2630 Union Hall Road
Clarksville, Tennessee 37040

(931) 647-6958

Emery Harris

Trucking, hauling, excavation, embankment and demolition

Certified By: TDOT

J. D. Trucking
451 High Point Road
Clarksville, Tennessee 37042

(931) 647-0830, (931) 552-5099

Janice Ferrell

Trucking and hauling

Certified By: TDOT

Lindy's Security Fence
2016 Ft. Campbell Road
Clarksville, Tennessee 37042

(931) 648-4037

Carolyn A. Kulback

Security fencing

Certified By: TDOT

Loss Control Services
1 Public Square, Suite 249
Clarksville, Tennessee

(931) 648-4610

Brenda Dodd

Employment and labor services

Certified By: OMBE

OBION COUNTY

Cultra Turf Specialists, Inc.
1203 S. Ury Street
Union City, Tennessee 38261

(731) 885-4414

Judith Cultra

Landscaping, erosion control

Certified By: TDOT

J.L.V. Construction Company
Route 2
Troy, Tennessee 38260

(731) 536-4341

Jerry L. Vaughn

Construction and sale of sand, gravel and dirt

Certified By: None

POLK COUNTY

Thomason Company
Hwy. 64, P.O. Box 77
Ocoee, Tennessee 37361

(423) 338-7337

Judy Thomason

Clearing, grubbing, tree and brush removal

Certified By: TDOT

PUTNAM COUNTY

LPS Construction Company, Inc.
802 East 10th Street
Cookeville, Tennessee 38501

(931) 526-5245

Mary Franks Swain

Road and bridge construction, grading , drainage, concrete work

Certified By: None

Mar-Don Decorating Service
226 West Stevens Street
Suite D
Cookeville, Tennessee 38501

(931) 526-8453

Donna Flatt

Interior finishing for residential, commercial and industrial structures

Certified By: None

RHEA COUNTY

Carder & Evans Trucking, Inc.
200 Hurst Lane
Dayton, Tennessee 37321

(423) 775-5892

Courtney Carder

Trucking and hauling

Certified By: TDOT

ROANE COUNTY

Cotham Construction Company
P.O. Box 415
Harriman, Tennessee 37748

(865) 882-0581

Roy A. Cotham

General contractor, electrical and plumbing, sales and service, residential wiring and repair

Certified By: OMBE

Eagles' Nest Construction
P.O. Box 1172
Harriman, Tennessee 37748

(865) 882-3232

Faylene Wolcott

Building construction, housing rehabilitation

Certified By: None

ROBERTSON COUNTY

Brown Builders, Inc.
2807 Clinard Drive
Springfield, Tennessee 37172

(615) 384-5654

Sue Brown

Gravel, earthwork, underground

Certified By: TDOT

RUTHERFORD COUNTY

B.J. Williams & Associates
403 Dick Buchanon
LaVergne, Tennessee 27167

Bonnie Williams

Water supply, proofing manhole rehab

Certified By: None

Cabinet Company, The
1644 J.P. Hennessey Drive
LaVergne, Tennessee 37086

(615) 641-9310

Julie Reimer

Commercial cabinetry

Certified By: TDOT

Commercial Hydroseeding & Sod
1122 Rutledge Drive
Rockvale, Tennessee 37153

(615) 893-6713

Kimberly Frazee

Hydro seeding and sod, sod installation and erosion control

Drew's Construction Company
106 Professional Building
P.O. Box 1514
Murfreesboro, Tennessee 37133-1514

(615) 893-4672

Will Drew, Sr.

General contracting

Certified By: OMBE

Eagle Construction Co., Inc.
P.O. Box 2316
Murfreesboro, Tennessee 37133

(615) 242-6136

Annette Tedder

General construction

Certified By: None

James T. House Masonry Company
Route 10, Box 153
Murfreesboro, Tennessee 37130

(615) 890-6275

James House

Masonry, stone setting and other stonework

Certified By: None

L & N Construction Company
P.O. Box 1136
Murfreesboro, Tennessee 37133

(615) 871-4645

Louann Zelenik

Heavy construction

Certified By: TDOT

Lane Busters Co., Inc.
P.O. Box 2035, 310 B West Castle St.
Murfreesboro, Tennessee 37133

(615) 896-4225

Henry Young

Traffic control signals, pavement marking

Certified By: TDOT

MCD Transportation, Inc.
1370 Hazelwood Drive, Suite 201
Smyrna, Tennessee 37167

(615) 459-5343

M. Cathy Davis

Transportation logistics/broker

Certified By: TDOT

Richard L. Hill Trucking Co.
2605 Halls Hill Pk.
Murfreesboro, Tennessee 37130

(615) 893-5172

Richard L. Hill

Trucking and hauling

Certified By: TDOT

Sunrise Contracting, Inc.
479 C Dick Buchannon Street
LaVergne, Tennessee 37086

(615) 287-1146

Constance Wesnofske

Site grading and utilities

Certified By: TDOT

Trice Environmental Resources
611 Hogan Drive
Murfreesboro, Tennessee 37128

(615) 849-7722

Billy Trice

Trucking and hauling

Certified By: TDOT

Williams Plumbing Service
2027 O'Brien Street
Murfreesboro, Tennessee 37130

(615) 890-2402

A. Bennett Williams

Commercial and residential plumbing - installation and repair

Certified By: None

SCOTT COUNTY

J & M, Inc.
P.O. Box 283
Huntsville, Tennessee 37756

(423) 663-3370

Norma Jean Potter

Concrete, earthwork and landscaping

Certified By: TDOT

SEVIER COUNTY

Brackins Landscaping, Inc.
3620 Singing Pines, P.O. Box 1354
Pigeon Forge, Tennessee 37868

(865) 453-9823

Joyce Brackins

Landscaping, erosion control

Certified By: TDOT

Whaley & Sons, Inc.
P.O. Box 369, 10123 Chapman Hwy.
Seymour, Tennessee 37865

(865) 573-7542, (865) 428-0085

Lynda Whaley

Aggregate, concrete flatwork, earthwork, building, moving, demolition, clearing, grubbing, guardrail, fence, sealing, trucking and hauling

Certified By: TDOT

SHELBY COUNTY

Advance Personnel Service, Inc.
5090 Millbranch Road, Suite 1
Memphis, Tennessee 38116

(901) 332-0291

Anthony Tate

Temporary personnel service

Certified By: None

A. Jones Roofing
1408 Gaither Parkway
Memphis, Tennessee 38106

(901) 774-8877

Ronnie Jones

Roofing

Certified By: OMBE

Allied Electrical Contractors
1190 Walker Avenue
Memphis, Tennessee 38106

(901) 942-7725

Michael Eskridge

Electrical contracting

Certified By: OMBE

All-Tech Electric Company
2375 Lamar Avenue
Memphis, Tennessee 38114

(901) 743-5401

James Frazier

Electrical

Certified By: None

Amini Construction, Inc
6554 Winchester Road, Box 174
Memphis, Tennessee 38115

(901) 398-8863

Lynn McCarty

Removal of underground tanks, excavation, clearing, trucking and contracting

Certified By: TDOT

Arun Wagh, Inc.
8299 Beaverwood Drive
Germantown, Tennessee 38138

(901) 755-3230

Arun Wagh

Engineering environmental hydrology geotechnical, soils analysis, materials testing and consulting

Certified By: TDOT

Askew Brothers Construction Company
3000 South 3rd Street
Memphis, Tennessee 38109

(901) 346-9709

Edmond Askew

Residential and commercial remodeling, painting and additions

Certified By: OMBE

Bailey Construction Company
3246 South Third Street
Memphis, Tennessee 38109

(901) 398-2664

George Bailey

General construction, residential - rehab - commercial

Certified By: OMBE

Blair Concrete Construction Co., Inc.
5149 Long Branch
Memphis, Tennessee 38109

(901) 785-8989

Harold Blair

Concrete flatwork

Certified By: None

BNB Transport
1740 September Ave.
Memphis, Tennessee 38116

(901) 345-9114

William L. Moss

Trucking and hauling

Certified By: TDOT

Bobby Bryant Construction, Inc.
6745 Whitten Place
Memphis, Tennessee 38133

(901) 373-5000

Ann L. Bryant

Municipal water and sewer lines

Certified By: TDOT

Bricks, Inc.
2302 Dwight Road
Memphis, Tennessee 38114

(901) 744-3532

Ernest M. Owens

Concrete excavation, general contracting, building moving and demolition

Certified By: TDOT

Business Dynamics
1230 Cannon Street
Memphis, Tennessee 38016

(901) 774-3467

Mr. Rice

Petroleum distribution, construction, asphalt paving, grading, hauling

Certified By: TDOT

C. H. Hill, Inc.
1956 Dunn Avenue
Memphis, Tennessee 38114

(901) 743-1310

Marcel Hill-Townsend

Sodding, seeding, grading/excavation, topsoil delivery and all necessary upkeep

Certified By: TDOT

C & S Construction Co., Inc.
P.O. Box 38289
Germantown, Tennessee 38183

(901) 754-5181

James R. Chism

General construction, transport of materials

Certified By: None

C & S Trucking
5426 Santa Barbara
Memphis, Tennessee 38116

(901) 398-7615

Marvin Collier

Trucking business

Certified By: None

Cagebilt, Inc.
1092 Evergreen, 369 South Parkway West
Memphis, Tennessee 38109

(901) 946-3932

Leo Cage

General contractor, residential - rehab - commerical

Certified By: None

Calvin Eubanks Enterprises
1374 South Lexington Circle
Memphis, Tennessee 38j107

(901) 276-4816

Ms. Emma Eubanks

Construction contractor engaged in the construction of residential and non-residential structures including industrial buildings and warehouses; work includes additions, alterations, remodeling and repairs

Certified By: None

Caneron Construction Co., Inc.
3702 West Mart Road
Memphis, Tennessee 38109

(901) 396-8875

Roland McFirath, Harold Blair

Curb, gutter, catch basin

Certified By: None

Clark Cribbs Contractors
912 Colgate Road
Memphis, Tennessee 38106

(901) 948-1840

Clark Cribbs

Miscellaneous concrete - manholes, curbs, gutter, sidewalks, municipal water and sewer lines

Certified By: TDOT

Clayton Contracting Co.
8781 Wood Mills Cv. W.
Cordova, Tennessee 38018

(901) 759-1193

Peggy Clayton

Joint sawing, sealing, pavement, erosion control

Certified By: None

Control Pest Company
P.O. Box 14605
Memphis, Tennessee 38118

(901) 774-7334

Edward Johnson

Extermination

Certified By: None

Cribbs Construction Company
3049 Winchester Rd.
Memphis, Tennessee 38118

(901) 366-7803

Charles Cribbs

Inlets, catch basins, manholes

Certified By: None

Cribbs Masonry
1592 W. Raines Road
Memphis, Tennessee 38109

(901) 785-5391

Dewey Cribbs

Masonry

Certified By: TDOT

Cummings Construction Company
1175 E. Trigg Avenue
Memphis, Tennessee 38106

(901) 947-4861

Elton Cummings

General contractor

Certified By: TDOT

Davis and Davis, Inc.
3091 Greenbranch Drive
Memphis, Tennessee 38118

(901) 368-4779

Martin Davis

General construction, trucking and hauling and concrete

Certified By: TDOT

Division Scale Company
5680 E. Shelby Drive
Memphis, Tennessee 38141

(901) 366-4220

Steven Rael Muccilto

Repair and supply scales and container handling equipment

Certified By: TDOT

Dorsey Electrical Company
3345 Germantown Road
Memphis, Tennessee 38134

(901) 386-1403

Thomas Dorsey

Electrical work

Certified By: TDOT

Eddie Harper Trucking Company
1599 Dunmoor Street
Memphis, Tennessee 38114

(901) 743-4632

Eddie Harper

Trucking business

Certified By: None

Engineering Design Group PLLC
323 Meadow trail Cove
Cordova, Tennessee 38018

(901) 752-1480

Chee & Chew

Architectural engineering and consultant

Certified By: TDOT

Environmental Mgt. Consultants, Inc.
2851 Lamb Place, Suite 2
Memphis, Tennessee 38118

(901) 795-3003

Ward Lindsey

Environmental site assessments, industrial hygiene/indoor air quality testing

Certified By: TDOT

Ewing Moving Service, Inc.
827 S. Main Street
Memphis, Tennessee 38106

(901) 774-2197, (800) 533-2315

Charles Ewing, Sr.
Margaret Page

Corporate, private and commercial moving service

Certified By: TDOT

Excel Construction Co., Inc.
6235 Kirby Downs Drive
Memphis, Tennessee 38115

(901) 366-7837

David Fondren

Concrete flatwork, painting, and steel erection

Certified By: TDOT

Foster Landscaping & Excavation
1731 Castalia
Memphis, Tennessee 38114

(901) 948-8015

Rozelle Foster

Grading, sodding, loading, hauling and foundation work and excavation; some planting, bed preparation and other landscaping services available/offered.

Certified By: None

Gillespie Trucking Company
1876 Hearst Avenue
Memphis, Tennessee 38114

(901) 895-5054

Herman Gillespie

Trucking company - hauling, sand , gravel, dirt and asphalt

Certified By: None

Gipson Mechanical Contractors, Inc.
6849 Raleigh Lagrang Rd.
Memphis, Tennessee 38134

(901) 388-6149

Winston S. Gipson

General contracting (mechanical)

Certified By: TDOT

H & H Landscape & Construction
P.O. Box 7126
Memphis, Tennessee 38107

(901) 743-7365

Thomas Hill

Landscaping

Certified By: None

Harts Trucking
2439 Johanna Drive
Memphis, Tennessee 38114

(901) 744-7500

James Harts, Jr.

Trucking and hauling

Certified By: TDOT

Hays Trucking, Inc.
3874 Prescott
Memphis, Tennessee 38118

(901) 487-5117

Cathy C. Hays

Trucking and hauling, supplier of aggregate

Certified By: TDOT

Hess Environmental Srvc, Inc.
6057 Executive Centre Drive, Suite 6
Memphis, Tennessee 38134

(901) 377-9139

Connie Hess

Environmental consulting

Certified By: TDOT

Industrial Sales Company of Memphis
7520 Bartlett Corporation Drive
Bartlett, Tennessee 38133

(901) 396-4324

Judy May

Electrical materials

Certified By: TDOT

Jackson, Person & Associates, Inc.
66 Monroe Street, Suite 104
Memphis, Tennessee 38103

(901) 526-8386
(901) 526-8289

John Jackson

Landscaping, land surveying, planning and construction administration

Certified By: TDOT

JDL Enclavee, LLC
2514 Hearth Stone Drive
Cordova, Tennessee 38018

(901) 380-0005

G. Luke Carter

Commercial and industrial chemicals

Certified By: TDOT

J. J. Mechanical Contractor
3254 Highway 61 South
Memphis, Tennessee 38104

(901) 396-5648

James W. Currie

Heating and air conditioning, refrigeration and AC service and repair

Certified By: None

Leroy Manuel Trucking Company
1603 Orr Street
Memphis, Tennessee 38108

(901) 320-9393

Leroy Manuel

Trucking and hauling

Certified By: TDOT

L.S. Sipp Construction Co.
973 Rock Point #6
Memphis, Tennessee 38116

(901) 276-3386

Lawson S. Sipp

Concrete, manholes, paving

Certified By: TDOT

M & H Heating, Air Conditioning & Refrigeration, Inc.
3254 Highway 61 South
Memphis, Tennessee 38109

(901) 332-9314

William Moss

General contracting – heating, air conditioning, refrigeration, trucking and hauling.

Certified By: OMBE

Matthews Contract Painting Co., Inc.
P.O. Box 18868
Memphis, Tennessee 38181

(901) 360-8787

Dennis R. Matthews

Painting

Certified By: TDOT

Mayo Construction Co.
2016 Quinn
Memphis, Tennessee 38114

(901) 278-2464

Augusta Mayo

Construction work: bricklaying, piping, etc.

Certified By: TDOT

McCollum Trucking, LLC
3706 Stonetrace Circle
Bartlett, Tennessee 38135

(901) 386-3117

Bernadette McCollum

Trucking and hauling

Certified By: TDOT

McDonald Plumbing
P.O. Box 271204
Memphis, Tennessee 38127

(901) 398-7529

Harold McDonald

Plumbing

Certified By: None

McFarland Welding/Fabrication
1079 Chelsea Avenue
Memphis, Tennessee 38107

(901) 522-1733

Fred McFarland

Welding steel fabrication steel erection

Certified By: None

Mid-South Enterprises, Inc.
1725 Graceland Cove
Memphis, Tennessee 38116

(901) 346-1410

Patricia Smith

Earthwork, hauling equipment

Certified By: TDOT

Mid South Fence Company
P.O. Box 161162
Memphis, Tennessee 38116

(901) 382-0222

Onita Hamilton

Fence and guardrails

Certified By: TDOT

Mid-South Rebar Company
2126 York Avenue
Memphis, Tennessee 38116

(901) 346-6737

Kerby Alexander

Reinforcement steel placement subcontractor

Certified By: None

MJ Trucking
4367 Donjourney Cove
Memphis, Tennessee 38125

(901) 751-6640

Michael Jenkins

Trucking and hauling

Certified By: TDOT

Mosley Fence Company
1573 Dallas
Memphis, Tennessee 38114

(901) 744-7394

Willie Mosley

Fencing construction and concrete

Certified By: None

O'Neal Grading Company
5011 Boeingshire
Memphis, Tennessee 38116

(901) 332-1240

O'Neal Payne

Excavation, land fill and site preparation; also handles swimming pool installation

Certified By: OMBE

Personal Safety First
333 Burwood Drive
Memphis, Tennessee 38109

(901) 785-1617

Kenneth Williamson

Supplier (safety and industrial equipment)

Certified By: TDOT

Professional Screening Services
3367 Woodhaven Drive
Memphis, Tennessee 38128

(901) 385-1407

Debbie Rogers-Fisher

Alcohol testing and drug screening

Certified By: TDOT

Pryor's Paving and Grading
1382 South Parkway East
Memphis, Tennessee 38106

(901) 774-4213

William Pryor

Site preparation and asphalt paving

Certified By: None

Quality Roofing Company
1190 Walker Avenue
Memphis, Tennessee 38106

(901) 377-6627

Roofing

Certified By: None

Quick, Inc.
983 Jackson Avenue
Memphis, Tennessee 38107

(901) 527-4970

Marvin Blount

Electrical contracting

Certified By: None

R. C. Shannon Company
2129 Henrietta Road
Memphis, Tennessee 38134

(901) 323-6981 or 386-3908

Robert C. Shannon, Sr.

Roofing work, including repairing

Certified By: None

Regco Filter Manufacturing
P.O. Box 41860
Memphis, Tennessee 38174

(901) 948-9704

Supplier of air filters for industrial buses engines

Certified By: None

Richard Contractor, Inc.
780 Walton Lake
Collierville, Tennessee 38017

(901) 853-2906

Sandra Richards

Minor concrete structures, box culverts, water and sewer, minor drainage, and paving

Certified By: None

River City Painting & Construction
P.O. Box 16761
Memphis, Tennessee 38186

(901) 743-6233

David Fondren

Commercial and industrial painting drywall and line striping

Certified By: OMBE

River City Railroad Contractors, Inc.
1759 Glenview
Memphis, Tennessee 38114

(901) 728-4998

Clarence Harris

Heavy construction except highway and street

Certified By: TDOT

Romeo, Wise, & Bone
2840 Summer Oaks Drive, Suite 102
Memphis, Tennessee 38134

(901) 371-0020

Eric Wise

Planning, engineering, surveying, project management and consulting

Certified By: TDOT

S-W Asphalt Paving & Sealing
1234 Mississippi
Memphis, Tennessee 38106

(901) 774-2266

Floyd Veasley

Paving

Certified By: TDOT

Sanders & Harvell Construction Company, Inc.
1790 LaPaloma Street
Memphis, Tennessee 38114

(901) 774-4171

Florence Sanders

General contractor

Certified By: OMBE

Seiferth Contractors
P.O. Box 14605, 2287 Zanone
Memphis, Tennessee 38114

(901) 458-3976

Clarence Seiferth

General contractors, residential - rehab – commercial – concrete, earthwork, trucking and hauling

Certified By: TDOT

Shelby Sod & Grading, Inc.
241 Germantown Bend
Memphis, Tennessee 38018

(901) 747-2327 or 524-7046

Joseph Ford

Landscaping

Certified By: None

Smith Masonry, Inc.
51 N. Third Street
Memphis, Tennessee 38103

(901) 522-8677

Nat or Linda Smith

Masonry and concrete contractor engaged in work such as stone laying, marble, brick and block preset

Certified By: None

Southland Enterprises
853 E. Raines Road
Memphis, Tennessee 38116

(901) 332-0715

J. C. Payne

Concrete, earthwork: building, moving, demolition, clearing, grubbing, joint sawing, sealing, pavement patching, storm sewer, and watermains

Certified By: TDOT

South Seas Homes, Inc.
2940 N. Stage Plaza
Bartlett, Tennessee 38134

(901) 382-2737

Leslie Wooten, Jr.

General contracting, home development and renovation

T.H.Y. Inc.
3639 New Getwell, Suite 1
Memphis, Tennessee 38118

(901) 362, 3300, (901) 367-0471

Teck M. Tang, P.E.

Engineering: (transportation, highways, traffic) and surveying

Certified By: TDOT

Toles and Associates, Inc.
2851 Lamb Place, Suite 2
Memphis, Tennessee 38118

(901) 794-9815

James Toles

Engineering (civil and structure)

Certified By: TDOT

V & J Construction Co.
660 Neptune Street
Memphis, Tennessee 38104

(901) 774-1970

Robert Jeffries

Concrete construction

Certified By: None

Van Savage Roofing and Company
P.O. Box 14732, 2785 Sanderwood
Memphis, Tennessee 38114

(901) 365-1579

Mr. Van Savage

General contractor primarily engaged in the installation and repair of roofing and siding; also handles water proofing applications

Certified By: OMBE

W. C. Davis & Son Construction Co.
1936 Chelsea Avenue
Memphis, Tennessee 38108

(901) 276-6194

W. H. Davis

General construction contractor and builder offering commercial and residential repairs and remodeling services

Certified By: None

W.M. Reinhold Landscape, Inc.
5345 Holmes Road
Memphis, Tennessee 38118

(901) 363-3555

Drew St. John

Landscaping, seeding, and sodding

Certified By: None

W. Woods Trucking
3507 Carrington Avenue
Memphis, Tennessee 38111

(901) 452-5444

Wiley Woods

Trucking and hauling

Certified By: TDOT

Washington Brothers Company
4645 Highway 61 South
Memphis, Tennessee 38109

(901) 785-4329

Clifton Washington

Excavation and concrete construction

Certified By: None

Word Construction Company
1479 W. Trezevant Street
Memphis, Tennessee 38108

(901) 327-4658

E. L. Word

General contractor primarily engaged in construction (including new work, additions, alterations, remodeling and repair) of residential and commercial structures

Certified By: None

SMITH COUNTY

Austin Trucking Inc.
9 L B McDonald
Chestnut Mound, Tennessee 38552

(615) 897-2939

Kelly Austin

Trucking and hauling

Certified By: TDOT

Eatherly Group, Inc.
P.O. Box 196
166 River Road
Carthage, Tennessee 37030

(615) 735-8200

Patricia Cowan

Grading site excavation, drainage, concrete work, bridges, utilities, hauling of dirt, aggregate and supplier of pipe

Certified By: TDOT

SULLIVAN COUNTY

Absolute Communications, Inc.
1805 North Eastman Road, Suite 7
Kingsport, Tennessee 37664

(423) 246-0336, (423) 246-2188

Carolyn Pierson Cook

Public relations and marketing event management

Certified By: TDOT

Bakers Construction
3365 Rockhold Road
Bluff City, Tennessee 37618

(423) 538-7135

Patti Baker

Earthwork clearing, grubbing, sewers and watermains

Certified By: TDOT

Cactus Hydroseeding
3016 Hi Drive
Kingsport, Tennessee 37663

(423) 239-0681

Shawna Johnson

Hydroseeding

Certified By: TDOT

Public Drainage Supply, Inc.
260 Shanks Road
Blountville, Tennessee 37617

(423) 323-1003

Harriet Manning

Supplier: C.M.P. pipe

Certified By: TDOT

Riverbend Consulting
156 River Road
Bluff City, Tennessee 37618

(423) 538-3859

Shari Rown

Land use studies, facilities planning & comprehensive planning

Certified By: TDOT

R. L. Jones Trucking
239 Whispering Hill
Blountville, Tennessee 37617

(423) 323-5616, (423) 571-0481

Deanna Jones

Trucking and hauling

Certified By: TDOT

Tri-City Development Corp.
P.O. Box 297
817 Dale Street
Kingsport, Tennessee 37662

(423) 246-1050

Ralph Watterson

Construction – rehabilitation, residential and commercial

Certified By: TDOT

SUMNER COUNTY

Commercial Hydroseeding
100 Long Hollow Ct.
Goodlettsville, Tennessee 37072-8827

(615) 855-3700

Kimberly Frazee

Commercial hydroseeding and sod, sod installation and erosion control

Certified By: TDOT

Concrete Bonding Services, Inc.
P.O. Box 660
105 Dolphus Dr.
Hendersonville, Tennessee 37075

(615) 822-8130

Zonda Seifers

Specialty contractor – concrete repair and restoration

Certified By: TDOT

Exclusively Temporary, Inc.
714 Nashville Pike
Gallatin, Tennessee 37066

(615) 452-7080

Regina Hayslip

Employment and labor service

Certified By: OMBE

Henry Collins and Associates
100 Main Street, Suite 203
Portland, Tennessee 37148

(615) 325-1809

Henry Collins
Cynthia Durant

Web site design, advertising, communications printing event, planning

Certified By: TDOT

H.E.S. Construction Company
119 Trail Drive
Gallatin, Tennessee 37066

(615) 451-1592

Howard E. Stenson

Concrete masonry, cement finisher

Certified By: TDOT

Jen-Hill Construction Materials
145 Shackle Island Road
Hendersonville, Tennessee 37075

(615) 824-1200

Jennifer Moody

Supplier of erosion control and enviromental construction materials

Certified By: TDOT

Southland Safety Signal, Inc.
114 Joslin Avenue
Gallatin, Tennessee 37066

(615) 230-9894

Terry Ann Huffman

Guardrail and electrical work, structures

Certified By: TDOT

TIPTON COUNTY

B & S Contractors
Route 1, Box 822
Atoka, Tennessee 38004

(901) 835-2954

James Sneed

Housing rehabilitation specialist

Certified By: None

Inman Trucking Co., Inc.
P.O. Box 53
Brighton, Tennessee 38011

(901) 837-0161

Wanda C. Inman and Darlene Boswell

Trucking and hauling

Certified By: TDOT

UNION COUNTY

Merritt Construction Company
304 S. Ridgecrest Drive
Luttrell, Tennessee 37779

(4865) 992-8177

June Merritt

General - municipal water and sewer lines, residential - heavy construction

Certified By: TDOT

WARREN COUNTY

Brenda Eagle Trucking, LLC
Eagle Trucking Co., Inc.
1191 Miriah Drive
McMinnville, Tennessee 37110

(931) 668-5518

Brenda Eagle

Hauling of dry goods, trucking, transportation services

Certified By: TDOT

C & M Trucking Co.
312 Beersheba Street
McMinnville, Tennessee 37110

(931) 473-3513

Mary Hillis

Trucking (hauling road building and construction materials)

Certified By: None

Elaine Rains Construction
494 Old Shelbyville Road
McMinnville, Tennessee 37110

(931) 473-6646

Elaine Rains

Construction, residential (only)

Certified By: TDOT

Officer and Associates, Inc.
5493 Sparta Hwy., P.O. Box 225
Rock Island, Tennessee 38581

(931) 815-2775

Charles Officer

Aggregate construction and trucking

Certified By: TDOT

WASHINGTON COUNTY

Kyle Construction Company
3701 Deepwood Drive
Johnson City, Tennessee 37601

(423) 282-0084

Glen Kyle

Residential - rehab

Certified By: OMBE

Ollen Clark Construction Company
P.O. Box 3307
Johnson City, Tennessee 37602

(423) 282-3611

Virginia Clark

General construction

Certified By: None

WAYNE COUNTY

Enviroworks, Inc.
P.O. Box H, 100 East Pillow Street
Clifton, Tennessee 38425

(931) 676-3500

Travis Berry French
Billie Wayne Slaughter

Utility contractor, commercial – electrical, grading site work

Certified By: None

Rod's Paving Company
1825 Natural Bridge Road
Waynesboro, Tennessee 38485

(931) 722-4016

Kenny Ray Rodriguez

Driveways, asphalt, hauling of dirt and sand

Certified By: TDOT

Volunteer Sod & Seeding, Inc.
Route 1, Box 33
Strawberry Farm Rd.
Lutts, Tennessee 38471

(931) 724-5170

Sheila McFall

Landscaping, erosion control

Certified By: OMBE

WHITE COUNTY

CJM Enterprises
P.O. Box 6268
Sparta, Tennessee 38583

(931) 738-9644

Marilyn Carlson

Clerical bookkeeping, computer services and heavy equipment transfer and hauling

Certified By: TDOT

Gardenhire Construction Company
P.O. Box 236, Rt. 9, Oakwood Drive
Sparta, Tennessee 38583

(931) 738-3868

Gary Gardenhire

Highway construction, gravel, rock, concrete, landscaping, grassing, masonry, grading, pavement sealing, carpentry

Certified By: TDOT

McKendree Construction, Inc.
Route 1, Box 71A
P.O. Box 814
Sparta, Tennessee 38583

(931) 761-3760

Barbara McKendree

Inlets, catch basins, manholes, curbs

Certified By: TDOT

Officer and Associates, Inc.
5493 Sparta Hwy., Box 225
Rock Island, Tennessee 38581

(931) 815-2775

Charles Officer

Aggregate construction and trucking

Certified By: TDOT

WILLIAMSON COUNTY

Benchmark Group, Inc.
155 Franklin Road, Suite 140
Brentwood, Tennessee 37027

(615) 661-4914

Judy B. Cline

Employment and labor services

Certified By: OMBE

Fischbach Tranportation Group
Box 681447
Franklin, Tennessee 37068

(615) 377-3130

Gillian L. Fischbach

Traffic engineering and planning

Certified By: TDOT

Lockwood Construction, Co.
P.O. Box 588, 1222 West Main St.
Franklin, Tennessee 37064

(615) 794-8465

Kaye Lockwood

Aggregate construction, concrete, excavation, embankment, building, moving, clearing, grubbing, joint sawing and sealing, and retaining walls

Certified By: TDOT

Moran Contractors, Inc.
118 Beasley Drive
Franklin, Tennessee 37064

(615) 794-5156

Harriet Moran Greet

Street patching, painting lines, street markings

Certified By: None

Stormwater & Hydrologic Eng.
909 Steeplechase Drive
Brentwood, Tennessee 37027

(615) 371-8031

Fred Quinones

Environmental engineering hydraulic and studies

Certified By: None

TRC International, Ltd.
217 Ward Circle, Suite C
Brentwood, Tennessee 37027

(615) 661-7979

Surendra Ramanna

Architectural/engineering and consulting work

Certified By: TDOT

WILSON COUNTY

Atlantic Surveying & Mapping, Inc.
101-A Southside Drive
Lebanon, Tennessee 37090

(615) 444-1885

Robyn Jo Edwards

Land surveying

Certified By: TDOT

Robert and Cassie Construction
P.O. Box 70
Gladeville, Tennessee 37071

(615) 449-3540

Robert and Cassie Spickard

General contractor, excavation, embankment, santiary sewer

Certified By: TDOT

CDF Incorporated
P.O. Box 1221, 2636 Hartsville Pike
Lebanon, Tennessee 37087

(615) 449-3535

Donna Mosher

Bridge deck grooving

Certified By: TDOT

Kathy Freeman Trucking Company
P.O. Box 2122
Lebanon, Tennessee 37088

(615) 449-1777

Kathy L. Freeman

Trucking and hauling

Certified By: TDOT

K. W. Kidd Construction Co.
P.O. Box 914
Mt. Juliet, Tennessee 37122

(615) 754-9070 (615) 780-8523

Darryl Kidd

Earthwork, demolition, trucking, underground

Certified By: TDOT

Jemco, Inc.
Route 10, Leeville Road
Lebanon, Tennessee 37087

(615) 443-4605

Jennifer Mosher

Pavement grinding and grooving

Certified By: None

Linwood Construction Company
P.O. Box 285
Mt. Juliet, Tennessee 37122

(615) 754-8081

Kenneth Bailey

Road work, site grading, utilities

Certified By: TDOT

New South Contractors, Inc.
76 Martha Circle, Hwy. 109 at Hwy. 170
Lebanon, Tennessee 37090

(615) 444-8395

Mary Ellen Benward

Gravel, paving and underdrains

Certified By: TDOT

Stanphills Trucking, Inc.
299 McCreary Place
Lebanon, Tennessee 37090

(615) 443-8564 (phone/fax)

Kim Stanphill

Commercial dump truck hauling

Certified By: TDOT

Tennessee Telecom, Inc.
137 Southside Park Drive
Lebanon, Tennessee 37090

(615) 443-0040

Sue Singleton

Remarketer & quality repair of Northern Telecom PBX & Key systems

Certified By: TDOT

The Phoenix Group of Mid. TN
311 South College St.
P.O. Box 1401
Lebanon, Tennessee 37087

(615) 449-5270

Darlene Craighead

Concrete underdrains and paving, water mains and placement of steel

Certified By: TDOT

West Wilson County Concrete Company
Industrial Park, P.O. Box 147
Mount Juliet, Tennessee 37122

(615) 758-5686

James Pope

Ready-mixed concrete

Certified By: OMBE

Wilson County Concrete Co., Inc.
South College Street
Lebanon, Tennessee 37087

(615) 444-0454

James Pope

Ready-mixed concrete

Certified By: None

STATE OF TENNESSEE

TENNESSEE HOUSING DEVELOPMENT AGENCY

AFFIRMATIVE MARKETING POLICIES AND PROCEDURES

I. STATEMENT OF POLICY:

In accordance with the Regulations of the HOME Investment Partnership Program, and in furtherance of the Tennessee Housing Development Agency's (THDA) commitment of non-discrimination and equal opportunity in housing, THDA establishes procedures to affirmatively market units rehabilitated under the HOME Program. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, as amended, Executive Order 11063, and THDA's Fair Housing Act of 1969. These policies apply to any rental property assisted by the HOME program containing 5 or more units.

The Tennessee Housing Development Agency is committed to the goals of affirmative marketing which will be implemented in our HOME program through a specific set of steps that THDA, recipients and owners will follow.

THDA shall require that all HOME grantees carrying out HOME activities addressing rental property of 5 or more units adopt and follow these same policies and procedures as outlined below.

II. IMPLEMENTATION PROCEDURES

A. INFORMING THE PUBLIC, POTENTIAL TENANTS AND OWNERS ABOUT FEDERAL FAIR HOUSING LAWS AND AFFIRMATIVE MARKETING POLICIES:

1. INFORMING THE PUBLIC - Local city, county and non-profit recipients will be required to inform the public of the program and their proposed activities.

2. INFORMING OWNERS - Recipients will mail upon request and have available for distribution to property owners an application package which provides further explanation of the Program. The application includes a fair housing certification which the landlord is required to sign. Once an application is received from the landlord, THDA or the local PHA will send additional information concerning tenant eligibility, Housing Quality Standards, and Equal Opportunity Housing requirements.

3. INFORMING POTENTIAL TENANTS - The owner's application includes a request for the names and mailing addresses of tenants in buildings scheduled for rehabilitation. Upon receipt of the owner application, THDA will mail an "information letter" to the current tenants informing them of the landlord's application and referring them to the appropriate agency or local PHA for an explanation of subsidy eligibility. This information letter includes a fair housing statement.

B. REQUIREMENTS FOR OWNERS TO INFORM THE GENERAL RENTER PUBLIC ABOUT AVAILABLE REHABILITATED UNITS:

It is THDA's policy to require substantial steps by project owners to carry out affirmative marketing. Owners should provide for costs associated with these requirements in their planned operating costs and subsidy decisions, which by necessity will take these costs into account.

If it is feasible to advertise in advance of selecting a tenant, without holding units off the market, participating property owners will be required to make information on the availability of units known through:

1. Advertisements in the local newspaper(s), if, the owner ordinarily advertises available rentals in the news media;
2. Notifying the local PHA or THDA's agent and requesting that staff inform applicants on their waiting lists about upcoming vacancies.

THDA will emphasize to owners that to the extent feasible without holding units off the market, they make information about upcoming vacancies to the general public *after* special outreach efforts are underway.

THDA will require that property owners selected for participation in the program comply with affirmative marketing requirements by means of an Agreement. Failure to carry out the agreement could make an owner ineligible to participate in the Program with future projects.

III. SPECIAL OUTREACH

In order to inform as well as solicit applications from persons in the housing market area who are not likely to apply for units without special outreach, THDA has established methods property owners must use in order to reach the objective.

THDA has identified two groups in the housing market area who would probably not apply for the units without special outreach: African-Americans and single, female heads of household.

Having identified these two groups, THDA will require that owners use special outreach methods as follows:

1. Send notification of upcoming vacancies to the local office of the Department of Human Services and the Human Resource Agency.
2. Contact the local PHA or THDA agent and ask them to inform applicants on their waiting list.

THDA will require that owners begin their special outreach activities upon learning that a vacancy will occur. THDA will ask that owners request a thirty (30) day notification from tenants intending to move so that special outreach to African-Americans and single, female heads of household can begin before notification to the general public.

IV. RECORDKEEPING

THDA will require that *owners* keep records on:

1. The racial, ethnic and gender characteristics of tenants and applicants for at least 90 days following the completion of rehabilitation/new construction.

2. Activities they undertake to inform the general renter public; specifically, copies of advertisements placed in newspapers; and dates on which the owner contacted the local DHA, HRA and PHA.

3. Activities owners undertake for special outreach; specifically, dates of contact with the local DHA, HRA and PHA, or THDA agent.:

V. ASSESSMENT AND CORRECTIVE ACTION

A. Assessment of the affirmative marketing efforts of property owners will include:

1. DETERMINATION OF GOOD FAITH EFFORTS - To determine if good faith efforts have been made examine records THDA has required owners to maintain on actions they have take and compare them with the actions owners were required to take. If THDA finds that the required actions have been carried out as specified, it will be assumed that owners have made good faith efforts to carry out these procedures.

2. DETERMINATION OF RESULTS - To determine results assess property owners' affirmative marketing efforts in relation to whether or not persons from a variety of racial and ethnic groups in the community and, in particular, African-American and single, female heads of household have in fact applied for and/or become tenants in the rehabilitated units. If THDA finds they have, it will be assumed that owners have carried out Procedures 2 and 3 effectively.

   If the representation of racial/ethnic groups is not broad or the two identified groups are not represented, THDA will review the affirmative marketing procedures to determine what changes, if any, might be made to make the affirmative marketing efforts more effective in informing persons in all groups about rental opportunities.

B. CORRECTIVE ACTION

THDA will take corrective action if an owner fails to carry out the required procedures or fails to maintain the records on tenants and applicants.

If there are problems, THDA will require owners with vacancies to notify the local PHA or THDA agent immediately upon learning that a unit will become vacant. THDA is asking that owners give the PHA or the THDA agent this information as close to thirty (30) days prior to the upcoming vacancy as possible. The PHA or the THDA agent will then be able to verify on a "spot check" basis if these owners are following the prescribed procedures.

If an owner continues to fail to meet the affirmative marketing requirements, THDA, after fair warning and an opportunity to correct identified deficiencies, may disqualify an owner from further participation in future rental programs administered by THDA. THDA will carry out the assessment activities, and prepare a written assessment of the affirmative marketing efforts in time to report results in the Annual Performance Report submitted to HUD.

Contract and Subcontract Activity

U.S. Department of Housing and Urban Development

EO-4

OMB Approval No.: 2577-0088 (exp. 06/30/2004)

Public Reporting Burden for this collection of information is estimated to average .50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Executive Order 12421 dated July 14, 1983, directs the Minority Business Development Plans shall be developed by each Federal Agency and that these annual plans shall establish minority business development objectives. The information is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprise (MBE) goals. The Department requires the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development. If the information is not collected HUD would not be able to establish meaningful MBE goals nor evaluate MBE performance against these goals.
While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice - The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. It will not be disclosed or released outside the United States Department of Housing and Urban Development without your consent, except as required or permitted by law.

1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency	Check if: PHA ☐ IHA ☐	2. Location (City, State, ZIP Code)

3a. Name of Contact Person	3b. Phone Number (Including Area Code)	4. Reporting Period ☐ Oct. 1 - Sept. 30 (Annual-FY)	5. Program Code (Not applicable for CPD programs.) See explanation of codes at bottom of page. Use a separate sheet for each program code. ☐	6. Date Submitted to Field Office

Grant/Project Number or HUD Case Number or other identification of property, subdivision, dwelling unit, etc. 7a.	Amount of Contract or Subcontract 7b.	Type of Trade Code (See below) 7c.	Contractor or Subcontractor Business Racial/Ethnic Code (See below) 7d.	Woman Owned Business (Yes or No) 7e.	Prime Contractor Identification (ID) Number 7f.	Sec. 3 7g.	Subcontractor Identification (ID) Number 7h.	Sec. 3 7i.	Contractor/Subcontractor Name and Address 7j. Name	Street	City	State	Zip Code

7c: Type of Trade Codes:

CPD:
1 = New Construction
2 = Education/Training
3 = Other

Housing/Public Housing:
1 = New Construction
2 = Substantial Rehab.
3 = Repair
4 = Service
5 = Project Mangt.
6 = Professional
7 = Tenant Services
8 = Education/Training
9 = Arch./Engrg. Appraisal
0 = Other

7d: Racial/Ethnic Codes:
1 = White Americans
2 = Black Americans
3 = Native Americans
4 = Hispanic Americans
5 = Asian/Pacific Americans
6 = Hasidic Jews

5: Program Codes (Complete for Housing and Public and Indian Housing programs only):
1 = All insured, including Section 8
2 = Flexible Subsidy
3 = Section 8 Noninsured, Non-HFDA
4 = Insured (Management
5 = Section 202
6 = HUD-Held (Management)
7 = Public/Indian Housing

Previous editions are obsolete.

form **HUD-2516** (8/98)

This report is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of $10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multifamily Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than $10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3.

A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or nonmetropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms “low-income persons” and “very low-income persons” have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income persons means low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.

Submit two (2) copies of this report to your local HUD Office within ten (10) days after the end of the reporting period you checked in item 4 on the front.

Complete item 7h. only once for each contractor/subcontractor on each semi-annual report.

Enter the prime contractor's ID in item 7f. for all contracts and subcontracts. Include only contracts executed during this reporting period. PHAs/IHAs are to report all contracts/subcontracts.

Community Development Programs

1. **Grantee:** Enter the name of the unit of government submitting this report.

3. **Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.

7a. **Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.

7b. **Amount of Contract/Subcontract:** Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number is provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.

7c. **Type of Trade:** Enter the numeric codes which best indicates the contractor's/subcontractor's service. If subcontractor ID number is provided in 7f., the type of trade code would be for the subcontractor only and not for the prime contractor. The "other" category includes supply, professional services and all other activities except construction and education/training activities.

7d. **Business Racial/Ethnic/Gender Code:** Enter the numeric code which indicates the racial/ethnic /gender character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic/gender category, enter the code which seems most appropriate. If the subcontractor ID number is provided, the code would apply to the subcontractor and not to the prime contractor.

7e. **Woman Owned Business:** Enter Yes or No.

7f. **Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.

7g. **Section 3 Contractor:** Enter Yes or No.

7h. **Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.

7i. **Section 3 Contractor:** Enter Yes or No.

7j. **Contractor/Subcontractor Name and Address:** Enter this information for each firm receiving contract/subcontract activity only one time on each report for each firm.

Multifamily Housing Programs

1. **Grantee/Project Owner:** Enter the name of the unit of government, agency or mortgagor entity submitting this report.

3. **Contact Person:** Same as item 3 under CPD Programs.

4. **Reporting Period:** Check only one period.

5. **Program Code:** Enter the appropriate program code.

7a. **Grant/Project Number:** Enter the HUD Project Number or Housing Development Grant or number assigned.

7b. **Amount of Contract/Subcontract:** Same as item 7b. under CPD Programs.

7c. **Type of Trade:** Same as item 7c. under CPD Programs.

7d. **Business Racial/Ethnic/Gender Code:** Same as item 7d. under CPD Programs.

7e. **Woman Owned Business:** Enter Yes or No.

7f. **Contractor Identification (ID) Number:** Same as item 7f. under CPD Programs.

7g. **Section 3 Contractor:** Enter Yes or No.

7h. **Subcontractor Identification (ID) Number:** Same as item 7h. under CPD Programs.

7i. **Section 3 Contractor:** Enter Yes or No.

7j. **Contractor/Subcontractor Name and Address:** Same as item 7j. under CPD Programs.

Public Housing and Indian Housing Programs

PHAs/IHAs are to report all contracts/subcontracts. Include only contracts executed during this reporting period.

1. **Project Owner:** Enter the name of the unit of government, agency or mortgagor entity submitting this report. Check box as appropriate.

3. **Contact Person:** Same as item 3 under CPD Programs.

4. **Reporting Period:** Check only one period.

5. **Program Code:** Enter the appropriate program code.

7a. **Grant/Project Number:** Enter the HUD Project Number or Housing Development Grant or number assigned.

7b. **Amount of Contract/Subcontract:** Same as item 7b. under CPD Programs.

7c. **Type of Trade:** Same as item 7c. under CPD Programs.

7d. **Business Racial/Ethnic/Gender Code:** Same as item 7d. under CPD Programs.

7e. **Woman Owned Business:** Enter Yes or No.

7f. **Contractor Identification (ID) Number:** Same as item 7f. under CPD Programs.

7g. **Section 3 Contractor:** Enter Yes or No.

7h. **Subcontractor Identification (ID) Number:** Same as item 7h. under CPD Programs.

7i. **Section 3 Contractor:** Enter Yes or No.

7j. **Contractor/Subcontractor Name and Address:** Same as item 7j. under CPD Programs.

Previous editions are obsolete.

form **HUD-2516** (8/98)

SECTION 3 QUESTIONNAIRE

		YES	NO
1.	Is your grant amount $200,00 or more? If NO, Section 3 does not apply. No additional information is needed.	☐	☐
2.	If YES, will this project necessitate the hiring of new employees on your payroll or the training of present employees? If NO, Section 3 does not apply to the Grantee's new hires.	☐	☐
3.	Will any activities that generate employment opportunities necessitate issuing contracts of $100,000 or more? If NO, Section 3 does not apply to the contractor, and no additional information is needed.	☐	☐

4. If YES, the following documentation should be completed and maintained on file demonstrating your efforts to enhance the employment of Section 3 residents or businesses:
   a. Types of outreach efforts to inform businesses and area low-income residents of Section 3 opportunities.
   b. Numbers of Section 3 area residents provided jobs and/or training.
   c. Numbers and dollar amounts of contracts awarded to businesses within the Section 3 covered project area (metropolitan area or non-metropolitan county).
   d. Documentation provided by contractor or subcontractors of their outreach efforts, employment and training statistics.

LOWER INCOME CLARIFICATION

A family who resides in _____, Tennessee and whose income does not exceed the applicable threshold listed below is considered to be a lower income family.

THRESHOLDS:	FAMILY SIZE	INCOME LIMIT
	_____	_____

Date: _____ Signature _____

POLICY OF NONDISCRIMINATION

The _____ does not discriminate on the basis of race, color, religion, national origin, sex, age or handicapped status in the admission or access to, or treatment or employment in, its federally assisted program or activities.

_____
NAME

_____
ADDRESS

_____
CITY, STATE, ZIP CODE

_____
TELEPHONE NUMBER

has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's (HUD) regulations implementing Section 504 (24 CFR Part 8, dated June 2, 1988), Section 3 (24 CFR Part 135, dated October 23, 1973, Use of Small and Disadvantaged Businesses and Hiring Lower Income Residents of the Project Area), Equal Employment Opportunity Act of 1978 (In House Equal Employment Opportunity), Executive Order 11246, as amended by Executive Order 11375 (Equal Employment Opportunity on Federal Assisted Construction Contracts), and Executive Order 11625 (Minority Entrepreneurship).

MINORITY EMPLOYMENT GOALS BY ECONOMIC AREA FOR STATE OF TENNESSEE (U. S. Department of Labor *Federal Register*, Volume 45, No. 194, 10/3/80)

Until further notice, the following goals for minority utilization in each construction craft and trade shall be included in all Federal or Federally assisted construction contracts and subcontracts in excess of $10,000 to be performed in the respective geographical areas. The goals are applicable to the contractor's aggregate on-site construction workforce whether or not part of that workforce is performing work on a Federal or Federally assisted construction contract or subcontract. A covered contractor or subcontractor shall apply the goals of the relevant area where the contract is being performed. **The female goal for the State is 6.9%.**

MINORITY GOAL (%)	AREA
	051 CHATTANOOGA SMSA
12.5	TN Hamilton
	TN Marion
	TN Sequatchie
8.6	Non-SMSA Counties
	TN Bledsoe
	TN Bradley
	TN Grundy
	TN McMinn
	TN Meigs
	TN Monroe
	TN Polk
	TN Rhea
	062 JOHNSON CITY-BRISTOL KINGSPORT SMSA
2.6	TN Carter
	TN Hawkins
	TN Sullivan
	TN Unicoi
	TN Washington
3.2	Non-SMSA Counties
	TN-Greene
	TN Hancock
	TN Johnson
	053 KNOXVILLE, TN SMSA
6.6	TN Anderson
	TN Blount
	TN Knox
	TN Union
4.5	Non-SMSA Counties
	TN Campbell
	TN Claiborne

MINORITY GOAL (%)	AREA
4.5	Non-SMSA Counties
	TN Cocke
	TN Cumberland
	TN Fentress
	TN Grainger
	TN Hamblen
	TN Jefferson
	TN Loudon
	TN Morgan
	TN Roane
	TN Scott
	TN Sevier
	054 NASHVILLE SMSA
15.8	TN Cheatham
	TN Davidson
	TN Dickson
	TN Robertson
	TN Rutherford
	TN Sumner
	TN Williamson
	TN Wilson
12.0	Non-SMSA Counties
	TN Bedford
	TN Cannon
	TN Clay
	TN Coffee
	TN DeKalb
	TN Franklin
	TN Giles
	TN Hickman
	TN Houston
	TN Humphreys
	TN Jackson
	TN Lawrence
	TN Lewis

MINORITY GOAL (%)	AREA
	054 NASHVILLE, TN SMSA
12.0	Non-SMSA Counties
	TN Macon
	TN Marshall
	TN Maury
	TN Moore
	TN Overton
	TN Pickett
	TN Putnam
	TN Smith
	TN Stewart
	TN Trousdale
	TN Van Buren
	TN Warren
	TN Wayne
	TN White
	055 MEMPHIS, TN SMSA
32.3	TN Shelby
	TN Tipton
26.5	Non-SMSA Counties
	TN Benton
	TN Carroll
	TN Chester
	TN Crockett
	TN Decatur
	TN Dyer
	TN Fayette
	TN Gibson
	TN Hardeman
	TN Hardin
	TN Haywood
	TN Henderson

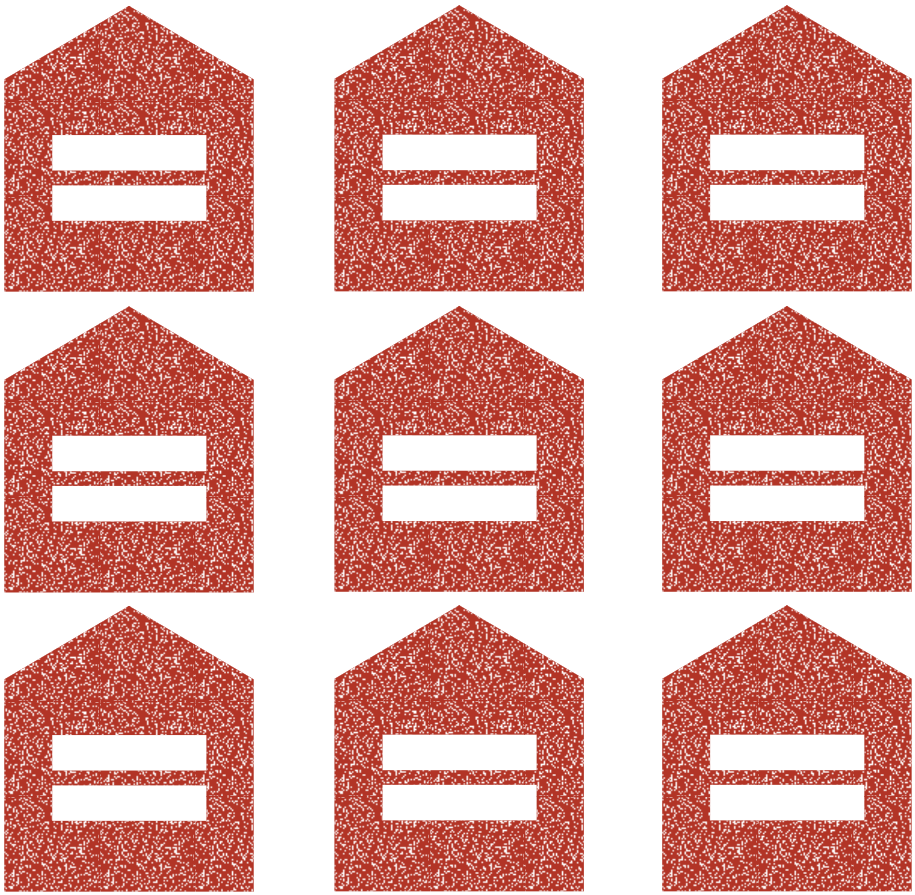
MINORITY GOAL (%)	AREA
26.5	Non-SMSA Counties
	TN Henry
	TN Lake
	TN Lauderdale
	TN McNairy
	TN Madison
	TN Obion
	TN Weaklley
	050 HUNTSVILLE-FLORENCE, AL SMSA
11.2	Non-SMSA Counties
	TN Lincoln

EO-8

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

Fair Housing

Equal Opportunity for All



Please visit our website: www.hud.gov/fairhousing

Fair Housing – Equal Opportunity for All

The rich diversity of our people, coupled with the unity of spirit upon which this nation was founded, is America's true strength. We are a nation that celebrates equality of opportunity, which makes it all the more disturbing when new immigrants, minorities, families with children, and people with disabilities are denied housing because of unfair housing discrimination.

The Department of Housing and Urban Development enforces the Fair Housing Act and the other federal laws that prohibit discrimination and the intimidation of people in their homes. These laws cover virtually all housing in the United States – private homes, apartment buildings, and condominium developments – and nearly all housing transactions, including the rental and sale of housing and the provision of mortgage loans.

Equal access to rental housing and homeownership opportunities is the cornerstone of this nation's federal housing policy. Landlords who refuse to rent or sell homes to people based on race, color, national origin, religion, sex, familial status, or disability are violating federal law, and HUD will vigorously pursue them.

Housing discrimination is not only illegal, it contradicts in every way the principles of freedom and opportunity we treasure as Americans. The Department of Housing and Urban Development is committed to ensuring that for everyone seeking a place to live, ***all*** housing is Fair Housing.

Mel Martinez
Secretary

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U.S. Department of Housing and Urban Development
Secretary Mel Martinez
451 7th Street, S.W.
Washington, DC 20410-2000

The Fair Housing Act

The Fair Housing Act prohibits discrimination in housing because of:

- Race or color
- National origin
- Religion
- Sex
- Familial status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18)
- Handicap (Disability)

What Housing Is Covered?

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

What Is Prohibited?

In the Sale and Rental of Housing: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale or rental
- For profit, persuade owners to sell or rent (blockbusting) or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In Mortgage Lending: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan or
- Set different terms or conditions for purchasing a loan

In Addition: It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status or handicap (disability). This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

Additional Protection If You Have A Disability

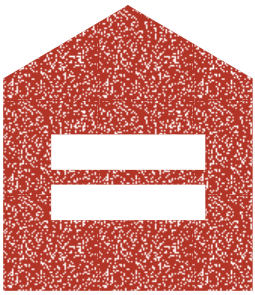
If you or someone associated with you:

- Have a physical or mental disability (including hearing, mobility and visual impairments, cancer, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities
- Have a record of such a disability or
- Are regarded as having such a disability your landlord may not:
- Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to use the housing. (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move.)
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing

Example: A building with a "no pets" policy must allow a visually impaired tenant to keep a guide dog.

Example: An apartment complex that offers tenants ample, unassigned parking must honor a request from a mobility-impaired tenant for a reserved space near her apartment if necessary to assure that she can have access to her apartment.

However, housing need not be made available to a person who is a direct threat to the health or safety of others or who currently uses illegal drugs.



Requirements for New Buildings: In buildings that are ready for first occupancy **after** March 13, 1991, and have an elevator or four or more units:

- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All units must have:
  - An accessible route into and through the unit
  - Accessible light switches, electrical outlets, thermostats and other environmental controls
  - Reinforced bathroom walls to allow later installation of grab bars and
  - Kitchen and bathrooms that can be used by people in wheelchairs

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units.

These requirements for new buildings do not replace any more stringent standards in State or local law.

Housing Opportunities for Families

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with:

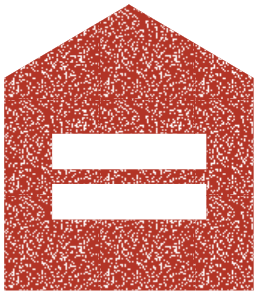
- A parent
- A person who has legal custody of the child or children or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18.

Exemption: Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State or local government program or
- It is occupied solely by persons who are 62 or older or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house persons who are 55 or older.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.



If You Think Your Rights Have Been Violated

HUD is ready to help with any problem of housing discrimination. If you think your rights have been violated, you may write a letter or telephone the HUD office nearest you. You have one year after an alleged violation to file a complaint with HUD, but you should file it as soon as possible.

What to Tell HUD

- Your name and address
- The name and address of the person your complaint is against (the respondent)
- The address or other identification of the housing involved
- A short description of the alleged violation (the event that caused you to believe your rights were violated)
- The date(s) of the alleged violation

Where to Write or Call: Send a letter to the fair housing office nearest you, or if you wish, you may call that office directly. (The direct dial and TTY numbers for the deaf/hard of hearing users are not toll free.)

For Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont:

NEW ENGLAND OFFICE
(Marcella_Brown@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street, Room 321
Boston, MA 02222-1092
Telephone (617) 994-8300 or 1-800-827-5005
Fax (617) 565-7313 • TTY (617) 565-5453

For New Jersey and New York:

NEW YORK/NEW JERSEY OFFICE
(Stanley_Seidenfeld@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
26 Federal Plaza, Room 3532
New York, NY 10278-0068
Telephone (212) 264-1290 or 1-800-496-4294
Fax (212) 264-9829 • TTY (212) 264-0927

For Delaware, District of Columbia, Maryland,
Pennsylvania, Virginia, and West Virginia:

MID-ATLANTIC OFFICE
(Wanda_Nieves@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-9344
Telephone (215) 656-0662 or 1-888-799-2085
Fax (215) 656-3419 • TTY (215) 656-3450

For Alabama, the Caribbean, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee:

SOUTHEAST/CARIBBEAN OFFICE
(Gregory_King@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Five Points Plaza
40 Marietta Street, 16th Floor
Atlanta, GA 30303-2808
Telephone (404) 331-5140 or 1-800-440-8091
Fax (404) 331-1021 • TTY (404) 730-2654

For Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin:

MIDWEST OFFICE
(Barbara_Knox@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2101
Chicago, IL 60604-3507
Telephone (312) 353-6236 or 1-800-765-9372
Fax (312) 886-2837 • TTY (312) 353-7143

For Arkansas, Louisiana, New Mexico, Oklahoma, and Texas:

SOUTHWEST OFFICE

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
801 North Cherry, 27th Floor
Fort Worth, TX 76102
Telephone (817) 978-5900 or 1-888-560-8913
Fax (817) 978-5876 or 5851 • TTY (817) 978-5595

For Iowa, Kansas, Missouri and Nebraska:

GREAT PLAINS OFFICE
(Robbie_Herndon@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Gateway Tower II
400 State Avenue, Room 200, 4th Floor
Kansas City, KS 66101-2406
Telephone (913) 551-6958 or 1-800-743-5323
Fax (913) 551-6856 • TTY (913) 551-6972

For Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming:

ROCKY MOUNTAINS OFFICE

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
633 17th Street
Denver, CO 80202-3607
Telephone (303) 672-5437 or 1-800-877-7353
Fax (303) 672-5026 • TTY (303) 672-5248

For Arizona, California, Hawaii, and Nevada:

PACIFIC/HAWAII OFFICE
(Charles_Hauptman@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Phillip Burton Federal Building
and U.S. Courthouse
450 Golden Gate Avenue
San Francisco, CA 94102-3448
Telephone (415) 436-8400 or 1-800-347-3739
Fax (415) 436-8537 • TTY (415) 436-6594

For Alaska, Idaho, Oregon, and Washington:

NORTHWEST/ALASKA OFFICE
(Judith_Keeler@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Seattle Federal Office Building
909 First Avenue, Room 205
Seattle, WA 98104-1000
Telephone (206) 220-5170 or 1-800-877-0246
Fax (206) 220-5447 • TTY (206) 220-5185

If after contacting the local office nearest you, you still have questions – you may contact HUD further at:

U.S. Department of Housing
and Urban Development
Office of Fair Housing and Equal Opportunity
451 7th Street, S.W., Room 5204
Washington, DC 20410-2000
Telephone (202) 708-0836 or 1-800-669-9777
Fax (202) 708-1425 • TTY 1-800-927-9275

If You Are Disabled: HUD also provides:

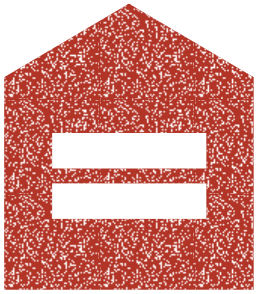
- A TTY phone for the deaf/hard of hearing users; see above list for the HUD office *nearest* you.
- Interpreters
- Tapes and braille materials
- Assistance in reading and completing forms

What Happens When You File A Complaint?

HUD will notify you when it receives your complaint. Normally, HUD also will:

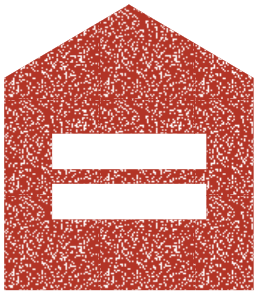
- Notify the alleged violator of your complaint and permit that person to submit an answer
- Investigate your complaint and determine whether there is reasonable cause to believe the Fair Housing Act has been violated
- Notify you if it cannot complete an investigation within 100 days of receiving your complaint

Conciliation: HUD will try to reach an agreement with the person your complaint is against (the respondent). A conciliation agreement must protect both you and the public interest. If an agreement is signed, HUD will take no further action on your complaint. However, if HUD has reasonable cause to believe that a conciliation agreement is breached, HUD will recommend that the Attorney General file suit.



Complaint Referrals: If HUD has determined that your State or local agency has the same fair housing powers as HUD, HUD will refer your complaint to that agency for investigation and notify you of the referral. That agency must begin work on your complaint within 30 days or HUD may take it back.

Does the U.S. Department of Justice Play A Role?



If you need immediate help to stop a serious problem that is being caused by a Fair Housing Act violation, HUD may be able to assist you as soon as you file a complaint. HUD may authorize the United States Attorney General to go to court to seek temporary or preliminary relief, pending the outcome of your complaint, if:

- Irreparable harm is likely to occur without HUD's intervention
- There is substantial evidence that a violation of the Fair Housing Act occurred

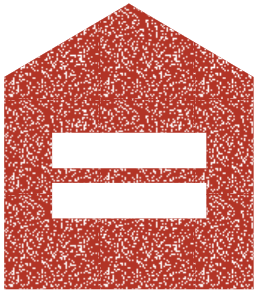
Example: A builder agrees to sell a house but, after learning the buyer is black, fails to keep the agreement. The buyer files a complaint with HUD. HUD may authorize the Attorney General to go to court to prevent a sale to any other buyer until HUD investigates the complaint.

What Happens After A Complaint Investigation?

If, after investigating your complaint, HUD finds reasonable cause to believe that discrimination occurred, it will inform you. Your case will be heard in an administrative hearing within 120 days, unless you or the respondent want the case to be heard in Federal district court. Either way, there is no cost to you.

The Administrative Hearing: If your case goes to an administrative hearing HUD attorneys will litigate the case on your behalf. You may intervene in the case and be represented by your own attorney if you wish. An Administrative Law Judge (ALJ) will consider evidence from you and the respondent. If the ALJ decides that discrimination occurred, the respondent can be ordered:

- To compensate you for actual damages, including humiliation, pain and suffering.
- To provide injunctive or other equitable relief, for example, to make the housing available to you.
- To pay the Federal Government a civil penalty to vindicate the public interest. The maximum penalties are $11,000 for a first violation, $27,500 for a previous violation within the preceding five year period and $55,000 for two or more previous violations within the preceding seven years.
- To pay reasonable attorney's fees and costs.



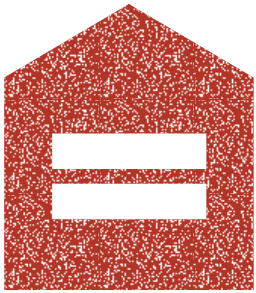
Federal District Court: If you or the respondent choose to have your case decided in Federal District Court, the Attorney General will file a suit and litigate it on your behalf. Like the ALJ, the District Court can order relief, and award actual damages, attorney's fees and costs. In addition, the court can award punitive damages.

In Addition

You May File Suit: You may file suit, at your expense, in Federal District Court or State Court within two years of an alleged violation. If you cannot afford an attorney, the court may appoint one for you. You may bring suit even after filing a complaint, if you have not signed a conciliation agreement and an Administrative Law Judge has not started a hearing. A court may award actual and punitive damages and attorney's fees and costs.

Other Tools to Combat Housing Discrimination:

- If there is noncompliance with the order of an Administrative Law Judge, HUD may seek temporary relief, enforcement of the order or a restraining order in a United States Court of Appeals.
- The Attorney General may file a suit in Federal District Court if there is reasonable cause to believe a pattern or practice of housing discrimination is occurring.



For Further Information:

The purpose of this brochure is to summarize your right to fair housing. The Fair Housing Act and HUD's regulations contain more detail and technical information. If you need a copy of the law or regulations, contact the HUD fair housing office nearest you. See the list of Fair Housing Enforcement Centers on page 6-9.

I have received a copy of the pamphlet entitled "FAIR HOUSING - Equal Opportunity for All"

Signature:_____

Date:_____

_____

Housing Discrimination Complaint

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0011

EO-9

Please type or print this form

Public Reporting Burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Read this entire form and all the instructions carefully before completing. All questions should be answered. However, if you do not know the answer or if a question is not applicable, leave the question unanswered and fill out as much of the form as you can. Your complaint should be signed and dated. Where more than one individual or organization is filing the same complaint, and all information is the same, each additional individual or organization should complete boxes 1 and 7 of a separate complaint form and attach it to the original form. Complaints may be presented in person or mailed to the HUD State Office covering the State where the complaint arose (see list on back of form), or any local HUD Office, or to the Office of Fair Housing and Equal Opportunity, U.S. Department of HUD, Washington, D.C. 20410.

This section is for HUD use only.

Number	(Check the applicable box)	Jurisdiction	Signature of HUD personnel who established Jurisdiction
Filing Date	☐ Referral & Agency (specify) ☐ Systemic ☐ Military Referral	☐ Yes ☐ No ☐ Additional Info	

1. Name of Aggrieved Person or Organization (last name, first name, middle initial) (Mr.,Mrs.,Miss,Ms.) | Home Phone | Business Phone

Street Address (city, county, State & zip code)

2. Against Whom is this complaint being filed? (last name, first name, middle initial) | Phone Number

Street Address (city, county, State & zip code)

Check the applicable box or boxes which describe(s) the party named above:

☐ Builder ☐ Owner ☐ Broker ☐ Salesperson ☐ Supt. or Manager ☐ Bank or Other Lender ☐ Other

If you named an individual above who appeared to be acting for a company in this case, check this box ☐ and write the name and address of the company in this space:

Name: | Address

Name and identify others (if any) you believe violated the law in this case:

3. What did the person you are complaining against do? Check all that apply and give the most recent date these act(s) occurred in block No. 6a below.

☐ Refuse to rent, sell, or deal with you
☐ Falsely deny housing was available
☐ Engage in blockbusting
☐ Discriminate in broker's services
☐ Discriminate in the conditions or terms of sale, rental occupancy, or in services or facilities
☐ Advertise in a discriminatory way
☐ Discriminate in financing
☐ Intimidated, interfered, or coerced you to keep you from the full benefit of the Federal Fair Housing Law
☐ Other (explain)

4. Do you believe that you were discriminated against because of your race, color, religion, sex, handicap, the presence of children under 18, or a pregnant female in the family or your national origin? Check all that apply.

Race or Color	Religion	Sex	Handicap	Familial Status	National Origin
☐ Black ☐ White ☐ Other	(specify)	☐ Male ☐ Female	☐ Physical ☐ Mental	☐ Presence of children under 18 in the family ☐ Pregnant female	☐ Hispanic ☐ Asian or Pacific Islander ☐ American Indian or Alaskan Native ☐ Other (specify)

5. What kind of house or property was involved?	Did the owner live there?	Is the house or property	What is the address of the house or property?
☐ Single-family house ☐ A house or building for 2, 3, or 4 families ☐ A building for 5 families or more ☐ Other, including vacant land held for residential use (explain)	☐ Yes ☐ No ☐ Unknown	☐ Being sold? ☐ Being rented?	(street, city, county, State & zip code)

6. Summarize in your own words what happened. Use this space for a brief and concise statement of the facts. Additional details may be submitted on an attachment.
Note: HUD will furnish a copy of the complaint to the person or organization against whom the complaint is made.

6a. When did the act(s) checked in Item 3 occur? (Include the most recent date if several dates are involved)

7. I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct. | Signature & Date

Previous editions are obsolete

form **HUD-903** (7/2001)
ref Handbook 8024.1

What Does the Fair Housing Amendments Act of 1988 Provide?

The Fair Housing Act declares that it is national policy to provide fair housing throughout the United States and prohibits eight specific kinds of discriminatory acts regarding housing if the discrimination is based on race, color, religion, sex, handicap, familial status or national origin.

1. Refusal to sell or rent or otherwise deal with a person.
2. Discriminating in the conditions or terms of sale, rental, or occupancy.
3. Falsely denying housing is available.
4. "Blockbusting"—causing person(s) to sell or rent by telling them that members of a minority group are moving into the area.
6. Discrimination in financing housing by a bank, savings and loan association, or other business.
7. Denial of membership or participation in brokerage, multiple listing, or other real estate services.
8. Interference, coercion, threats or intimidation to keep a person from obtaining the full benefits of the Federal Fair Housing Law and/or filing a complaint.

What Does the Law Exempt?

The first three acts listed above do not apply (1) to any single family house where the owner in certain circumstances does not seek to rent or sell it through the use of a broker or through discriminatory advertising, nor (2) to units in houses for two-to-four families if the owner lives in one of the units.

What Can You Do About Violations of the Law?

Remember, the Fair Housing Act applies to discrimination based on race, color, religion, sex, handicap, familial status, or national origin. If you believe you have been or are about to be, discriminated against or otherwise harmed by the kinds of discriminatory acts which are prohibited by law, you have a right, within 1 year after the discrimination occurred to:

1. **Complain to the Secretary of HUD** by filing this form by mail or in person. HUD will investigate. If it finds the complaint is covered by the law and is justified, it will try to end the discrimination by conciliation. If conciliation fails, other steps will be taken to enforce the law. In cases where State or local laws give the same rights as the Federal Fair Housing Law, HUD must first ask the State or local agency to try to resolve the problem.
2. **Go directly to Court** even if you have not filed a complaint with the Secretary. The Court may sometimes be able to give quicker, more effective, relief than conciliation can provide and may also, in certain cases, appoint an attorney for you (without cost).

   You Should Also Report All Information about violations of the Fair Housing Act to HUD even though you don't intend to complain or go to court yourself.

   Additional Details. If you wish to explain in detail in an attachment what happened, you should consider the following:

   1. If you fee that others were treated differently from you, please explain the facts and circumstances.
   2. If there were witnesses or others who know what happened, give their names, addresses, and telephone numbers.
   3. If you have made this complaint to other government agencies or to the courts, state when and where and explain what happened.

Racial/Ethnic Categories

1. **White (Non Hispanic)**—A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.
2. **Black (Non Hispanic)**—A person having origins in any of the black racial groups of Africa.
3. **Hispanic**—A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race.
4. **American Indian or Alaskan Native**—A person having origins in any of the original peoples of North America, and who maintains, cultural identification through tribal affiliation or community recognition.
5. **Asian or Pacific Islander**—A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands, and Samoa.

You can obtain assistance (a) in learning about the Fair Housing Act, or (b) in filing a complaint at the HUD Regional Offices listed below:

For Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont:

NEW ENGLAND OFFICE *(Marcella_Brown@hud.gov)*
Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street, Room 321
Boston, MA 02222-1092
Telephone (617) 994-8300 or 1-800-827-5005
Fax (617) 565-7313 • TTY (617) 565-5453

For New Jersey and New York

New York/New Jersey Office (Stanley_Seidenfeld@hud.gov)
Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
26 Federal Plaza, Room 3532
New York, NY 10278-0068
Telephone (212) 264-1290 or 1-800-496-4294
Fax (212) 264-9829 • TTY (212) 264-0927

For Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia

MID-ATLANTIC OFFICE *(Wanda_Nieves@hud.gov)*
Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-9344
Telephone (215) 656-0662 or 1-888-799-2085
Fax (215) 656-3419 • TTY (215) 656-3450

CHAPTER SEVEN:

LABOR STANDARDS

1. OVERVIEW

1.1. The Davis-Bacon Act, the Contract Work Hours and Safety Standards Act and the Copeland (Anti-Kickback) Act apply to those projects being assisted with HOME funds if ANY of the following conditions are met:

1. Twelve (12) or more units will be rehabilitated or constructed under one construction contract, whether rental or homeowner. HOME regulations prohibit breaking a single project into multiple contracts for the purpose of avoiding Davis-Bacon requirements. Davis-Bacon requirements are operable without regard to whether HOME funds are used for construction or non-construction activities. Non-construction activities include real property acquisition, architectural and engineering fees, and other professional services.

2. Community Development Block Grant (CDBG) funds are being used to support the project which requires that a lower number of units be used as a threshold. For example: if CDBG funds are being used, then these acts apply if eight (8) or more units are under one contract or in one project.

3. The construction includes commercial/community space and the cost will exceed $2,000.00.

4. Mortgage insurance under section 223(f) of the National Housing Act is obtained on the project and the construction costs exceed $6,500.00 per dwelling unit.

5. The Fair Labor Standards Act (minimum wage) will be applicable in most cases, whether or not the previous acts apply.

1.2 **EXCEPTIONS** - The Davis-Bacon Act does not apply to an individual who:

1. Performs a service or services for which the individual has volunteered, and thus, receives no compensation;

2. Receives payment for expenses, reasonable benefits, or a nominal fee to perform services for which the individual has volunteered, and such persons are not otherwise employed at any time in the construction work.

2. BASIC STATUTORY PROVISIONS

2.1 **DAVIS-BACON AND RELATED ACT** - is to ensure that mechanics and laborers employed in construction work under federally assisted contracts are paid wages and fringe benefits equal to those which prevail in the locality where the work is performed.

2.2 **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (CWHSSA)** - provides that mechanics and laborers employed on federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week, and provides for the payment of liquidated damages where violations occur. This act also addresses safe and healthy working conditions.

2.3 **COPELAND (ANTI-KICKBACK) ACT** - governs the deductions from paychecks which are allowable and makes it a criminal offense to induce anyone employed on a federally assisted project to relinquish any compensation to which he/she is entitled, and requires the submittal of weekly payrolls and statements of compliance by all contractors.

2.4 **FAIR LABOR STANDARDS ACT OF 1938 AS AMENDED** - establishes the basic minimum wage for all work and requires the payment of over-time at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required and permitted to work and establishes child labor standards.

3. PROCEDURES

3.1 **APPOINTMENT OF LABOR STANDARDS OFFICER** - Each Grantee must designate a Labor Standards Officer (Program Administrator) who will be responsible to ensure compliance with all applicable labor standards requirements. Most of the tasks described in the remaining portion of this chapter will be carried out by this individual.

1. *SUBMIT WAGE RATE REQUEST* - A wage rate request must be submitted to THDA for those projects which fall within Davis-Bacon thresholds (generally 12 or more units). A sample form for this request is included as LB-1. This request should be submitted to:

   Tennessee Housing Development Agency
   ATTN: COMMUNITY PROGRAMS DIVISION
   404 James Robertson Parkway, Suite 1114
   Nashville, TN 37243-0900

2. Once the wage request has been received, THDA will obtain a wage rate. The turnaround time for wage rates in those areas where a General Wage Decision has been published can normally be expected to be three (3)

weeks from the date the request is mailed by the Grantee to THDA. If, however, a General Wage Decision is not available to the Department, a Project Wage Decision will be requested, and the process normally takes two to three months from the date of request.

3.2 **INVITATION FOR BIDS (BID/CONTRACT PACKAGE)** - The Grantee should strongly encourage the use of an open and competitive bidding process. In preparation of this, a sample invitation for bids (LB-2) and a copy of the Federal Labor Standards Provisions (LB-3) have been attached. This package should at a minimum include: Davis-Bacon wage rate, work write-up, general conditions, and any special conditions. Contact THDA for a sample contract package.

3.3 **TEN-DAY CALL** - No more than ten (10) days prior to the bid opening and/or award of the contract, the Labor Standards Officer must contact THDA to determine if the wage decision(s) included in the bid packet are still current. Following this call, the Labor Standards Officer will send THDA a confirmation of this call (LB-4).

3.4 **CONTRACTOR ELIGIBILITY VERIFICATION** - THDA should be contacted to verify that potential contractors are eligible to participate in this program. See Contractors Certification of Eligibility to Participate (HO-11) in Chapter Eight.

4. PRECONSTRUCTION CONFERENCE

4.1 The preconstruction conference is held after the selection of the contractor, but prior to the issuance of the "Notice to Proceed". Those attending should include: property owner, grantee, construction contractor, and THDA.

4.2 Minutes (LB-5) and sign-in sheets from this conference should be maintained. The conference should, at a minimum, cover specific construction concerns: time frame for completion of the project; payment requirements; and thorough instructions relative to all labor standards requirements. The applicable forms and posters should be given to the contractor, along with instructions for their completion. The highlights are:

1. *PAYROLLS* - (LB-6) must be submitted weekly to the Labor Standards Officer for review and verification of compliance with labor standards. The week ending period must be clearly marked and all data on each employee must be entered on the first payroll. Any supplemental or corrected payrolls must be submitted in like manner. Payrolls must be submitted to the locality no later than 7 calendar days following the end of the work week.

2. *POSTERS AND WAGE RATE* - must be posted on the job site at all times that workmen are on the job (furnished by THDA).

3. *VIOLATIONS OF THE LABOR STANDARDS REQUIREMENTS* - must be corrected.

4. *PERMISSIBLE/IMPERMISSIBLE PAYROLL DEDUCTIONS* - should be discussed.

5. MONITORING RESPONSIBILITIES

5.1 The Labor Standards Officer is responsible for the following monitoring responsibilities and reports:

1. Interviews of the workers must be conducted on a regular basis and should include a representative sampling of the work classifications being employed on the project (LB-7)

2. On-site inspections should be made to ensure that the required notices are being posted.

3. Weekly payrolls should be reviewed and compared with employee interviews and wage rates to verify compliance with applicable labor standards requirements (e.g. payment of minimum wages, payment of over-time, no ineligible deduction, etc.).

5.2 Once the project is completed, a final wage compliance report shall be filed with THDA (LB-8).

6. RECORDKEEPING REQUIREMENTS

6.1 For each construction contract, the Grantee should maintain a file with the following documentation:

1. Copy of Wage Rate Request
2. Copy of Wage Rate
3. Bid/Contract Documents with labor standards provisions
4. Ten-day Call Verification
5. Pre-construction conference minutes/sign-in sheet
6. Payrolls, with evidence of their review
7. Employee interviews
8. Evidence of any violations and steps taken to resolve these

Request for Wage Determination And Response to Request

(Davis-Bacon Act as Amended and Related Statues)

U. S. Department of Labor

Employment Standards Administration
Wages and Hour Division

LB-1

U.S. Department of Labor – 29 CFR Part 1

FOR DEPARTMENT OF LABOR USE

Response To Request

☐ Use area determination issued for this area

_____

_____

☐ The attached decision noted below is applicable to this project.

_____
Decision Number

_____
Date of Decision

_____
Expires

_____
Supercedes Decision Number

_____
Approval

Requesting Officer (Typed name and signature)
Victor Williams

Department, Agency, or Bureau	Phone Number
Tennessee Housing Development Agency	**(615) 741-3007**

Date of Request	Estimated Advertising Data	Estimated Bid Opening Date

Address to which wage determination should be mailed. (Print or type.)

Tennessee Housing Development Agency
Community Programs Division
404 James Robertson Parkway
Suite 1114
Nashville, TN 37243-0900

Location of Project (City, County, State, Zip Code)

Description of Work (Be specific. Print or type)

CHECK OR LIST CRAFTS NEEDED
(Attach continuation sheet if needed)

___ Asbestos workers
___ Boilermalers
___ Bricklayers
___ Carpenters
___ Cement Masons
___ Electricians
___ Glaziers
___ Ironworkers
___ Laborers
___ _____
___ _____
___ _____
___ Lathers
___ Marble & tile setters, terrazzo
___ Painters
___ Piledrivermen
___ Plasterers
___ Plumbers
___ Roofers
___ Sheet metal workers
___ Soft floor layers
___ Steamfitters
___ Welders-rate for craft
___ Truck drivers
___ Power equipment operators *(Specify types)*
___ _____
___ _____
___ _____
___ _____
___ _____
___ _____

Other Crafts
___ _____
___ _____
___ _____
___ _____

Standard Form 308 (Rev. May 1985)

SAMPLE ADVERTISEMENT AND INVITATION FOR BIDS

The *(Name of Local Public Agency)* will receive Bids for *(Brief description of site improvements and project information)* until _____, ____M., *(Standard time) (Daylight savings time)* on the _____ day of _____ 19_____, at *(Address of Local Public Agency), (City) (Zip Code)* at which time and place will be publicly opened and read aloud.

Bids are invited upon the several items and quantities of work as follows:

Item 1.

Item 2.

(List the quantity and brief description of each item of work to be included in this contract for which payments will be made).

Contract documents, including Drawings and Technical Specifications, are on file at the office of *(Local Public Agency) (Engineer) at (Address/Zip Code).*

Copies of the Contract Documents may be obtained by depositing $ _____ with the *(Local Public Agency)* for each set of documents so obtained. Each such deposit will be refunded if the Drawings and Contract Documents are returned in good condition within 10 days after the Bid Opening.

A certified check or bank draft, payable to the order of *(Local Public Agency),* negotiable U.S. Government Bonds (at par value) or a satisfactory Bid Bond executed by the Bidder and an acceptable surety in an amount equal to five percent (5%) of the total Bid shall be submitted with each Bid.

Attention is called to the fact that not less than the federally determined prevailing wage rates as issued by the Tennessee Department of Economic and Community Development and as set forth in the Contract Documents must be paid on this project, and that the Contractor must ensure that employees/applicants for employment are not discriminated against because of race/color/sex/national origin.

The (Local Public Agency) reserves the right to reject any or all Bids or to waive any informalities in the bidding.

Bids may be held by (Local Public Agency) for a period not to exceed thirty (30) days from the date of the opening of the Bids for the purpose of reviewing the Bids and investigating the qualifications of the Bidders, prior to awarding the Contract.

Date: _____ BY: _____

Title: _____

LB-3

FEDERAL LABOR STANDARDS PROVISIONS

APPLICABILITY

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1 (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work (or under the Unites States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 26 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which now cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR Part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140).

(c) In the event the contractor, laborers or mechanics to be employed in the classification or their representative, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budge under OMB control number 1215-0140).

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payment to a trustee or other third persons, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB control number 1215-0140).

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of

1937 or under the Housing Act of 1949 in the construction or development of the project) all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make sure disbursements in the case of direct Davis-Bacon Act contract.

3. (i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any cost reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-0014-1), U.S. Government Printing Office, Washington, D.C. 20402. The prime contractor is responsible for submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149).

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance" signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5(a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less that the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph A.3.(ii)(b) of this section.

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph A.3.(i) of this section available for inspection, copying or transcription by authorized representative of HUD or its designee or the Department of Labor, and shall permit such representative to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall not be paid less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor' registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the appprentice's level of progress, expressed as a percentage of the journeymen's hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the

apprencticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event of the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less that the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration, the ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontract. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5.

7. Contract Termination; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractor) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certifications of Eligibility. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person for firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U. S. Criminal Code, Title 18 U.S.C. 1001. Additionally, U. S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part "Whoever, for the purpose of … influencing in any way the action of such Administration … makes, utters, or publishes any statement, knowing the same to be false … shall be fined not more than $5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this contract are applicable shall be discharged or in any other manner discriminated against by the contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to the labor standards applicable under this contract to his employer.

B. Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen an guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek, whichever is greater.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of $10 for each calendar day on which such individual was

required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 (formerly Part 1518) and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96).

(3) The contractor shall include the provisions of this Article in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontracts as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

form HUD-4010 (2/84)
ref. Handbook 1344.1

LB-4

TEN CALL DAY CONFIRMATION

Contract Number: _____

This is confirmation that a ten-day call was received by this office on _____ for the above referenced contract. The prevailing wage for this contract is _____.

Bid Opening Date: _____

Verified by: _____
Labor Standards Officer

Date: _____

cc:

Send to THDA

SAMPLE PRECONSTRUCTION CONFERENCE REPORT

Project Name: _____

Location _____

Description: _____

Contract Number: _____

Construction Contractors: _____

Subcontractors: _____

Contract Amount: _____

Date and Place of Pre-Construction Conference:

Date: _____

Place: _____

A Pre-Construction conference was held on the above date to discuss the labor standards requirements applicable to the project. The attendees, as listed above, were provided the following information:

This project is subject to the Davis-Bacon Act (DBA), Copeland Act, Contract Work Hours Safety Standards Act (CWHSSA), and the Fair Labor Standards Act (FLSA). FLSA sets out the requirements for payment of minimum wages, maximum hours, overtime pay, child labor standards and prohibits wage discrimination on the basis of sex. DBA specifies the minimum wages to be paid the various classes of laborers and mechanics employed on the project. CWHSSA sets a uniform standard of an 8-hour/40 hour standard. The Copeland Act prohibits kickbacks being paid by the employee to the employer and set the requirement for submission of payrolls on a weekly basis. FAILURE TO COMPLY WITH THE LABOR STANDARDS REQUIREMENTS CAN RESULT IN THE ESCROW OF FUNDS AND/OR WITHHOLDING OR INSURED ADVANCES.

The suggested payroll form is WH-347, Payroll. All other forms must include the information required on WH-347. Payrolls must be submitted to the _____ within seven days after a pay period ends. A pay period is seven (7) consecutive days. Payrolls must be original and must be completely executed. The signature must be that of owner, partner, officer or authorized individual and must be an original ink signature. It is suggested that blue ink is used. The certification dates must cover the seven (7) day period.

Liquidated damages will be assessed for failure to pay overtime. The assessment amount is $10 per day per violation. Overtime begins on this project after _____. Additionally, wage restitution must be paid to any employee who is underpaid whether the underpayment is due to failure to pay overtime or failure to pay the prescribed hourly rate of pay.

Employees must be classified and paid according to the classification and rates prescribed by the applicable wage decision. The decision which is applicable to this project is _____. The wage decision must be posted at the construction site along with

required posters for the duration of construction activity. Any classification needed which does not appear on the wage decision must be requested and approved by the U.S. Department of Labor prior to the use of that classification on the project.

In instances where the owner of a company performs the work on the project, that owner must show himself/herself on the payroll and must show the hours worked each day and total hours for the week. All persons who perform work on the project must be shown on the payrolls. The address and social security number for each employee must be shown on the payroll the first time that employee appears on the payroll. Apprentices may be employed on the project, however, they must be certified by the Bureau of Apprenticeship and Training and the ratio of apprentices to journeymen must not be exceeded.

No-work payrolls are not required. However, the first payroll submitted after a no-work period must contain a statement in the remarks section on the back of the payroll form to the effect that no work was performed and show specific dates of the no-work period.

The first payroll furnished must show “initial” in the payroll number block. Likewise, the last payroll must show “final”. Subsequent payrolls following the initial payroll must be numbered sequentially beginning with number 2.

Any person who is employed on a piece work basis must be shown on the payroll. The hours worked each day and total hours for the week must be shown. The hourly rate of the piece worker must equal or exceed the prescribed hourly rate for the particular work classification.

Dual work classifications within the same payroll period are acceptable provided that a signed verification of the dual work classification is furnished from the employee.

Deduction authorizations, signed by employees, must be provided for any deductions with the exceptions of FICA and federal tax.

Unless otherwise specified by the applicable wage decision, the classification “helper” is unacceptable. Employees must be classified and paid based on the work they perform, i.e., if a person performs the duties of and uses the tools of the trade, that person must be classified as plumber, not plumber helper (the plumber classification is used here as an example only).

The general contractor will be required to certify that all laborers and mechanics employed on the project (including those employed by subcontractors) have been paid hourly rates as prescribed by the applicable laws.

All subcontracts entered into must be submitted to (city/county) and must include the applicable wage rate decision and Federal Labor Standards Provisions (HUD Form 4010).

The general contractor will be responsible for meeting the minority participation requirements of the construction contract. To document same, the general contractor must provide the (city/county) with Monthly Employment Utilization Reports and Minority Business Reports on subcontractors.

Summary of other items covered: (Must include at a minimum Section 3, E.O. Recruitment Sources, the City/County’s role and responsibilities, reporting requirements and sanctions.)

Submitted by: _____ _____

Name Date

LB-6

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division

PAYROLL

(For Contractor's Optional Use; See Instructions, Form WH-347 Inst.)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

NAME OF CONTRACTOR ☐ OR SUBCONTRACTOR ☐	ADDRESS	OMB No.: 1215-0149 Expires: 03/31/2003
PAYROLL NO. / FOR WEEK ENDING	PROJECT AND LOCATION	PROJECT OR CONTRACT NO.

(1) NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF EMPLOYEE	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	OT. OR ST.	(4) DAY AND DATE / HOURS WORKED EACH DAY							(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS: FICA	WITH-HOLDING TAX			OTHER	TOTAL DEDUCTIONS	(9) NET WAGES PAID FOR WEEK
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We estimate that it will take an average of 56 minutes to complete this collection of information, including time for reviewing instructions searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, ESA, U. S. Department of Labor, Room S3502, 200 Constitution Avenue, N. W., Washington, D. C. 20210.

FORM WH-347, Revised Nov. 1998 - FORMERLY SOL 184 - *PURCHASE THIS FORM DIRECTLY FROM THE SUPT. OF DOCUMENTS*

Date _____

I, _____, _____
(Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

_____ on the
(Contractor or Subcontractor)

_____; that during the payroll period commencing on the
(Building or Work)

_____ day of _____, _____, and ending the _____ day of _____, _____,

all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

_____ from the full
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Start. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. 276c), and described below:

_____

_____

_____

_____

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination Incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, of if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

☐ – in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

☐ – Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in Section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

* U.S. G.P.O.:1997 519.861

Record of Employee Interview

U.S. Department of Housing and Urban Development
Office of Labor Relations

LB-7

OMB Approval No. 2501-0009
(exp. 04/30/2005)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The information is collected to ensure compliance with the Davis-Bacon Act by recording interviews with construction workers. The information collected will assist HUD in the conduct of labor standards investigations in case there were falsifying of payroll records in underpayment of wages. The information collection is voluntary.

Sensitive Information. The information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained.

Project Number	Contractor or Subcontractor (Employer)
Project Name	

1. Name of Employee	2. Home Address and Zip Code

3a. Last date you worked on project before today	3b. Number of hours worked on project on that date	4. Your hourly pay rate $

5. Your job classification(s) (list all) (continue any answers on a separate sheet if necessary)	Apprentice?	Yes	No

6. Your duties

7. Tools or equipment used

8. Paid at least time and one-half for all hours worked in excess of 40 in a week? (If overtime premium pay is not required, enter "inapplicable")	Yes	No
9. Ever threatened, intimidated, or coerced into giving up any part of pay?	Yes	No
10. Duties observed by Interviewer Conform to Classification?	Yes	No

11. Remarks (Continue on a separate sheet if needed)

12. Signature of Interviewer	Date of interview

Payroll Examination

13. Remarks (Continue on a separate sheet if needed)

14. Signature of Payroll Examiner	Date

Previous editions are obsolete.

form **HUD-11** (04/2002)

LB-8

FINAL WAGE COMPLIANCE REPORT

Project: _____ Contract #: _____

Construction Completion Date: _____ Contract Amount: _____

Prime Contractor: _____

Subcontractor: _____

1. Were any workers paid less than the specified Davis-Bacon rates applied to this project? YES ( ) NO ( )

2. If YES:

   a. What was the total amount of restitution paid? _____

   b. What was the method of restitution?

   ____ Paid by Contractor

   ____ Paid by Locality with funds withheld from payment to the Contractor

FIRM	AFFECTED EMPLOYEES	AMOUNT OF RESTITUTION PAID	NATURAL VIOLATIONS

3. Were any workers not paid the correct overtime payments? YES ( ) NO ( )

   If YES, liquidated damages at the rate of $10 for each calendar day for each worker must be calculated and the contractor notified of liability.

4. If YES, provide the information concerning the nature of the overtime violations. This should include:

   a. Firm's Name, Address and Phone Number

   b. Date Contractor was notified In writing of the amount liquidated damages which could be assessed.

   c. Date the Contractor responded to the written notice. (Must be within 30 days of the receipt).

   d. Did the Contractor seek a reduction or waiver of the liquidated damages?
   YES ( ) NO ( )

   e. If YES, was the request approved, and for what?

   _____ Yes, Reduction

   _____ Yes, Waiver

   _____ No

   f. On what grounds was HUD's or DOL's response based?

   g. Total amount of liquidated damages paid:
   $_____.

   h. What was the method of payment of the liquidated damages?

   _____ Paid by Contractor

   _____ Paid by locality with funds withheld from payment to the Contractor.

   i. Did the Contractor appeal the final decision to assess liquidated damages to the U.S. Claims Court? YES ( ) NO ( )

   j. Attach copies of all correspondence relative to any liquidated damages.

5. If appropriate, attach a recommendation of and justification for sanctions against the Contractor.

Submitted by:

Signature: _____

Name: _____

Title: _____

Date: _____

CHAPTER EIGHT:

LEAD-BASED PAINT

1. OVERVIEW

1.1 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.

1.2 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 HOME program, the most relevant parts of this legislation are Subparts J and K.

1. 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.)

2. 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.)

2. DEFINITIONS

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

2.2 **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.

2.3 **INTERIM CONTROLS** - A set of measures designed to reduce temporarily human exposure or likely exposure to lead-based paints 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.

2.4 **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.

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

2.6 **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.

2.7 **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.

2.8 **SAFE WORK PRACTICES** - Hazard reduction using approved methods of paint stabilization, occupant protection, specialized cleaning.

2.9 **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.

3. REQUIREMENTS FOR REHABILITATION ASSISTANCE (SUBPART J)

3.1 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. Costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance and waste handling attributed to lead-based paint hazard reduction are not to be included when determining cost of rehabilitation. However, these costs plus the cost of rehabilitation must not exceed the HOME subsidy limits. The following is a breakdown of what is required for each of these three categories in pre-1978 units:

3.2. 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* (LBP-1).

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 minimis levels set forth by HUD.

    a. De minimis 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.

3.3 PROPERTIES RECEIVING BETWEEN $5,001 AND $25,000 PER UNIT

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

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 of 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 household of the results of the clearance testing.

7. On-going lead-based paint maintenance is required if rehabilitation included HOME or CILP.

3.4 PROPERTIES RECEIVING MORE THAN $25,000 PER UNIT

1. **Homeowner rehabilitation cannot exceed $25,000 in the 2002 HOME program.**

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.

8. On-going lead-based paint maintenance is required if rehabilitation included HOME or CILP.

4. STEPS TO INCORPORATE LEAD-BASED PAINT PROCEDURES IN HOUSING REHABILITATION

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

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

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

4.4 Provide owner/occupant with notice of evaluation or presumption in accordance with 24 CFR Part 35.125.

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

4.6 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 the then be added together to arrive at a total bid amount.

4.7 Relocation of homeowner and furnishings, if applicable.

4.8 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.

4.9 If Interim Controls or Standard Treatments are necessary, provide owner/occupant with Notice of hazard reduction activity in accordance with 24 CFR Part 35.125.

4.10 After completing work, clearance must be achieved.

4.11 Move homeowner and belongings back into home.

5. STANDARD TREATMENTS

5.1 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 incorporate 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 paint Abatement Supervisor.

6. OCCUPANT PROTECTION

6.1 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.

e. All occupants are over the age of 65 (elderly) and are made aware of the hazards involved with remaining in the home during rehabilitation. The residents must sign a waiver acknowledging that they have received information on the hazards and have chosen to remain in their home.

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.

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

7.1 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.

7.2 Notices and Pamphlets - In cases where evaluation or hazard reduction, including paint stabilization, is undertaken, each grantee shall provide a notice to residents in accordance with 24 CFR Part 35.125. A visual assessment is not considered an evaluation for purposes of this part. The grantee shall provide the lead hazard information pamphlet.

7.3 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:

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

b. 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

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

d. The grantee shall provide a notice to occupants describing the results of the clearance examination in accordance with 24 CFR Part 35.125.

8. COST

8.1 Costs for 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

8.2 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.

9. CERTIFICATION

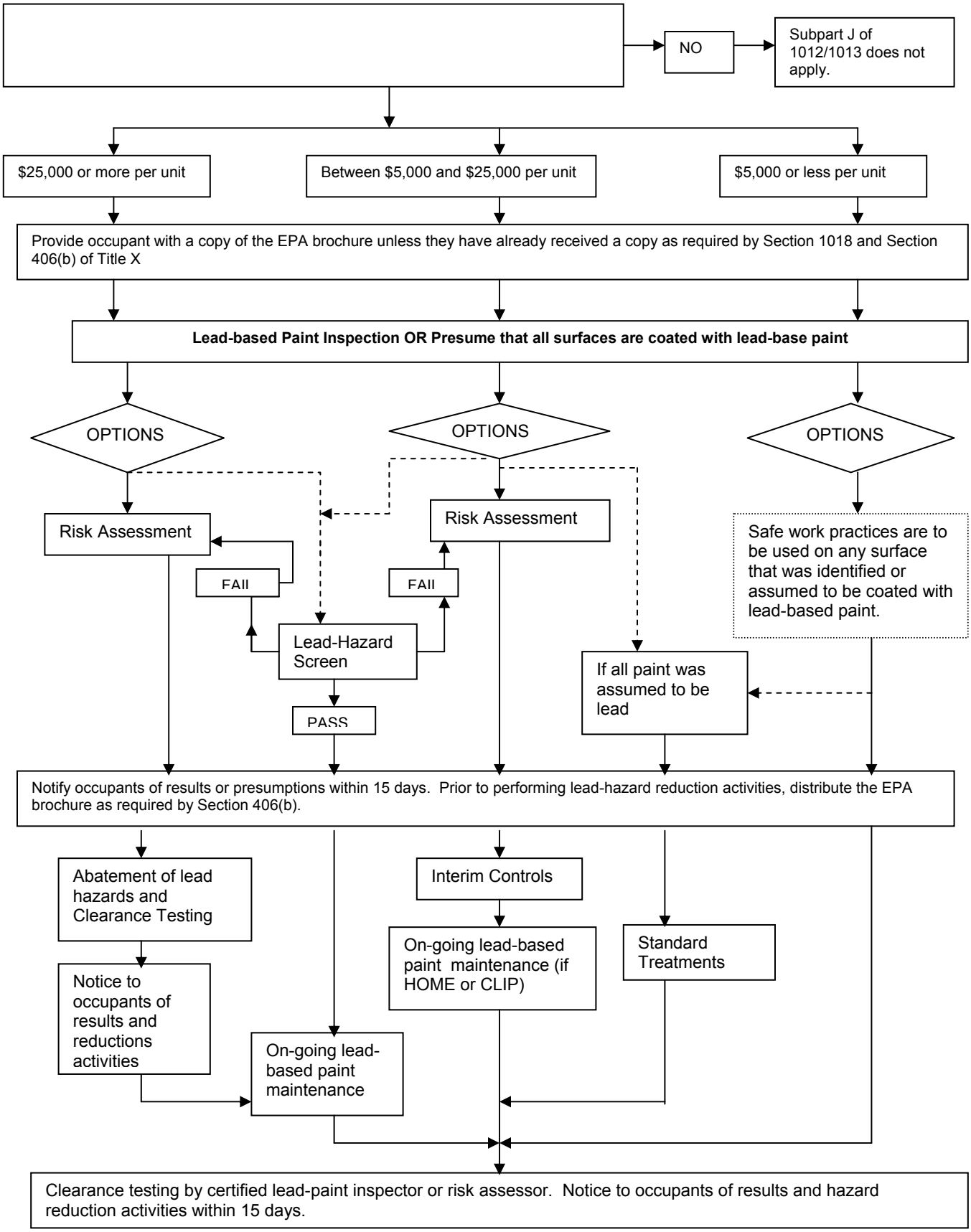
9.1 Lead-based paint Inspectors, Lead-based paint Risk Assessors, Lead-based paint Abatement Workers, and Lead-based paint Abatement Supervisors must be certified by the Tennessee Department of Environment and Conservation (TDEC).

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

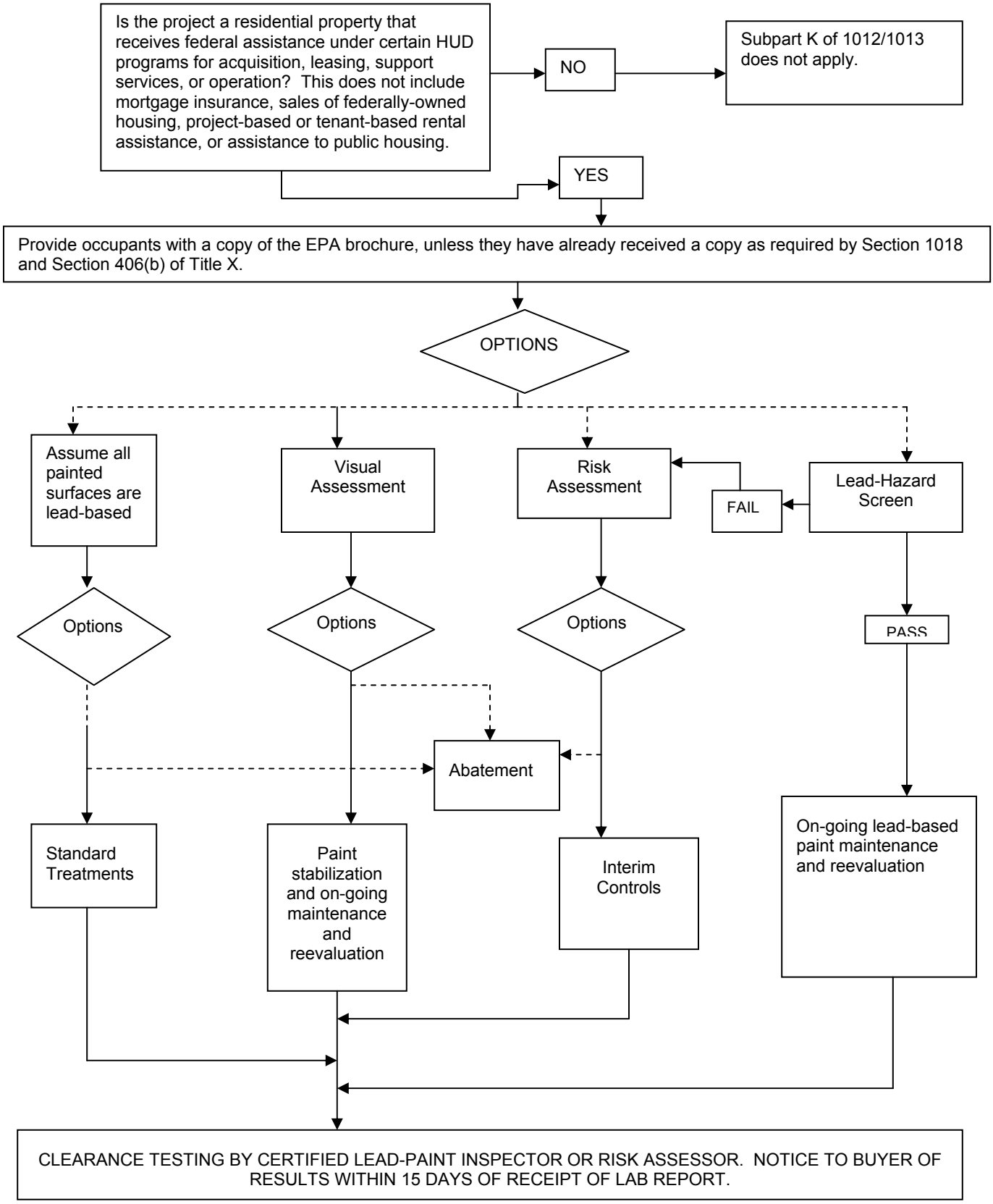
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Solid Waste Management
Fifth Floor, L & C Tower
401 Church Street
Nashville, Tennessee 37243-1535
1-888-891-8332

9.3 Attachment VII clarifies that HUD and EPA lead-based paint regulations are complementary.

ATTACHMENT IV: REHABILITATION PROCESS-SUBPART J



ATTACHMENT V: REHABILITATION PROCESS-SUBPART K



ATTACHMENT VI: QUICK REFERENCE QUIDE

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 • Ongoing LBP maintenance if HOME or CILP • Clearance testing of entire unit and common areas
3. Property receiving more than $25,000 per unit	• Not allowable under 2002 THDA HOME program • Provision of pamphlet • Paint testing of surfaces to be disturbed, or presume LBP • Risk assessment • Abatement of LBP hazards • Notice to occupants • Ongoing LBP maintenance • Clearance testing of entire unit and common areas

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

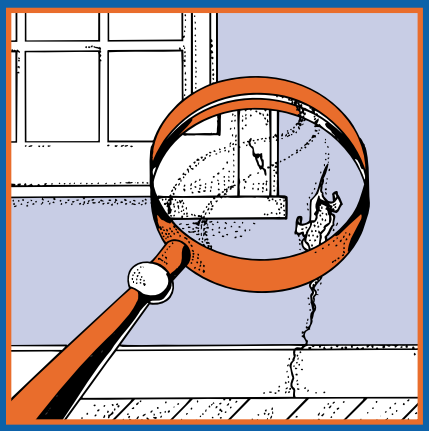
regulations are being violated should send a written complaint and supporting documentation to:

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

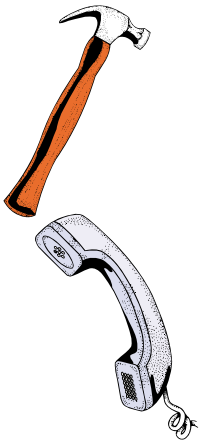
Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

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)**.

This document is in the public domain. It may be reproduced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

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.

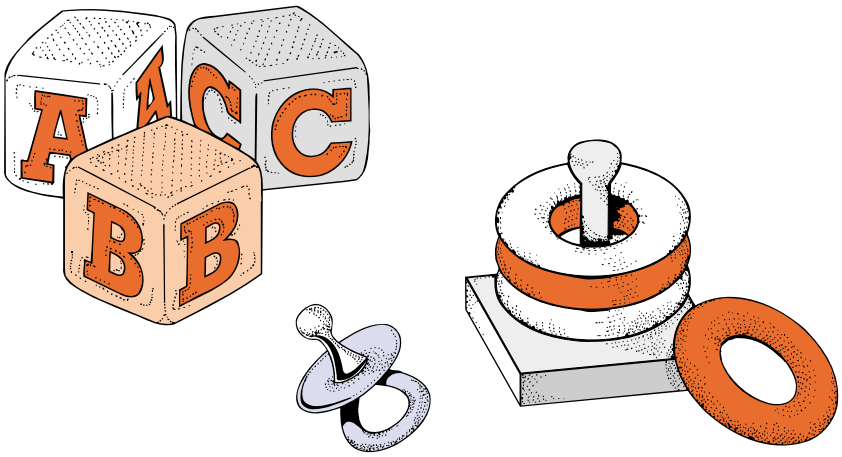
Even children who appear healthy can have dangerous levels of lead in their bodies.

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.



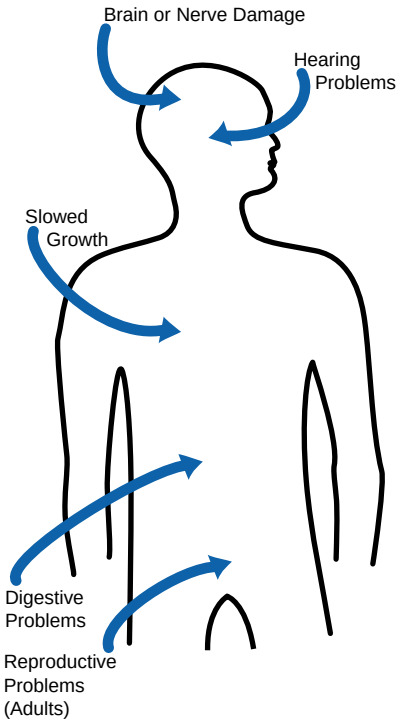
Lead's Effects

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.

3

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.

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

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 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.

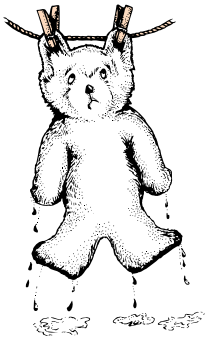
There are standards in place to ensure the work is done safely, reliably, and effectively. Contact your local lead poisoning prevention program for more information, or call **1-800-424-LEAD** for a list of contacts in your area.

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):

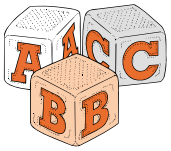
- **Have the area tested for lead-based paint.**
- **Do not use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily 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.

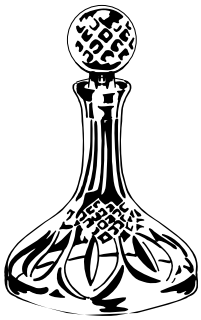
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

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.





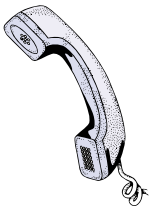
- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in 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.**

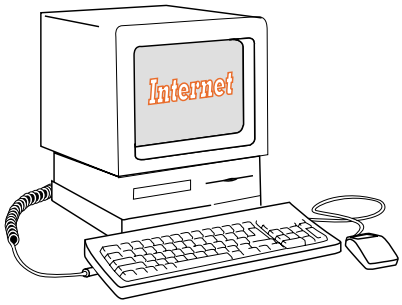


EPA's Safe Drinking Water Hotline

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.**

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

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

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.

I have received a copy of the notice entitled:

PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME

September 2001

Print Name:_____ Address:_____

Signature:_____ Date:_____

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

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

☐ Lead Hazard Screening

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: _____

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.

CHAPTER NINE
HOMEOWNERSHIP

1. OVERVIEW

1.1. **HOMEOWNERSHIP PROGRAMS BY CHDOS**

1. The CHDO must be the owner, sponsor or developer of the project.

2. *Construction financing* - An up front source of funds (without interest costs) to build affordable, new single family units for sale to low income households; or

3. *Acquisition and rehabilitation* - HOME funds are used to acquire existing units and to provide the necessary rehabilitation for resale to a low income household.

4. At the time of permanent financing the HOME funds must be repaid to the CHDO and are considered CHDO proceeds. A CHDO must leave up to $14,999 of HOME funds with the unit as a soft second mortgage as necessary to qualify the household at the time of permanent financing.

5. The CHDO proceeds must then be used for a HOME-eligible housing activity as specified in the Special Conditions in the Working Agreement and *Chapter Two: Financial Management, Section 8.5 and 8.6*.

1.2 **HOMEOWNERSHIP PROGRAMS BY CITIES, COUNTIES AND NON-PROFIT ORGANIZATIONS (non-CHDO)** - Homeownership programs are restricted to soft second mortgages as necessary to qualify the household for permanent financing.

1.3 **SOFT SECOND MORTGAGES** - In order to qualify a family in homeownership programs, HOME funds may be used for soft second mortgages. The soft second mortgages are limited to a maximum subsidy of $14,999 per household with a five year affordability period forgiven at the end of the affordability period if the unit maintains compliance (i.e., primary residence of initial homebuyer, not leased, etc). If the unit is sold during the affordability period, the HOME funds would be due on sale to THDA, subject to the provisions outlined in Section 5.

1.4 **PERMANENT FINANCING** - Under homeownership programs, the first mortgage from a bank or mortgage company must be a THDA or “comparable” loan. See **Attachment VIII: Equivalent Mortgage Rates**.

1.5. Before construction or acquisition/rehabilitation can begin under homeownership, there must be a homebuyer pre-approved for a permanent loan identified with a specific property. Speculative construction or acquisition is not permitted. However, lease purchase is permitted if necessary.

1.6 **SALES PRICE LIMITS** - The sales price limits for homeownership programs are the same as the property value limits for homeowner rehabilitation programs. See **Attachment IX: Property Value Limits**.

2. HOMEOWNERSHIP ELIGIBILITY REQUIREMENTS (92.254)

2.1. To be eligible for HOME funds, the prospective purchaser must be low-income, that is, with an annual (gross) income that does not exceed 80 percent of the median for the area.

1. The purchasing household must be low-income at the time of purchase; or

2. If more than six months elapses between income qualification and date of purchase, the homebuyer's income must be reverified.

2.2 The prospective purchaser must occupy the property as his/her principal residence.

2.3 All homebuyers must complete a homeownership education program prior to purchase.

2.4 The homebuyer must obtain fee simple title to the property or a 99-year leasehold.

3. PROPERTY REQUIREMENTS (92.254)

3.1 The housing must be single-family (1-4 family residence, condominium unit, or combination manufactured home and lot).

3.2 The housing must be modest:

1. In the case of newly constructed housing, the housing must have a purchase price that does not exceed 95% of the median purchase price for the area. See **Attachment IX: Property Value Limits**.

2. In the case of acquisition with rehabilitation, the housing must have an estimated value after rehabilitation that does not exceed 95% of the median purchase price for the area. See **Attachment IX: Property Value Limits**.

3.3 The housing must meet certain standards.

1. Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME assisted new construction must meet the Standard Building Code and HOME assisted rehabilitation must meet the Standard Housing Code.

2. New construction projects must also meet the Model Energy Code (MEC), published by the Council of American Building Officials.

4. HOME INVESTMENTS PER UNIT (92.205(c) and 92.250)

4.1 MINIMUM HOME DOLLARS $1,000 PER UNIT

4.2 MAXIMUM HOME DOLLARS

$44,250	EFFICIENCY LIMIT
$50,724	1-BEDROOM LIMIT
$61,680	2-BEDROOM LIMIT
$79,793	3-BEDROOM LIMIT
$87,588	4-BEDROOM OR MORE LIMIT

5. HOMEOWNERSHIP AFFORDABILITY REQUIREMENTS (92.254)(a)(4)

5.1. The HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The per unit amount of HOME funds and the affordability period they trigger are based upon the amount of HOME funding invested in the unit.

HOMEOWNERSHIP ASSISTANCE HOME AMOUNT PER-UNIT	MINIMUM PERIOD OF AFFORDABILITY
Under $15,000	5 Years
$15,000 to $40,000	10 Years
Over $40,000	15 Years

5.2. The direct HOME subsidy amount determines the length of the affordability period based upon the amount of HOME funds that are of direct benefit to the homebuyer. HOME regulations require repayment of HOME funds that directly enable a homebuyer to purchase an eligible property. Funds that *directly* benefit a homebuyer include down payment assistance, reduction of the sales price of a property to below the appraised market value, and interest rate buydowns. HOME subsidies that *indirectly* benefit a homebuyer are not subject to recapture.

5.2 **RECAPTURE** – To ensure affordability, the Grantee must impose recapture requirements. Under recapture, an owner is required to repay all or a portion of the HOME subsidy if the property is sold or transferred during the affordability period. However, if for some reason, the unit does not remain in compliance for

the affordability period, i.e., the unit is leased, then the entire amount of direct HOME subsidy must be repaid.

The seller is allowed to sell the home to any willing buyer at any price as long as the HOME debt remaining on the property is repaid. When the sale of a HOME-assisted house during the affordability period results in repayment of some or all of the HOME subsidy, the State or its Grantee can use the proceeds for a HOME-eligible activity, as specified in the Working Agreement.

1. Successful design and implementation of the recapture option requires an understanding of four major issues:
   a. The affordability period;
   b. The amount of HOME subsidy subject to repayment;
   c. The use of recapture proceeds; and
   d. Enforcement mechanisms

2. The following are recapture requirements which must be specified in the Notes and Deeds of Trust::
   a. *Recapture the entire amount.* The Grantee must recapture the entire amount of the HOME investment from the homeowner if the unit does not remain the principal residence.
   b. *Reduction during affordability period when the unit is sold.* The Grantee may reduce the HOME investment amount to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
   c. *Shared net proceeds when the unit is hold.* If the net proceeds are not sufficient to recapture the full HOME investment (or a reduced amount under 2b above) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the owner since purchase, the Grantee may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be divided proportionately as set forth in the following mathematical formulas:
      i. *Owner investment returned first.* The Grantee may permit the homebuyer to recover the homebuyer's entire investment (downpayment and capital improvements made by the owner since purchase) before recapturing the HOME investment.
      ii. *Amount subject to recapture.* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the

purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).

5.3 **Lease-purchase.** HOME funds may be used to assist homebuyers through lease-purchase programs. The housing must be purchased by a homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease-purchase agreement is signed and at the time the housing is transferred if more than six months have elapsed since the Grantee determined that the family was income eligible.

6. ENFORCEMENT

6.1 Legal documents, including a Deed of Trust and a Restrictive Covenant, are provided and required by THDA to be recorded against the property. These documents enforce the affordability requirements of the HOME regulations.

6.2 The Grantee will provide THDA with monthly reports with respect to the following:

1. Receipt of CHDO proceeds specified in paragraph 1.1(5) of this chapter;
2. Use of all CHDO proceeds in accordance with the Working Agreement; and
3. Receipt of recaptured HOME funds pursuant to paragraphs 5.2 (2)(a), 2(b) and 2(c) of this chapter and the use of such recaptured HOME funds.

7. AFFIRMATIVE MARKETING

7.1 Affirmative Marketing is required for projects consisting of 5 or more HOME-assisted units. Grantees must have procedures in place to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. (See EO-3 in Chapter Six: Fair Housing and Equal Opportunity.)

7.2 Affirmative marketing procedures include:

1. Making this information known through advertisements and announcements in the local media which include the Equal Opportunity logotype or slogan; and
2. Contacting lenders, community organizations, places of worship, employment centers, fair housing groups or housing counseling agencies to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach (e.g., racial minorities and female head of household).

ATTACHMENT VIII: THDA EQUIVALENT MORTGAGE RATES

Development of single family housing under the HOME program can be extended to buyers securing a THDA or equivalent mortgage to purchase their homes. The following mortgages are considered equivalent to the THDA mortgage and may be used in conjunction with HOME funds.

30 YEARS - FULLY AMORTIZED

MORTGAGE INSURANCE	1% ORIGINATION FEE	EQUIVALENT MORTGAGE RATE
YES	YES	Same as THDA Rate
NO	YES	THDA rate + .625%
YES	NO	THDA rate + .125%
NO	NO	THDA rate + .75%

THDA encourages the use of these comparable rates whenever possible. In addition, if the lender is <u>not charging</u> other usual charges that would have resulted in a charge of 1% or more of the loan amount, then the interest rate can be raised an additional .125%.

ATTACHMENT IX: PROPERTY VALUE LIMITS

MAXIMUM PROPERTY VALUE AFTER REHABILITATION FOR HOMEOWNER REHABILITATION PROJECTS AND HOMEOWNERSHIP PROJECTS (NEW CONSTRUCTION AND ACQUISITION/REHABILITATION)

REVISED DECEMBER 27, 2002 FHA MORGAGEE LETTER 2002-27

COUNTY NAME	1-FAMILY LIMIT	2-FAMILY LIMIT	3-FAMILY LIMIT	4-FAMILY LIMIT
ANDERSON	$154,896	$198,288	$239,664	$297,840
BEDFORD	$154,896	$198,288	$239,664	$297,840
BENTON	$154,896	$198,288	$239,664	$297,840
BLEDSOE	$154,896	$198,288	$239,664	$297,840
BLOUNT	$154,896	$198,288	$239,664	$297,840
BRADLEY	$154,896	$198,288	$239,664	$297,840
CAMPBELL	$154,896	$198,288	$239,664	$297,840
CANNON	$154,896	$198,288	$239,664	$297,840
CARROLL	$154,896	$198,288	$239,664	$297,840
CARTER	$154,896	$198,288	$239,664	$297,840
CHEATHAM	$226,100	$254,660	$309,400	$357,000
CHESTER	$154,896	$198,288	$239,664	$297,840
CLAIBORNE	$154,896	$198,288	$239,664	$297,840
CLAY	$154,896	$198,288	$239,664	$297,840
COCKE	$154,896	$198,288	$239,664	$297,840
COFFEE	$154,896	$198,288	$239,664	$297,840
CROCKETT	$154,896	$198,288	$239,664	$297,840
CUMBERLAND	$154,896	$198,288	$239,664	$297,840
DAVIDSON	$226,100	$254,660	$309,400	$357,000
DECATUR	$154,896	$198,288	$239,664	$297,840
DEKALB	$154,896	$198,288	$239,664	$297,840
DICKSON	$226,100	$254,660	$309,400	$357,000
DYER	$154,896	$198,288	$239,664	$297,840
FAYETTE	$153,425	$198,288	$239,664	$297,840
FENTRESS	$154,896	$198,288	$239,664	$297,840
FRANKLIN	$154,896	$198,288	$239,664	$297,840
GIBSON	$154,896	$198,288	$239,664	$297,840
GILES	$154,896	$198,288	$239,664	$297,840
GRAINGER	$154,896	$198,288	$239,664	$297,840
GREENE	$154,896	$198,288	$239,664	$297,840
GRUNDY	$154,896	$198,288	$239,664	$297,840
HAMBLEN	$154,896	$198,288	$239,664	$297,840
HAMILTON	$154,896	$198,288	$239,664	$297,840
HANCOCK	$154,896	$198,288	$239,664	$297,840
HARDEMAN	$154,896	$198,288	$239,664	$297,840
HARDIN	$154,896	$198,288	$239,664	$297,840
HAWKINS	$154,896	$198,288	$239,664	$297,840
HAYWOOD	$154,896	$198,288	$239,664	$297,840
HENDERSON	$154,896	$198,288	$239,664	$297,840
HENRY	$154,896	$198,288	$239,664	$297,840
HICKMAN	$154,896	$198,288	$239,664	$297,840
HOUSTON	$154,896	$198,288	$239,664	$297,840
HUMPHREYS	$154,896	$198,288	$239,664	$297,840
JACKSON	$154,896	$198,288	$239,664	$297,840
JEFFERSON	$154,896	$198,288	$239,664	$297,840

ATTACHMENT IX: PROPERTY VALUE LIMITS

COUNTY NAME	1-FAMILY LIMIT	2-FAMILY LIMIT	3-FAMILY LIMIT	4-FAMILY LIMIT
JOHNSON	$154,896	$198,288	$239,664	$297,840
KNOX	$154,896	$198,288	$239,664	$297,840
LAKE	$154,896	$198,288	$239,664	$297,840
LAUDERDALE	$154,896	$198,288	$239,664	$297,840
LAWRENCE	$154,896	$198,288	$239,664	$297,840
LEWIS	$154,896	$198,288	$239,664	$297,840
LINCOLN	$154,896	$198,288	$239,664	$297,840
LOUDON	$154,896	$198,288	$239,664	$297,840
MACON	$154,896	$198,288	$239,664	$297,840
MADISON	$154,896	$198,288	$239,664	$297,840
MARION	$154,896	$198,288	$239,664	$297,840
MARSHALL	$154,896	$198,288	$239,664	$297,840
MAURY	$154,896	$198,288	$239,664	$297,840
McMINN	$154,896	$198,288	$239,664	$297,840
McNAIRY	$154,896	$198,288	$239,664	$297,840
MEIGS	$154,896	$198,288	$239,664	$297,840
MONROE	$154,896	$198,288	$239,664	$297,840
MONTGOMERY	$154,896	$198,288	$239,664	$297,840
MOORE	$154,896	$198,288	$239,664	$297,840
MORGAN	$154,896	$198,288	$239,664	$297,840
OBION	$154,896	$198,288	$239,664	$297,840
OVERTON	$154,896	$198,288	$239,664	$297,840
PERRY	$154,896	$198,288	$239,664	$297,840
P[ICKETT	$154,896	$198,288	$239,664	$297,840
POLK	$154,896	$198,288	$239,664	$297,840
PUTNAM	$154,896	$198,288	$239,664	$297,840
RHEA	$154,896	$198,288	$239,664	$297,840
ROANE	$154,896	$198,288	$239,664	$297,840
ROBERTSON	$226,100	$254,660	$309,400	$357,000
RUTHERFORD	$226,100	$254,660	$309,400	$357,000
SCOTT	$154,896	$198,288	$239,664	$297,840
SEQUATCHIE	$154,896	$198,288	$239,664	$297,840
SEVIER	$154,896	$198,288	$239,664	$297,840
SHELBY	$153,425	$198,288	$239,664	$297,840
SMITH	$154,896	$198,288	$239,664	$297,840
STEWART	$154,896	$198,288	$239,664	$297,840
SULLIVAN	$154,896	$198,288	$239,664	$297,840
SUMNER	$226,100	$254,660	$309,400	$357,000
TIPTON	$153,425	$198,288	$239,664	$297,840
TROUSDALE	$154,896	$198,288	$239,664	$297,840
UNICOI	$154,896	$198,288	$239,664	$297,840
UNION	$154,896	$198,288	$239,664	$297,840
VAN BUREN	$154,896	$198,288	$239,664	$297,840
WARREN	$154,896	$198,288	$239,664	$297,840
WASHINGTON	$154,896	$198,288	$239,664	$297,840
WAYNE	$154,896	$198,288	$239,664	$297,840
WEAKLEY	$154,896	$198,288	$239,664	$297,840
WHITE	$154,896	$198,288	$239,664	$297,840
WILLIAMSON	$226,100	$254,660	$309,400	$357,000
WILSON	$226,100	$254,660	$309,400	$357,000

CHAPTER TEN:

HOMEOWNER REHABILITATION

1. OVERVIEW

1.1 The following chapter provides you with guidance in the operation of your HOME housing rehabilitation program. Housing rehabilitation programs are staff intensive, and in an effort to reduce your need to develop policies and forms for your individual program, a series of guides and sample forms have been developed to help you implement your program.

2. TYPICAL STEPS IN HOUSING REHABILITATION PROGRAM

2.1 **POLICIES AND PROCEDURES** - The Grantee develops Policies and Procedures and submits them to THDA for comment and approval.

1. Upon approval by THDA, the Grantee's appropriate legislative body adopts the Policies and Procedures.

2.2 **PUBLIC MEETING** - The Grantee holds a public meeting to explain the Policies and Procedures and operation of the program.

2.3 **APPLICATIONS** - Applications are taken from property owners, income and ownership is verified. A copy of the pamphlet of Fair Housing laws (EO-8) is distributed to each applicant. Eligible applicants are ranked based on criteria contained within the adopted Policies and Procedures.

2.4 **PRIORITY LIST** - The Grantee develops a Priority List, based on individual need and dwelling condition, which lists the order in which houses will be rehabilitated. As inspections and work write-ups are labor intensive, the priority list should be done before inspecting the houses and preparing the work write-up. If the condition of the dwelling is a scoring factor, a “windshield” type inspection could be used.

2.5 **ENVIRONMENTAL REVIEW** - The Grantee completes the environmental review and submits it to THDA.

2.6 **WORK WRITE-UPS** - The Grantee along with the homeowner selects a housing inspector who performs a codes inspection of the home and prepares a work write-up. The property owner initials each page and signs the last page indicating he/she understands and accepts the scope of the work.

1. THDA requires that new Grantees submit the first three write-ups prior to soliciting bids in order that they can be checked for completeness.

2. Where rehabilitation is unfeasible, a Determination for Reconstruction (HO-6) and supporting documentation, including pictures, must be submitted to THDA for approval prior bidding.

2.7- **LEAD-BASED PAINT** - Conduct risk assessment to identify any lead-based paint hazards.

2.8 **COST ESTIMATE** - The Grantee prepares a confidential cost estimate.

2.9 **PRE-BID CONFERENCE** - The Grantee holds a pre-bid conference and goes over Policies and Procedures, code inspections and method of payment. The rehabilitation inspector should review contract items with the bidders at the home.

1. Lead-based paint activities should be included in the entire scope of the project, but should be written up and bid separately from rehabilitation work.

2.10 **BIDS** - Bids are received by the Grantee and the contract is generally awarded to the low bidder.

1. A copy of the signed contract, the work write-up, the project set up form (FM-3) and the compliance with lead-based paint regulations form (LBP-2) are sent to THDA.

2.11 **PRE-CONSTRUCTION CONFERENCE** - A pre-construction conference is held with the owner and contractor. The rehabilitation contract is executed and a Notice to Proceed is signed. Grievance procedures for both homeowner and contractor are reviewed.

2.12 **CONSTRUCTION PHASE** – The Grantee makes periodic inspections of the work in progress.

1. When the work is 60% completed, an interim draw for 50% of the contract may be requested. The project set-up form (FM-3) must have been submitted to THDA to set up funds in the Information and Disbursement System (IDIS).

2. The request for payment (FM-4) must include a certification (FM-5) that 60% of the work has been completed.

2.13 **FINAL INSPECTION** - A final inspection is conducted by the Grantee with the owner and contractor in attendance. A final punch list is made, if necessary.

2.14 **PROJECT COMPLETION** –

1. A housing inspection is conducted by the owner and the Grantee to make certain all punch list items have been addressed.

2. The contractor's Final Invoice, Release of Liens and Warranty (HO-19) is submitted to the Grantee.

3. A Certification of Completion and Final Inspection (FM-7) is forwarded to THDA with the final pay request for the project. Clearance testing for lead-based paint hazards is required as part of the final inspection after all work is completed, including items on the punch list. Documentation of clearance is required with the final pay request (LBP-3)

4. The contractor is paid.

5. The Project Completion Report (FM-8) is forwarded to THDA.

2.15 **PROGRAM CONTINUATION** - The program continues until all houses are completed, or funds are exhausted.

3. DEVELOPING PROGRAM POLICIES AND PROCEDURES

3.1 **INTRODUCTION** - Your jurisdiction/organization must formally adopt a set of Policies and Procedures for the operation of the HOME 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.

1. This manual includes a "Sample Set of Policies and Procedures" (HO-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.

2. *Your policies and procedures must be approved by THDA prior to being adopted by the Grantee's governing board.*

3.2 **PURPOSE** - Describe the goals of the program and what activities will be undertaken to meet those goals.

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

3.4 **PROGRAM RESOURCES** - Specify the funds available for the program, their source, and how long they will be available.

3.5 **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. THDA will assist you in ensuring compliance and will monitor your program to make sure that you are in compliance. The Grantee must follow the appropriate laws and document their efforts. Failure to do so can have serious repercussions for the program. The following is a list of the applicable laws:

1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358).

2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353).

3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.

4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.

5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.

6. Affirmative Marketing, 24 CFR 92.351.

7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.

8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.42, as applicable, and 24 CFR 92.356.

9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.

10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.

11. Drug-Free Workplace, 24 CFR part 24, subpart F.

12. Standard Equal Opportunity Construction Contract Specifications.

13. Certification of Non-segregated Facilities for Contracts Over $10,000.

14. Title VI of Civil Rights Act of 1964 Provisions.

15. Section 109 of Housing and Community Development Act of 1974 Provisions.

16. Section 3 Compliance Provisions.

17. Age Discrimination Act of 1975 Provisions.

18. Section 504 Affirmative Action for Handicapped Provisions.

19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

4. TARGETING REHABILITATION ASSISTANCE

4.1 **ELIGIBILITY REQUIREMENTS** - The Grantee 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. To do this, the Grantee should establish an effective rating system, based on need, which determines the order in which dwellings will be rehabilitated. Minimum eligibility requirements are as follows:

4.2 **HOMEOWNER REQUIREMENTS**

1. INCOME - In order to receive HOME funds, the homeowner must be a low or very income homeowner; that is, the homeowner's annual income (gross income) cannot exceed 80% of the area's median income.

   a. The HOME program uses the Section 8 definition of annual (gross) income. This definition contains a number of inclusions (wages and salaries, interest and dividends, alimony, and child support) and exclusions (food stamps, medical reimbursements, etc.). See *Chapter One, Section 6. - Income Determinations* for the complete listing of this criteria.

   b. NOTE - The passbook value of the equity in a home is not included as income. However, the value of other assets must be determined to see if imputed interest is considered as income.

   c. Maximum HUD incomes for Tennessee are provided in **Attachment I: 2003 Income Limits for Low and Very Low Income Families** at the end of *Chapter One, General Requirements*.

2. OWNERSHIP - A homeowner must have been a resident of the property for a period of at least one (1) year and must also occupy the property as his or her principal residence. A family or individual owns the property if they:

   a. Have fee simple title to the property; or

   b. Have a 99-year leasehold; and

   c. Do not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.

4.3 **PROPERTY REQUIREMENTS**

1. LOCATION - The property must be within the area designated in the application.

2. PROPERTY TYPE - HOME Grantees must also decide the types of properties to be assisted. HOME guidelines define eligible properties as:

   a. A one to four family unit;

   b. A condominium unit; or

   c. Manufactured home (e.g., mobile home).

   d. It is important to note that single-family, owner-occupied properties containing additional rental units are subject to the HOME rental requirements, if the rental units receive investments of HOME funds.

3. PROPERTY CONDITION - Units assisted with HOME funds must require at least $1,000 of rehabilitation work to bring the unit into compliance with all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

   a. In the absence of local codes, new construction of multi-family apartments of 3 or more units must meet the Standard Building Code (1997 edition);

   b. new construction or reconstruction of single-family units or duplexes must meet the CABO One and Two Family Dwelling code (1995 edition); and

   c. rehabilitation of rental units or existing homeowner units must meet the Standard Housing Code (1994 edition).

4. PROPERTY VALUE - The maximum after-rehabilitation value of the property cannot exceed 95% of the area median sales price. Maximum property value limits are provided in **Attachment IX: Property Value Limits** at the end of this Chapter.

5. HOME INVESTMENTS PER UNIT (92.205(c) and 92.250)

5.1 **Rehabilitation costs are capped at $25,000 for the 2003 HOME Program.**

5.2 MINIMUM HOME DOLLARS $1,000 PER UNIT

5.3 MAXIMUM HOME DOLLARS for Reconstruction Projects

$44,250 EFFICIENCY LIMIT
$50,724 1-BEDROOM LIMIT
$61,680 2-BEDROOM LIMIT
$79,793 3-BEDROOM LIMIT
$87,588 4-BEDROOM OR MORE LIMIT

5.4 **EXCEPTION - LEAD-BASED PAINT ACTIVITIES -** Under the 2003 HOME program, rehabilitation costs are limited to $25,000 per unit, plus soft costs. Expenses incurred conducting lead activities, interim controls, standard treatments, and abatement will not count towards the $25,000 cap on rehabilitation costs. These costs will be paid as soft costs and will count towards the subsidy limit.

5.5 **EXCEPTION - MANUFACTURED HOUSING**

1. Under limited circumstances, HOME funds may be used to renovate existing manufactured housing, but the HOME assistance will be limited to a maximum of $10,000 for single-wide units (multiple-width units will be evaluated and pre-approved by THDA on a case-by-case basis).

2. The $10,000 to the rehabilitation of manufacture housing does not apply to the replacement of substandard manufactured housing units under reconstruction. However, the reconstruction must also be pre-approved by THDA.

6. APPROACHES TO FINANCIAL ASSISTANCE

6.1 **FORGIVABLE GRANTS** - Financial assistance for homeowner rehabilitation under the THDA HOME program must be provided as forgivable grants. THDA requires that these grants be repaid, in whole or in part, if the property is sold within five years. In case of death, THDA does not require repayment as long as the ownership of the property passes to the heirs. If the heirs sell or rent the property, or if the property is sold with monetary gain by any actions of a court to settle outstanding claims or settle the estate, the grant must be repaid into the State's HOME account, less any forgivable portion. In other cases, the grant must be repaid into the State's HOME account. In general, financial assistance should be structured to benefit the homeowner and avoid real estate speculation. See *Chapter One, Section 4 - Forms of Assistance*.

6.2. **AMOUNT OF ASSISTANCE** - The Grantee 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.

7. ELIGIBLE COSTS

7.1 **REHABILITATION COSTS** - In addition to the costs listed in *Chapter Two, Section 2 - Eligible Costs*, the following categories of costs are allowable under the program

1. LOCAL REHABILITATION STANDARDS - The Grantee must emphasize to potential applicants that the funds are to be used to repair housing deficiencies that are revealed by the code inspection. The homeowner

cannot pick and choose what they want done. At a minimum, this would be the cost to complete all work necessary to correct any deficiencies in the property under the local Rehabilitation Standards as discussed in Section III above. This includes completing additions to the property, if necessary to meet the Rehabilitation Standards or to meet minimum living space requirements for current or planned occupants.

2. REMOVING INCIPIENT DEFICIENCIES - 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 two years 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). The cost to rehabilitate the unit to correct or remove incipient problems or defects which, if not repaired, would reasonably be expected to deteriorate into deficiencies of the Rehabilitation Standards within two years is allowable. Grantees should encourage beneficiaries to include such items. However, beneficiaries should not be forced to make such improvements.

3. OTHER - Costs associated with the following are also allowed:

   a. Rehabilitating the property so that it conforms to environmental requirements

   b. Testing and interim controls or standard treatments of lead-based paint hazards for the property

   c. Providing improvements for the physically handicapped to make the dwelling more convenient and accessible

   d. Remedying structural problems caused by termite infestation

   e. Demolition costs if they are part of the rehabilitation project

   f. Surveys to establish property lines

4. GENERAL PROPERTY IMPROVEMENTS (GPI) - GPI's are improvements other than the required improvements listed above or incipient violations, but which are nonetheless necessary to put the property in a good and readily maintainable condition. GPI's are eligible as long as all required improvements are complete and the GPI's are reasonable and customary for the area and are not considered luxurious. The Grantee must decide on an acceptable level of GPI's. Typically, communities have established a maximum cost for GPI's equal to 20% to 40% of all other items. Examples of eligible GPI's include, but are not limited to, the following:

   a. Work which will result in reduced maintenance and/or will extend the useful life of a part of the property.

b. Work to eliminate inefficient design, such as moving or removing walls

c. Security lighting

d. Remodeling a kitchen, bathroom or currently underutilized space to improve efficiency, to modernize and/or to make aesthetically pleasing. This is usually limited to stove, refrigerator, sink and cabinets, and only if the existing equipment is non-existent, unsafe or unsanitary.

7.2 **SOFT COSTS** - See *Chapter Two, Section 2 - Eligible Costs*.

8. INELIGIBLE COSTS

8.1 Ineligible costs include those items that are not "reasonable and customary" and are considered luxurious in nature. Typical examples may include skylights, concrete driveways, hot tubs, etc.

8.2 The Grantee 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.

9. REHABILITATION STANDARDS AND SPECIFICATIONS

9.1 **WRITTEN STANDARDS** - The Grantee must employ a set of written rehabilitation standards for all housing interior, exterior, and systems repairs.

1. The written rehabilitation standards must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances.

2. In the absence of local codes, HOME-assisted new construction must meet the CABO One and Two Family Dwelling code (1995 edition) and HOME-assisted rehabilitation must meet the Standard Housing Code (1994 edition). The written rehabilitation standards must also meet the Model Energy Code (MEC) for new construction or reconstruction projects.

10. REHABILITATION PROGRAM PROCEDURES

10.1 **PREPARATION** - The rehabilitation of a dwelling under the HOME Program is a process requiring the close cooperation of the Grantee, the Homeowner, and the Contractor. 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:

1. The family must expect to be inconvenienced by the work in progress and by the presence of the workers.

2. Renovation projects may take longer than planned.

3. 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.

4. If there are any problems with the work during the project, the homeowner should not interfere directly, but must call the rehabilitation specialist to work out the problem.

5. Rehabilitation is at best an imprecise art, and will seldom produce a perfect job.

6. The program is based on correcting those deficiencies that are revealed by the housing code inspection. The homeowner also needs to understand that the role of the contractor and that the program entail a written contract (HO-10).

10.2 **PRE-APPLICATION AND PROGRAM PUBLICITY PHASE** - - 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 the homeowners and carefully explain the program.

1. PUBLIC MEETING - A 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 Grantee 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 those attending should be kept in the project file.

10.3 **APPLICATION PHASE** - The first step in the application phase is the taking of applications from homeowners. The program publicity efforts previously outlined will have resulted in inquiries from some area homeowners.

1. APPLICATION PROCESSING - Upon initial contact by the applicant, the Grantee will briefly outline the program and determine basic eligibility through identification of the applicant's residence and estimated income.

    a. If the applicant appears eligible following this informal screening, an interview at the Grantee office or at the home will be scheduled. Applicants will be advised to bring:

1. Proof of income for all members of the household.

   i. Most recent pay stubs for all members of the household and last years tax return;

   ii. If self-employed, last years tax return and a current financial statement.

2. Proof of ownership of the property to be rehabilitated.

3. Property Insurance Policy.

4. Most recent real estate tax receipts for the property to be rehabilitated.

b. The Grantee will review the program in detail with the applicant and review the application form (HO-3). The Grantee will secure verification of income, property ownership and other requirements of financial assistance.

2. INITIAL INSPECTION - The initial inspection is a critical component of the rehabilitation process as it establishes eligibility, identifies work to be undertaken on the home, and becomes the basis for evaluating the acceptability of bids.

a. The Property Inspector 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 which will identify all needed improvements to the property, including incipient violations.

b. Lead-based paint testing/risk assessment by a certified lead-based paint inspector/risk assessor is conducted on the unit.

c. The results of the inspection and the lead testing/risk assessment is discussed with the property owner and questions answered. The completed inspection report and lead testing/risk assessment is reviewed by the Grantee and the feasibility of rehabilitation determined.

d. If, in the opinion of the Grantee and based on advice from the Property Inspector, all major code violations cannot be corrected within the maximum grants allowed, rehabilitation assistance may be denied or reconstruction recommended.

   1. Owners whose property is not suitable for rehabilitation should be notified in writing, indicating the reasons, and a copy placed in the file.

   2. When reconstruction is recommended, a completed HO-6, along with supporting documentation (a checklist or narrative

stating deficiencies in the existing structure) and photographs must be submitted to THDA for review. If THDA concurs with the determination, written permission to proceed will be provided.

d. REPLACEMENT HOME GUIDELINES. The intent of a reconstruction activity is to provide assistance to homeowners who might not otherwise be helped due to the prohibitive cost of rehabilitating their existing home. A replacement home, if deemed the most cost-effective solution to the housing deficiencies, shall be prescribed by the grantee.

1. Rehabilitation spending beyond reasonable limits on an existing home is not authorized if a replacement home is refused by the homeowner.

2. A replacement home does not necessarily have to meet the same requirements as the existing home in terms of square footage, number of bedrooms/bathrooms or other design/amenity considerations.

3. The replacement home must provide all permanent residents of the home with safe, decent and sanitary housing within the terms of the CABO One and Two Family Dwelling Code (1995 edition), and/or local codes as applicable.

3. WORK WRITE-UP AND COST ESTIMATE - Properties found suitable for rehabilitation by the Property Inspector and Grantee are now ready to have work write-ups and cost estimates prepared (HO-5).

a. The work write-up is the detailed description of the housing rehabilitation work and the lead-based paint hazard reduction required. The write-up should list the lead-based paint hazard reduction activities separately from the rehabilitation work. Write-ups serve as the construction specifications and 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.

1. THDA requires that new Grantees submit the first three (3) work write-ups prior to soliciting bids in order that they can be checked for completeness.

b. After the Property Inspector completes the work write-up, then he or she should estimate the cost for each item in the work write-up. The cost estimate aids the Grantee in evaluating bid prices.

1. The Grantee 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.

2. The Owner must then sign a statement accepting the repairs listed in the write-up and initial each page of the document. The acceptance of the repairs to be completed at the pre-bid stage will eliminate misunderstandings at a later date when work begins.

c. A special effort should be made to explain to homeowners that the program is intended to solve housing code violations and reduce lead-based paint hazards first and then the incipient code violations. The Grantee 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.

d. Although temporary relocation assistance may be provided to households who are voluntarily displaced during rehabilitation, the Grantee must determine if the lead-hazard reduction work will require relocation for the safety of the household. If it is determined that temporary relocation for occupant safety is required, the Grantee *must* provide this assistance. The cost of relocation is a project soft cost and subject to the subsidy levels. *See Chapter 8, Section 6 - Occupant Protection and Chapter 4, Section 6 - Optional Relocation Assistance..*

10.4 **BID PHASE** - 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 Grantee 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 Grantee must advertise publicly for contractors.

1. BID SOLICITATION - Bid Solicitation must be a free, open competitive process. Every effort must be made to solicit minority and female businesses. The Grantee should not structure its procedures in order to keep business "in town". Absolute fairness must prevail in every aspect of the program, and any questions concerning conflict, or apparent conflict of interest should be discussed with THDA.

2. BID SELECTION - **A minimum of three (3) bids must be received.** Bids will be opened on the date and time previously established. A bid tabulation form will be prepared (HO-7). The owner will select the lowest qualified bid. **THDA required that the project be re-bid if there are not at least three (3) valid bids in response to the invitation for bids.**

a. If the project is re-bid and 3 valid bids still are not obtained, contact THDA for an exception to the 3 bid requirement. THDA may consider your project as a sole source procurement and/or allow you to award the contract with less than 3 bidders. **Written permission must be obtained from THDA before you may award a contract with less than three bids.**

b. 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 Grantee. If the homeowner's justification is not acceptable, the homeowner will be required to finance any rehabilitation amount that exceeds the lowest qualified bid through his/her personal resources.

c. The Grantee will reject a bid in instances where the bid exceeds the cost estimate by a percentage determined by the Grantee in its policies and procedures, unless a review of the cost estimate demonstrates an error. If a low bid is under the cost estimate, 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. The homeowner will be advised if no acceptable bids are received on their house and the project will be re-bid.

3. REBID OR CHANGES IN SCOPE - If all bids exceed the amount of the construction budget, Grantees *may not* negotiate solely with the low bidder. The project can be re-bid or changed in scope. If the scope of the project is changed, then each bidder must be given the opportunity to bid again. Bidders must be informed that they have the right to change their original unit prices as long as they conform to the revised bid specifications. Grantees must maintain documentation to demonstrate that this process was followed.

4. DEDUCTIBLE AND ADDITIVE ALTERNATES - Bid specifications for construction projects may contain deductible alternates. By definition, a *deductible alternate* is a portion of the project that can be deleted to bring construction costs within the budget if all bids received exceed the funds available for construction. The deductible alternates must not change the scope of the project. Bid specifications for construction projects may also contain additive alternates.

5. DISQUALIFIED CONTRACTORS – The Grantee must disqualify a contractor from bidding on projects when the contractor is listed on HUD's Limited Denial of Participation and Voluntary Abstention List (the "Debarred List").

   a. A Grantee may also disqualify a contractor from bidding on projects when:

      1. There is documented proof that the contractor has not paid material suppliers; or

      2. The contractor has not completed projects within the allotted time frame; or

      3. There exist complaints by property owners about quality of work and performance.

6. Upon final selection, all bidders are notified of the bid selection.

7. Applicants whose eligibility is marginal, either due to income or the cost of rehabilitation, will be submitted to the Grantee for review. Upon the application approval, the Owner will be given a Notice of Approval (HO-9) 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.

   a. At contract signing, the Owner must be given the Right of Recission (HO-13). The Right of Recission must be fully explained by the Grantee to the homeowner.

   b. A Grant Note and Deed of Trust must be signed by the homeowner prior to beginning the rehabilitation work.

8. AFTER REHABILITATION VALUE - Each unit must have an after-rehabilitation value documented. The Grantee can establish this value by determining the present *appraised* value (as determined by the county assessor) and adding it to the cost of the rehabilitation and related soft costs. This value must not exceed 95% of the area median sales price for the type of property being rehabilitated. Maximum property value limits are provided in **Attachment IX: Property Value Limits** at the end of this Chapter.

9. CONTRACT AWARD - Following bid selection, a rehabilitation contract will be prepared (HO-10).

   a. The contractor must have provided proof of liability insurance to the Grantee. Following receipt of satisfactory proof, a pre-construction conference will be held at the applicant's home.

   b. The Grantee 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 contractor will need to sign the Certification of Contractors Eligibility to Participate (HO-11).

   c. The procedures to be utilized for inspection, change orders, grievance and close-out will also be reviewed with the owner and contractor.

   d. The Notification of Lead-Based Paint must also be executed by the homeowner and contractor at the pre-construction conference.

10.5 **CONSTRUCTION PHASE** - The construction phase begins when the Grantee issues the Notice to Proceed (HO-15).

1. NOTICE TO PROCEED - 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.

2. INSPECTION OF CONSTRUCTION - As construction begins, the Grantee will make on-site inspections of the work. A Construction Progress Report

(HO-17) 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 Grantee should be on-site the first day construction begins, and then on a regular basis until completion of the job.

3. 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. A change order (HO-16) would be initiated at this time.

   a. Except under unusual circumstances with prior approval from THDA, the total of the change order cannot exceed 10% of the original rehabilitation contract.

   b. Since a change order becomes a binding part of the contract, the owner and contractor should sign it. The Grantee should notify THDA of all change orders to facilitate project revisions in the Cash Management System.

10.6 **CLOSE-OUT PHASE** - The close-out phase begins when the contractor has completed all of the work.

1. FINAL INSPECTION - After completion of all repairs in the work write-up and change orders, a final inspection should be made by the Grantee. The Grantee, the homeowner and the contractor should make the final inspection together.

2. PUNCH LIST - 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 (HO-17 & HO-18) is developed by the Grantee. This punch list is simply a detailed itemized list of all items remaining to be completed. The contractor is provided this list in writing with instructions that upon completion of all items and inspection of the same, final payment will be made.

3. NOTICE OF COMPLETION - The contractor must also file a Notice of Completion for all contracts over $25,000 with the County in which the work has been performed. The Notice of Completion must run a minimum of ten (10) days for one (1) to four (4) units, and 30 days for five (5) or more units to comply with State law. When this has been done, and the statutory period has expired, the contractor may be paid.

4. LEAD-BASED PAINT CLEARANCE TESTING - Immediately after the completion of all punch list items, clearance testing by a certified lead-based paint inspector/risk assessor must be conducted. Documentation of the clearance must be submitted with the final pay request.

5. CERTIFICATE OF COMPLETION AND FINAL INSPECTION - Once the unit has been passed clearance testing, a Certificate of Final Inspection (FM-7) is prepared and signed by the Grantee. This form indicates that all work is complete in accordance with the contract and change orders and further indicates the willingness of the Grantee to initiate close-out procedures.

6. CONTRACT CLOSE-OUT - Upon completion of the Certificate of Final Inspection (FM-7), the contractor must sign a Contractor's Final Invoice, Release of Liens, and Warranty (HO-19), and a Contractor's Non-Kickback Certification (HO-12). The Grantee will review all the documents for accuracy and completeness.

   a. Particular attention will be focused on the Waiver of Lien to insure that all suppliers and subcontractors have released the project from lien action. The homeowner will be supplied with a copy of these documents.

   b. The delivery of the check and the contractor's acknowledgement of Receipt of the Final Payment (HO-20) constitutes the completion of the rehabilitation case.

ATTACHMENT IX: PROPERTY VALUE LIMITS

MAXIMUM PROPERTY VALUE AFTER REHABILITATION FOR HOMEOWNER REHABILITATION PROJECTS AND HOMEOWNERSHIP PROJECTS (NEW CONSTRUCTION AND ACQUISITION/REHABILITATION)

REVISED DECEMBER 27, 2002 FHA MORGAGEE LETTER 2002-27

COUNTY NAME	1-FAMILY LIMIT	2-FAMILY LIMIT	3-FAMILY LIMIT	4-FAMILY LIMIT
ANDERSON	$154,896	$198,288	$239,664	$297,840
BEDFORD	$154,896	$198,288	$239,664	$297,840
BENTON	$154,896	$198,288	$239,664	$297,840
BLEDSOE	$154,896	$198,288	$239,664	$297,840
BLOUNT	$154,896	$198,288	$239,664	$297,840
BRADLEY	$154,896	$198,288	$239,664	$297,840
CAMPBELL	$154,896	$198,288	$239,664	$297,840
CANNON	$154,896	$198,288	$239,664	$297,840
CARROLL	$154,896	$198,288	$239,664	$297,840
CARTER	$154,896	$198,288	$239,664	$297,840
CHEATHAM	$226,100	$254,660	$309,400	$357,000
CHESTER	$154,896	$198,288	$239,664	$297,840
CLAIBORNE	$154,896	$198,288	$239,664	$297,840
CLAY	$154,896	$198,288	$239,664	$297,840
COCKE	$154,896	$198,288	$239,664	$297,840
COFFEE	$154,896	$198,288	$239,664	$297,840
CROCKETT	$154,896	$198,288	$239,664	$297,840
CUMBERLAND	$154,896	$198,288	$239,664	$297,840
DAVIDSON	$226,100	$254,660	$309,400	$357,000
DECATUR	$154,896	$198,288	$239,664	$297,840
DEKALB	$154,896	$198,288	$239,664	$297,840
DICKSON	$226,100	$254,660	$309,400	$357,000
DYER	$154,896	$198,288	$239,664	$297,840
FAYETTE	$153,425	$198,288	$239,664	$297,840
FENTRESS	$154,896	$198,288	$239,664	$297,840
FRANKLIN	$154,896	$198,288	$239,664	$297,840
GIBSON	$154,896	$198,288	$239,664	$297,840
GILES	$154,896	$198,288	$239,664	$297,840
GRAINGER	$154,896	$198,288	$239,664	$297,840
GREENE	$154,896	$198,288	$239,664	$297,840
GRUNDY	$154,896	$198,288	$239,664	$297,840
HAMBLEN	$154,896	$198,288	$239,664	$297,840
HAMILTON	$154,896	$198,288	$239,664	$297,840
HANCOCK	$154,896	$198,288	$239,664	$297,840
HARDEMAN	$154,896	$198,288	$239,664	$297,840
HARDIN	$154,896	$198,288	$239,664	$297,840
HAWKINS	$154,896	$198,288	$239,664	$297,840
HAYWOOD	$154,896	$198,288	$239,664	$297,840
HENDERSON	$154,896	$198,288	$239,664	$297,840
HENRY	$154,896	$198,288	$239,664	$297,840
HICKMAN	$154,896	$198,288	$239,664	$297,840
HOUSTON	$154,896	$198,288	$239,664	$297,840
HUMPHREYS	$154,896	$198,288	$239,664	$297,840
JACKSON	$154,896	$198,288	$239,664	$297,840
JEFFERSON	$154,896	$198,288	$239,664	$297,840

ATTACHMENT IX: PROPERTY VALUE LIMITS

COUNTY NAME	1-FAMILY LIMIT	2-FAMILY LIMIT	3-FAMILY LIMIT	4-FAMILY LIMIT
JOHNSON	$154,896	$198,288	$239,664	$297,840
KNOX	$154,896	$198,288	$239,664	$297,840
LAKE	$154,896	$198,288	$239,664	$297,840
LAUDERDALE	$154,896	$198,288	$239,664	$297,840
LAWRENCE	$154,896	$198,288	$239,664	$297,840
LEWIS	$154,896	$198,288	$239,664	$297,840
LINCOLN	$154,896	$198,288	$239,664	$297,840
LOUDON	$154,896	$198,288	$239,664	$297,840
MACON	$154,896	$198,288	$239,664	$297,840
MADISON	$154,896	$198,288	$239,664	$297,840
MARION	$154,896	$198,288	$239,664	$297,840
MARSHALL	$154,896	$198,288	$239,664	$297,840
MAURY	$154,896	$198,288	$239,664	$297,840
McMINN	$154,896	$198,288	$239,664	$297,840
McNAIRY	$154,896	$198,288	$239,664	$297,840
MEIGS	$154,896	$198,288	$239,664	$297,840
MONROE	$154,896	$198,288	$239,664	$297,840
MONTGOMERY	$154,896	$198,288	$239,664	$297,840
MOORE	$154,896	$198,288	$239,664	$297,840
MORGAN	$154,896	$198,288	$239,664	$297,840
OBION	$154,896	$198,288	$239,664	$297,840
OVERTON	$154,896	$198,288	$239,664	$297,840
PERRY	$154,896	$198,288	$239,664	$297,840
P[ICKETT	$154,896	$198,288	$239,664	$297,840
POLK	$154,896	$198,288	$239,664	$297,840
PUTNAM	$154,896	$198,288	$239,664	$297,840
RHEA	$154,896	$198,288	$239,664	$297,840
ROANE	$154,896	$198,288	$239,664	$297,840
ROBERTSON	$226,100	$254,660	$309,400	$357,000
RUTHERFORD	$226,100	$254,660	$309,400	$357,000
SCOTT	$154,896	$198,288	$239,664	$297,840
SEQUATCHIE	$154,896	$198,288	$239,664	$297,840
SEVIER	$154,896	$198,288	$239,664	$297,840
SHELBY	$153,425	$198,288	$239,664	$297,840
SMITH	$154,896	$198,288	$239,664	$297,840
STEWART	$154,896	$198,288	$239,664	$297,840
SULLIVAN	$154,896	$198,288	$239,664	$297,840
SUMNER	$226,100	$254,660	$309,400	$357,000
TIPTON	$153,425	$198,288	$239,664	$297,840
TROUSDALE	$154,896	$198,288	$239,664	$297,840
UNICOI	$154,896	$198,288	$239,664	$297,840
UNION	$154,896	$198,288	$239,664	$297,840
VAN BUREN	$154,896	$198,288	$239,664	$297,840
WARREN	$154,896	$198,288	$239,664	$297,840
WASHINGTON	$154,896	$198,288	$239,664	$297,840
WAYNE	$154,896	$198,288	$239,664	$297,840
WEAKLEY	$154,896	$198,288	$239,664	$297,840
WHITE	$154,896	$198,288	$239,664	$297,840
WILLIAMSON	$226,100	$254,660	$309,400	$357,000
WILSON	$226,100	$254,660	$309,400	$357,000

SAMPLE

HOME PROGRAM POLICIES AND PROCEDURES FOR

_____

1. PURPOSE

This program will make available financial and/or technical assistance for the rehabilitation of eligible substandard owner occupied housing units located in the community. Rehabilitation work will correct deficiencies in the eligible homes and make them safe, sound and sanitary.

2. AUTHORITY

The legal authority of this program comes from the working agreement with Tennessee Housing Development Agency, Public Law 101-625 (National Affordable Housing Act of 1990), as well as State and local laws.

3. PROGRAM RESOURCES

The source of funds for the undertaking of these activities is a grant in the amount of $_____ which _____ has been awarded by Tennessee Housing Development Agency (THDA) through the U.S. Department of Housing and Urban Development Home Investment Partnership Act.

4. APPLICABLE LAWS

A. The local governing bodies, contractors, subcontractors, 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.

1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358).

2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353)

3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.

4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.

5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.

6. Affirmative Marketing, 24 CFR 92.351.

7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.

8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.42, as applicable, and 24 CFR 92.356.

9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.

10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.

11. Drug-Free Workplace, 24 CFR part 24, subpart F.

12. Standard Equal Opportunity Construction Contract Specifications.

13. Certification of Non-segregated Facilities for Contracts Over $10,000.

14. Title VI of Civil Rights Act of 1964 Provisions.

15. Section 109 of Housing and Community Development Act of 1974 Provisions.

16. Section 3 Compliance Provisions.

17. Age Discrimination Act of 1975 Provisions.

18. Section 504 Affirmative Action for Handicapped Provisions.

19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

5. APPLICANT ELIGIBILITY

A. **APPLICANT ELIGIBILITY CRITERIA:** The following criteria must be satisfied by all applicants in order to become eligible for a rehabilitation grant:

1. The applicant must be low or very low income as defined by Section 8 income requirements.

2. The applicant must have been the resident of the property to be rehabilitated for a period of not less than one year and must occupy the property as his or her principle residence.

3. The applicant's ownership must be in the form of fee simple title or a 99-year leasehold. The title must not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.

4. The applicant must voluntarily apply for assistance.

6. INCOME ELIGIBILITY

A. **ANNUAL INCOME (GROSS INCOME)** - The HOME program uses the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which:

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;

2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a re-determination at the end of the shorter period; and

3. Which are not specifically excluded in paragraph G (Income Exclusions) below.

4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

5. MONTHLY GROSS INCOME - Monthly gross income is Annual Gross Income divided by 12 months.

B. **ASSETS** - In general terms, an asset is a cash or non-cash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.

1. MARKET VALUE - The market value of an asset is simply its dollar value on the open market. For example, a stock 's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be

determined by comparing the property with similar, recently sold properties.

2. CASH VALUE - The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:

   a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or

   b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.

   c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.

C. **INCOME FROM ASSETS** - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest of dividends from an asset, the interest or dividends is still counted as income.

1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.

   a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or

   b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.

   c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.

2. Assets above and below $5,000 are treated differently.

   a. If the family's assets are $5,000 or less, actual income from assets (e.g., interest on a checking account) is counted as annual income.

b. If the family's assets are greater than $5,000, income from assets is computed as the greater of:

i. actual income from assets, or

ii. imputed income from assets based on a passbook rate applied to the cash value of all assets.

3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.

a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset.

b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation are not included in this calculation.

c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

D. ASSETS INCLUDE:

1. Amounts in savings accounts and six month average balance for checking accounts.

2. Stocks, bonds, savings certificates, money market funds and other investment accounts.

3. Equity in real property or other capital investments. Equity if the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. *DO NOT INCLUDE EQUITY OF PRINCIPAL RESIDENCE AS AN ASSET FOR HOMEOWNER REHABILITATION PROGRAMS.*

4. The cash value of trusts that are available to the household.

5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in penalty.

6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.

7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.

8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.

9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.

10. Cash value of life insurance policies.

11. Assets disposed of for less than fair market value during two years preceding certification or re-certification.

E. ASSETS DO NOT INCLUDE:

1. Necessary personal property, except as noted under paragraph (D)(9) above (Assets Include).

2. Interest in Indian Trust lands

3. Assets that are part of an active business or farming operation.

   NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

4. Assets not accessible to the family and which provide no income to the family.

5. Vehicles especially equipped for the handicapped.

6. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

F. INCOME INCLUSIONS - The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services;

2. The net income for operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the family has net family assets in excess of $5,000, Annual Income shall include the greater of the actual income derived from net family assets or a percentage of the value of such Assets based on the current passbook saving rate, as determined by HUD.

4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).

5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).

6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

   a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

   b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

8. All regular pay, special pay and allowances of a member of the Armed Forces.

G. INCOME EXCLUSIONS - The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18 years;

2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family), who are unable to live alone;

3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions).

4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

5. Income of a live-in aide;

6. The full amount of student financial assistance paid directly to the student or to the educational institution;

7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

8. a. Amounts received under training programs funded by HUD;

   b. Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

   c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program;

   d. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goal and objectives, and are excluded on for the period during which the family member participates in the employment training program.

9. Temporary, nonrecurring or sporadic income (including gifts);

10. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

11. Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse);

12. Adoption assistance payments in excess of $480 per adopted child;

13. For public housing only, the earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.

14. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.

15. Amounts received by the family in the form of refunds or rebates under state or local law from property taxes paid on the dwelling unit.

16. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.

17. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.

    a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;

    b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);

    c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));

    d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);

    e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

    f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;

    g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;

    h. The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims

(25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117)

i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).

k. Any earned income tax credit to the extent it exceeds income tax liability.

l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)

m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)

n. Payments received under the Maine Indian Claims Settlement Act of 1980.

H. TIMING OF INCOME CERTIFICATIONS - All households that receive HOME assistance must be income eligible. At a minimum, income certification must be completed before assistance begins. A preliminary determination of eligibility may be made much earlier in the process.

1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.

2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to eligibility.

3. The Grantee must calculate the annual income of the household by projecting the prevailing rate of income of the family at the time the Grantee determines that the family is income eligible. The Grantee is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the Grantee determined that the family qualified as income eligible.

I. INCOME VERIFICATION - Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. THIRD-PARTY VERIFICATION - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.

   a. To conduct third party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.

   b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.

2. REVIEW OF DOCUMENTS - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

   Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, overtime, tips and bonuses.

3. APPLICANT CERTIFICATION - When no other form of verification is possible, a certification by the applicant may be used. For example, it may be necessary to use an applicant certification for an applicant whose income comes from "odd jobs" paid for in cash.

   Applicant certification is the least reliable form of verification and may be subject to abuse. In some cases, the applicant certification can be supplemented by looking at the applicant's past history. The Grantee can review the previous year's income tax return to determine if the current year's income is consistent with activity for the previous year.

J. CALCULATION METHODOLOGIES - Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without overtime). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).

2. It is important to clarify whether overtime is sporadic or a predictable component of an applicant's income.

3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

K. DETERMINING WHOSE INCOME TO COUNT - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. INCOME OF LIVE-IN AIDES - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);

2. INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and

3. EARNED INCOME OF MINORS - Earned income of minors (age 17 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.

4 TEMPORARILY ABSENT FAMILY MEMBERS - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns $600/week at a temporary job on the other side of the state. He keeps $200/week for expenses and sends $400/week home to his family. The entire $600/week is counted in the family's income;

5. ADULT STUDENTS LIVING AWAY FROM HOME - If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the student's income must be counted in the family's income.

6. PERMANENTLY ABSENT FAMILY MEMBER - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

7. ELIGIBILITY REQUIREMENTS OF PROPERTY TO BE REHABILITATED

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

1. DWELLING UNIT - A housing structure which is used entirely for residential purposes.

2. SINGLE FAMILY - A housing unit 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.

3. SUBSTANDARD - A housing unit failing to meet all applicable codes, rehabilitation standards ordinances and zoning ordinances as set forth by the Community, HQS as defined by HUD, or as defined by the HOME application.

B. ELIGIBILITY CRITERIA

1. The minimum HOME expenditure per unit must exceed $1,000.

2. The dwelling must be located within the designated area as outlined in the application.

3. The dwelling unit must be classified as substandard, based on a written, detailed inspection report by a codes inspector.

4. The dwelling unit must not lie within a 100-year floodplain.

8. RATING SYSTEM FOR RANKING OF APPLICANTS

A. The awarding of rehabilitation grants to eligible applicants will be based on a priority, according to which households in greatest need for housing assistance. Houses will be rehabilitated in descending order, the household with the most need first, the next household second, and so on until the funds are expended.

B. The rating system is based on points. The most needy households will have the highest number of points. Information for determination of points is taken from the application (HO-3) submitted by the homeowner. Each application shall be rated according to:

1. INCOME/FAMILY SIZE

FAMILY SIZE	ANNUAL INCOME[1]
1	_____
2	_____
3	_____
4	_____
5	_____
6	_____
7	_____
8	_____

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 70 points
If 60% to 79% less	Add 60 points
If 40% to 59% less	Add 50 points
If less than 39%	Add 20 points

2. NUMBER IN HOUSEHOLD

1 Person Household	5 Points
2 Person Household	10 Points
3 Person Household	20 Points
4 Person Household	25 Points
5 Person Household	30 Points
6 Person Household	35 Points
7 Person Household	40 Points
8 Person Household	45 Points

3. NUMBER OF ELDERLY

10 Points per person

For each household member at least 62 years old at the time of application

[1] Annual Income Limit Figures available from HUD/THDA

4.	**NUMBER OF HANDICAPPED/DISABLED**	10 Points per person

Household member 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.

5.	**FEMALE HEAD OF HOUSEHOLD**	10 Points
6.	**NUMBER OF PERSONS 18 OR YOUNGER**	10 Points per person
7.	**CONDITION OF THE DWELLING STRUCTURE**	
	Standard Dwelling	No Points
	Substandard Dwelling	15 - 30 Points
	Life Threatening Dwelling	50 Points

9. TERMS, CONDITIONS AND CONSIDERATIONS FOR GRANTS

A. DETERMINATION OF THE AMOUNT OF THE GRANT - The amount of a rehabilitation grant that an applicant may receive will not exceed:

1. The actual and approved cost of the repairs and improvements necessary to make the dwelling conform to the housing standards adopted by the Grantee and THDA.

2. The amount and structure of the grant must be consistent with the application submitted to THDA.

3. When the applicant is furnishing supplementary funds from other sources, evidence that actual funds are available will consist of verification and documentation by the Grantee 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.

B. STRUCTURE OF FINANCIAL ASSISTANCE - HOME funds are used to make forgivable grants to property owners to cover the full cost of the needed rehabilitation work.

1. To prevent homeowners from simply selling the property and profiting from the HOME funded improvements, the owners must repay the program if they sell the property within the compliance period. Part of the owner's obligation is forgiven each year they live in the rehabilitated unit.

2. a. Repayment of the rehabilitation grant 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 year	80% Repayment
After two years	60% Repayment
After three years	40% Repayment
After four years	20% Repayment
After five years	0% Repayment

b. If the unit is reconstructed, the repayment of the rehabilitation grant shall be based on a six and 66/100 percent (6.66%) reduction of the amount to be repaid per year, according to the following schedule:

0 - 12 months	100% Repayment
After one year	93.34% Repayment
After two years	86.68% Repayment
After three years	80.02% Repayment
After four years	73.36% Repayment
After five years	66.70% Repayment
After six years	60.04% Repayment
After seven years	53.38% Repayment
After eight years	46.72% Repayment
After nine years	40.06% Repayment
After ten years	33.40% Repayment
After eleven years	26.74% Repayment
After twelve years	20.08% Repayment
After thirteen years	13.42% Repayment
After fourteen years	6.76% Repayment
After fifteen years	0% Repayment

3. The property owner must sign a Grant Note and a Deed of Trust. The Deed of Trust secures the Grant Note by placing a lien against the property and is activated if the owner attempts to sell within the compliance period.

4. In cases of death, THDA does not require repayment as long as the ownership of the property passes to the heirs. If the heirs sell or rent the property, if the property is sold with monetary gain by any actions of a

court to settle outstanding claims or settle the estate, the grant must be repaid into the State's HOME account, less any forgivable portion.

C. OTHER GRANT CONDITIONS - Specific terms and conditions are incorporated in the grant application and the contract documents. The applicant agrees to:

1. Allow inspection by the Grantee and/or THDA of the property whenever the Grantee and/or THDA determines that such inspection is necessary.

2. Furnish complete, truthful and proper information as needed to determine eligibility for receipt of grant money.

3. Permit the contractor to use, at no cost, reasonable existing utilities such as gas, water and electricity which are necessary to the performance and completion of the work.

4. Cooperate fully with the Grantee and the contractor to insure that the rehabilitation work will be carried out promptly.

10. ELIGIBLE REHABILITATION ACTIVITIES

A. INTRODUCTION - A rehabilitation grant may be made only to cover the cost of rehabilitation necessary to make a dwelling unit conform to the local housing code adopted by the jurisdiction in which the property is located and consistent with the application submitted to THDA.

B. LIMITATION OF REHABILITATION COSTS - Under the 2003 HOME program, rehabilitation costs are limited to $25,000 per unit, plus soft costs. Expenses incurred conducting lead activities, interim controls, standard treatments, and abatement will not count towards the $25,000 cap on rehabilitation costs. These costs will be paid as soft costs and will, however, count towards the subsidy limit.

C. ELIGIBLE COSTS

1. **EXISTING CODE VIOLATIONS -** Costs which can be included 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.

2. **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.

3. **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.

4. **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 a furnace, water heater, 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. There is a $450 maximum expenditure (including taxes and delivery) for a kitchen stove, and an $800 maximum expenditure (including taxes and delivery) for a refrigerator.

5. **HANDICAPPED** - Special alterations or costs related with making the dwelling more convenient or accessible for handicapped persons is an eligible cost. All work performed in these units must comply with all applicable costs as well as all Federal and State regulations.

6. **LEAD-BASED PAINT** - All costs associated with the reduction of lead-based paint hazards must comply with 24 CFR 92.355.

7. **DEMOLITION OF EXISTING STRUCTURES AND UTILITY CONNECTIONS** - All costs related to the demolition of existing structures and to provide utility connections are to comply with 24 CFR 92.206(a)(3).

8. **DEMOLITION OR REMOVAL OF MANUFACTURED HOUSING UNITS (MOBILE HOMES)** - When replacing a manufactured housing unit with a new manufactured housing unit, the work write-up must explain how the substandard unit will be disposed of. If the substandard unit is to be taken to a dump site, then the contractor must supply the Grantee with a receipt or certification verifying that the unit was disposed of properly.

9. **EXTERIOR PAINTING** - Exterior painting is an eligible cost when it is necessary to maintain a watertight exterior on the dwelling.

10. **GUTTERS** - Gutters are an eligible cost when rehabilitating the exterior of a unit or when reconstructing a unit.

11. **OTHER COSTS** - 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 Grantee's governing body and THDA, as well as any other cost as outlined in 24 CFR 92.206.

C. INELIGIBLE COSTS

1. Renovation of dilapidated out buildings.

2. Appliances not required by code standards.

3. 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.

4. All items outlined in 24 CFR 92.214.

D. RECONSTRUCTION HOUSING - Prior to authorizing new dwellings under the "Reconstruction" provisions of the HOME program, the Grantee must determine if reconstruction is the more cost effective use of HOME funds.

1. When reconstruction is recommended, a completed HO-6, along with supporting documentation (a checklist or narrative stating deficiencies in the existing structure) and photographs must be submitted to THDA for review. If THDA concurs with the determination, written permission to proceed will be provided.

2. REPLACEMENT HOME GUIDELINES. The intent of a reconstruction activity is to provide assistance to homeowners who might not otherwise be helped due to the prohibitive cost of rehabilitating their existing home. A replacement home, if deemed the most cost-effective solution to the housing deficiencies, shall be prescribed by the grantee.

   1. Rehabilitation spending beyond reasonable limits on an existing home is not authorized if a replacement home is refused by the homeowner.

   2. A replacement home does not necessarily have to meet the same requirements as the existing home in terms of square footage, number of bedrooms/bathrooms or other design/amenity considerations.

   3. The replacement home must provide all permanent residents of the home with safe, decent and sanitary housing within the terms of the CADO One and Two Family Dwelling Code (1995 edition), and/or local codes as applicable.

11. HOUSING REHABILITATION SPECIFICATIONS

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

1. Inspect the property and prepare an inspection list noting code deficiencies.

2. Conduct lead-based paint testing/risk assessment to identify lead-based paint hazards.

2. Consult with and advise the owner of the work to be done and the availability of a rehabilitation grant.

3. Prepare a work write-up and cost estimate as a basis for rehabilitation grant and for the bid process in contracting for the rehabilitation work and lead-paint hazard reduction activities.

B. PROPERTY INSPECTION AND SPECIFICATIONS CHECKLIST - The Grantee will have the property inspected by the Community and have a report prepared that identifies each deficiency with respect to the housing code adopted by the Community and the lead-based paint hazard reduction activities required by the testing/risk assessment. The homeowner will also list other deficiencies and request for repairs which may be eligible for correction through the rehabilitation grant. These reports provide a proper basis for the preparation of the work write-up, cost estimate and contract specifications.

C. WORK WRITE-UP AND COST ESTIMATE - The work write-up and cost estimate is a statement based on the code inspection and lead-based paint testing/risk assessment. It itemizes separately all the rehabilitation work and the lead hazard reduction activities 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 a reasonable profit for the contractor.

1. 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, reducing lead-based paint hazards or an eligible cost under the grant. This same write-up without the cost estimate will serve as part of the specifications for the construction contract documents.

2. 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, reducing lead-based paint hazards, or eligible under the grant. This will be done on the work write-up by entering the cost estimates in a columnar arrangement.

3. OWNER PREFERENCE - A work write-up need not contain details that have no significant effect on cost. The term “to be selected by owner” may be used appropriately.

D. CONSULTATION WITH HOMEOWNER/APPLICANT - The Grantee will consult with the prospective applicant on the work write-up and cost estimate. The Grantee 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 “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 initial each page and sign the last page of the write-up.

E. 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.

1. Each specification will show the nature and location of the work and the quantity and type of material required.

2. The specifications will refer to manufacturer's brand names or association standards to identify quality of material and equipment, and may make provision for acceptable substitutes or quality and brand name requirements may be included in the "General Conditions and Specifications" and indicated by reference in the work write-up.

12. CONTRACTING FOR REHABILITATION WORK

A. 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.

1. 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 Grantee's General Conditions and Specifications by reference, the work write-up which specifies the work to be done, and the existing code violations.

2. USE OF ALTERNATES - The document prepared by the Grantee may contain alternates by which each bidder may increase or decrease the lump sum contract price, if the alternates are later accepted as part of the work to be performed.

3. PROCUREMENT OF BIDS - The Grantee will advertise openly and publicly for bids and encourage minority and female owned firms to bid on its projects.

B. GENERAL CONDITIONS - The bid package will contain the following:

1. The address, time and date by which the bid should be submitted by the contractor.

2. A provision that the bid be accepted by the homeowner within a specified length of time.

3. A provision that the contractor start work within a specified length of time.

4. A statement concerning the acceptability of progress payments.

5. A provision that final payment on the contract amount will be made only after final inspection, acceptance of all work by the Grantee and the homeowner, and after the Grantee receives the contractor's final invoice release of liens and warranty, and claims for liens by subcontractors, laborers and material suppliers for completed work or supplied materials.

6. Provisions that the contractor will be required to:

   a. Obtain and pay for all permits and licenses necessary for the completion and execution of the work and labor to be performed.

   b. Perform all work in conformance with applicable local codes, lead-based paint regulations and requirements whether or not covered by specification and drawings for the work.

   c. Keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials and equipment that have been removed and replaced as part of the work shall belong to the contractor, unless specifically stated otherwise within the work write-up.

   d. Not assign the contract without written consent of the Grantee and homeowner.

   e. 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 homeowner, in care of the Grantee, with all manufacturer's and suppliers written guarantees and warranties covering materials and equipment furnished under the contract.

   f. Include a statement as to whether the premises are to be either occupied or vacant during the course of construction work.

   g. A provision that the contractor may reasonably use existing utilities without payment during the course of the work.

C. INSURANCE

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

2. The contractor shall carry or require that there be carried Manufacturer's and Contractor's Public Liability Insurance. This insurance will be in an amount not less than $100,000 for injuries including accidental death to any one person for one accident, and to protect the contractor and

subcontractors against claims for injury or death on one or more 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.

3. The contractor shall carry during the life of the contract Property Damage Insurance in an 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.

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

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

D. 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 Grantee. The specifications will:

1. Clearly identify the code violation and lead-based paint hazard;

2. Specify work to correct those violations or hazards;

3. Note any unusual features or limitations;

4. Include the Grantee's estimated cost for rehabilitation; and

5. Will be initialed on each page by the homeowner and signed on the signature page by the homeowner.

E. INELIGIBLE CONTRACTORS - The Grantee may determine a contractor ineligible to bid on projects when:

1. The contractor is listed on the Federal Debarred list;

2. There is documented proof that the contractor has not paid material suppliers;

3. There is documented proof that the contractor has not completed projects within the allotted time frame;

4. There exist substantial complaints by homeowners about quality of work and performance.

F. INVITATION TO CONTRACTORS FOR BID AND PROPOSAL

1. The Grantee will announce the program and advertise for contractors in local and/or regional newspapers at the beginning of the program and at least once each year thereafter.

2. The Grantee will accept applications from contractors throughout the life of the program.

3. The Grantee will develop and maintain a list of contractors, including minority and female headed firms within the region.

4. The Grantee will notify in writing and in a timely fashion all contractors on the Contractors List when bid packages are available.

5. The Grantee will document when and to whom invitations to bid are sent out and packages picked up.

G. SELECTION OF A SUCCESSFUL BIDDER - The opening of the sealed bids must meet these conditions.

1. The opening must be public.

2. The lowest bid will prevail unless it falls under or over previously established limits as determined by the Grantee's cost estimate.

3. There must be **at least three (3) competitive bids** by eligible contractors.

4. Minutes of the award and bid tabulations should be appropriately filed.

5. Questions concerning contractor eligibility shall be decided prior to opening the bids.

6. The Grantee will verify with THDA that contractors are not debarred.

7. The Grantee may limit the number of bids awarded to any one contractor at any one bid letting to three (3).

8. If all bids exceed the amount of the construction budget, the Grantee may not negotiate solely with the low bidder. The project can be re-bid or changed in scope. If the project is changed, then each bidder must be given the opportunity to bid again. Bidders must be informed that they have the right to change their original unit prices as long as they conform to the revised bid specifications. Grantees must maintain documentation to demonstrate that this process was followed.

9. If there are not at least three (3) competitive bids from eligible contractors, the project must be re-bid. If there are still not three bids after the project has been re-bid, the Grantee will contact THDA before awarding the contract.

H. AWARD OF THE CONSTRUCTION CONTRACT - The contract will become effective upon the signatures of the homeowner and contractor and with the Grantee's endorsement. The Grantee will distribute the executed contract documents as follows: original to Grantee, copy to homeowner, copy to contractor.

13. INSPECTION, CLOSE-OUT AND PAYMENT FOR REHABILITATION WORK

A. RESPONSIBILITY FOR MAKING INSPECTIONS - Inspection of construction will be performed by the Grantee or its designate as follows:

1. 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 and plumbing codes, zoning regulations, and any other related State or local laws and ordinances.

2. 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.

3. Written notices of inspections (HO-17) shall be filed appropriately.

B. PROGRESS PAYMENTS - If progress payments are allowed by the Grantee, no more than one progress payment can be made and the payment will be 50% of the funds at the completion of 60% of the work.

C. FINAL PAYMENTS

1. FINAL INSPECTION - Upon completion of the rehabilitation work, a final inspection is held by the Grantee. Any uncompleted work or work that is unsatisfactory is noted on a final "punch list" and sent to the contractor in writing (HO-17 and HO-18). When these items are completed, clearance testing for lead-based paint hazards is conducted on the unit. When the unit passes clearance testing, the contract is complete.

2. CERTIFICATION - After the Grantee determines that the rehabilitation work has been fully and satisfactorily completed and the unit has passed clearance testing, the Certification of Completion and Final Inspection is prepared (FM-7). The homeowner signs the Certification indicating that he accepts the rehabilitation work as meeting the terms and conditions of the contract. The contractor signs the Certification indicating that the work has been completed in accordance with the contract and that there are no unpaid claims for labor, materials supplies or equipment. The inspector signs the Certification indicating that work has been completed in accordance with the contract and authorizing final payment.

3. NOTICE OF COMPLETION - The contractor shall file a Notice of Completion with the Register of Deeds in the county that the work is performed and return a certified copy to the Grantee.

4. MAKING FINAL PAYMENT - When the final inspection determines that the work is completed in accordance with the contract and the homeowner has accepted the work, the Grantee 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 Grantee will request final payment from THDA at that time.

5. If the homeowner refuses to sign the final acceptance, the Grantee may authorize full payment for those items which are undisputed and acceptable to all parties.

XIV. GRIEVANCE PROCEDURE

A. The Grievance Procedure shall be made a part of the contract between the homeowner and the contractor. Disputes between the homeowner, Grantee 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.

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

2. The program administrator will meet with the homeowner/contractor and attempt to negotiate a solution.

3. Contact the THDA Community Programs Division at (615) 741-3007 should the program administrator fail to negotiate a solution.

B. **GRIEVANCE PROCEDURE** - If this fails, the program administrator will follow the grievance procedure as outlined below:

1. All claims or disputes between the owner and contractor arising out of or related to the work shall be decided by arbitration in accordance with the current construction industry arbitration rules of the American Arbitration Association unless the parties mutually agree otherwise.

2. The owner and contractor shall submit all disputes or claims, regardless of the extent of the works progress, to _____ unless the parties mutually agree otherwise.

3. Notice of the demand for arbitration shall be filed in writing with the other party to this rehabilitation agreement and shall be made within a reasonable time after the dispute has arisen.

4. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

5. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the contractor, the arbitrator may award costs and attorney fees in favor of the contractor. If the arbitrators award is in a sum which is less than that which was offered in settlement by the owners, the arbitrator may award costs and attorney fees in favor of the owner.

C. **THE WRITTEN CONTRACT** - The contract and the rehabilitation specifications, along with the housing code report provide the basic documentation by which the relative merits of any dispute will be judged.

D. **CONFLICT OF INTEREST OF PUBLIC OFFICIALS** - No elected or appointed Federal, State or 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 Grantee must contact THDA for clarification before proceeding. THDA will not routinely consider requesting an exception to the conflict of interest provisions from HUD.

E. **KICKBACKS AND DISCOUNTS** - No member of the governing body of the Grantee or any Grantee employee shall receive kickbacks or discounts from either contractors or property owners in return for special favors in regard to housing rehabilitation.

INDIVIDUAL CASE FILE CHECKLIST

YES	NO		
☐	☐	HO-3	Rehabilitation Application/Family Survey
☐	☐	HO-4	Ineligible for Assistance, if applicable
☐	☐	HO-5	Rehabilitation Work Write-up and Cost Estimate
☐	☐	HO-6	Determination of Reconstruction
☐	☐	HO-7	Rehabilitation bid tabulation
☐	☐	HO-8	Calculation of After Rehabilitation Property Value
☐	☐	HO-9	Approval for Rehabilitation Assistance
☐	☐	HO-10	Contract for Rehabilitation
☐	☐	HO-11	Contractor's Certification of Eligibility to Participate
☐	☐	HO-12	Contractor's Non-Kickback Certification
☐	☐	HO-13	Right of Rescission
☐	☐	LBP-1	*Protect Your Family from Lead in Your Home* Pamphlet
☐	☐	LBP-2	Status of Compliance with Lead-Based Paint Regulations
☐	☐	LBP-3	Statement of Clearance
☐	☐	HO-15	Notice to Proceed
☐	☐	HO-16	Change Order(s)
☐	☐	HO-17	Inspection or Punchlist Report
☐	☐	HO-18	Punch List Letter
☐	☐	HO-19	Final Invoice, Release of liens, and Warranty
☐	☐	HO-20	Receipt of Final Payment
☐	☐	FM-3	HUD Project set-up
☐	☐	FM-7	Certification of Completion and Final Inspection
☐	☐	FM-8	HUD Project completion report - Homeowner Rehabilitation
☐	☐		Copies of contractor payments (cancelled checks/both sides)
☐	☐		Follow-up visits
☐	☐		Written complaints and resolution, correspondence

HO-3

HOME PROGRAM
HOMEOWNER APPLICATION/FAMILY SURVEY

Date: _____

Name of Interviewer: _____

A. PERSONAL INFORMATION

Head of Household: _____ Age: : _____

Social Security Number: _____

Address: _____ Phone: _____

City: _____ State: _____ Zip: _____

Marital Status: ☐ Single ☐ Married ☐ Divorced ☐ Widow/Widower

Name of Spouse: _____ Age: _____

Social Security Number: _____

All persons living with you	Relationship	Age	Sex	Social Security #

Are either you or your spouse handicapped or disabled? ☐ YES ☐ NO

If YES, what is the nature of the condition? _____

_____

Are either you or your spouse related to any individual who is employed by the local government or agency administering this grant. ☐ YES ☐ NO

If YES, what is the relationship? _____

_____

SUMMARY OF HOUSEHOLD

1. Size of household: _____

2. Number of Elderly Household Members: _____

3. Number of Handicapped or Disabled: _____

4. Female Headed Household: _____

5. Number of Persons 18 years old or younger: _____

B. DWELLING STRUCTURE

1. ☐ Single Family ☐ Duplex ☐ Triplex

2. Number of Bedrooms _____

3. Approximate year built _____

4. Date first moved in unit _____

C. FAMILY INCOME CALCULATION

1. Number in Household _____

2. Income Limits for _____ County dated _____

   LMI Maximum _____ VLI Maximum _____

3. Payment Frequency

   ☐ Hourly (hourly rate x number of hours per week)

   ☐ Weekly (weekly salary x 52 weeks per year)

   ☐ Bi-monthly (24 times per year)

   ☐ Every two weeks (26 times per year)

   ☐ Monthly

4. Show income calculation to convert to annual gross income.

   Example: Mr. Jones is paid $5.00/hour and works 32 hours/week
   $5.00 x 32 = $160 x 52 weeks = $8,320 annual income

5. ASSETS (other than your home, household items and automobile)

FAMILY MEMBER	ASSET DESCRIPTION	CURRENT MARKET VALUE	INCOME FROM ASSETS
Total Net Family Assets		a.	
Total Actual Asset Income			b.
If line (a) is greater than $5,000, multiply (a) by _____ (passbook rate) and enter result here; otherwise, leave blank			c.

6. SUMMARY OF INCOME DATA

FAMILY MEMBER	WAGES SALARIES	BENEFITS PENSIONS	PUBLIC ASSISTANCE	OTHER INCOME	TOTALS
TOTALS					

Asset Income - Enter greater of lines 5(b) or 5 (c) above $_____

Total Anticipated Income $_____

ANNUAL INCOME - Anticipate Income plus Asset Income $_____

D. INCOME LEVEL

☐ Above 80% of area median ☐ 80% of area median

☐ 60% of area median ☐ 50% of area median

☐ Below 50% of area median

E. VERIFICATION

Income verified by _____ using:

☐ Check stub ☐ Employer Verification

☐ Benefit Verification ☐ Copy of Benefit Check

F. CERTIFICATION

To the best of my knowledge, I certifiy that the information in this application for federal assistance through the HOME program is true and correct. I further certify that the address listed is my principal residence. I will comply with the HOME program rules and regulations if assistance is approved. I also certify that I am aware that providing false information on the application can subject the individual signing such application to criminal sanction up to and including a Class B Felony.

_____ _____

Applicant Date

_____ _____

Applicant Date

Please submit the following with this application:

1. Proof of ownership in the form of a warranty deed or 99-year leasehold
2. Copy of paycheck stub, benefit verification or benefit check or employer verification documenting current income.
3. Copy of property tax receipts.

SAMPLE

HOME Program
Eligibility Release Form

Organization requesting release of information (Name, Address, Telephone and Date)

Purpose: Your signature on this HOME Program Eligibility Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

HOME Homeownership Program
HOME Rental Rehabilitation Program
HOME Homeowner Rehabilitation Program
HOME Rental New Construction Program

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

Instructions: Each adult member of the household must sign a HOME Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Information Covered: Inquiries may be made about items initiated by applicant/tenant.

	Verification Required	Initials
Income (all sources)		
Assets (all sources)		
Child Care Expense		
Handicap Assistance Expense (if applicable)		
Medical Expense (if applicable)		
Federal Preferences		
Other Preferences		
Other (list)		
Dependent Deduction ____ Full-Time Student ____ Handicap/Disabled Family Member ____ Minor Children		

Authorization: I authorize the above-named HOME Grantee and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

(1) A photocopy of this form is as valid as the original

(2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).

(3) I have the right to copy information from this file and to request correction of information I believe inaccurate.

(4) All adult household members will sign this form and cooperate with the owner in this process.

Head of Household – Signature, Printed Name and Date Family Member HEAD
X
Other Adult Member of the Household – Signature, Printed Name and Date Family Member #3
X

Other Adult Member of Household – Signature, Printed Name and Date Family Member #2
X
Other Adult Member of the Household – Signature, Printed Name and Date Family Member #4
X

SAMPLE

VERIFICATION OF ASSETS ON DEPOSIT

(Name of HOME Participating Jurisdiction) _____	Checking Account #	Average Monthly Balance for Last 6 Months	Current Interest Rate	
AUTHORIZATION: Federal Regulations require us to verify income from Assets of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.	Savings Accounts #	Current Balance	Current Interest Rate	
	Certificate of Deposit Account #	Amount	Withdrawal Penalty	Current Interest Rate
	IRA, Keogh, Retirement Accounts			
Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed	Account #	Amount	Withdrawal Penalty	Current Interest Rate
	Money Market Funds	Amount (Average 6 month Balance)	Interest Rate	
Release: I hereby authorize the release of the requested information _____ (Signature of Applicant	Signature of _____ or Authorized Representative_____. Title: Date: Telephone			
WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.				

SAMPLE

VERIFICATION OF EMPLOYMENT

(Name of HOME Participating Jurisdiction)

_____

AUTHORIZATION: Federal Regulations require us to verify income from Assets of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.

Employed since: _____ Occupation: _____

Salary: _____ Effective date of last increase:_____

Base pay rate:

$ _____/hour or $ _____/week or $ _____/month

Average hours/week at base pay rate: _____ Hours

No. Weeks ____ or No. Weeks _____ worked per year

Overtime pay rate: $_____/hour

Expected average number of hours overtime worked per week during next 12 months: _____

Any other compensation not included above (specify for commissions, bonuses, tips, etc.):

For: _____ $_____per _____

Is pay received for vacation? ____No. of days/year_____

Total base pay earnings for past 12 mos. $_____

Total overtime earnings for past 12 mos. $_____

Probability and expected date of any pay increase:_____

Does employee have access to a retirement account? Yes_____ No _____

If Yes, what amount can they get access to $_____

Release: I hereby authorize the release of the requested information

_____
(Signature of Applicant

Signature of _____ or

Authorized Representative_____.

Title:

Date:

Telephone

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

INELIGIBLE FOR ASSISTANCE

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

_____ After Rehabilitation Value exceeds 95% of area median sales price limits

_____ Cannot make house standard with available funds

_____ Property ownership not properly recorded

_____ Other:

Explanation:

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

Sincerely,

Program Administrator

HO-5A

PRELIMINARY INSPECTON REPORT

Homeowner	Inspected By
Address	Date
City	Estimate
Telephone	Case Number

INSPECTION REPORT		
ITEM	CODE VIOLATION	COST

WORK WRITE-UP AND COST ESTIMATE

Homeowner	Inspected By
Address	Date
City	Estimate
Telephone	Case Number

WORK WRITE-UP			
ITEM	CODE VIOLATION	LEAD HAZARD	COST

DETERMINATION FOR RECONSTRUCTION

Date: _____

Project Address: _____

_____

_____

1. Has the property been condemned by the local codes department?

   Yes ☐ No ☐ (if no explain)

2. In the opinion of the Grantee's inspector will the property repairs exceed 80% of the after rehabilitation value?

   Yes ☐ No ☐

3. In the opinion of the grantee's inspector this unit is not safe, sanitary, or affordable to rehabilitate.

   Yes ☐ No ☐

4. The statement certify's that I, _____ have inspected the above-referenced unit, and hereby certify this demolition is in compliance with regulations of the HOME RECONSTRUCTION PROGRAM as outlined in the Federal register 24 CFR Part 92.

_____
Grantee's Inspector

_____
Grantee's Administrator

HO-7

REHABILITATION BID TABULATION

DATE:_____

CASE NO. _____

_____
NAME OF APPLICANT

_____
ADDRESS OF PROPERTY BID ON

_____
DATE BID ADVERTISED (if applicable)

NAMES OF CONTRACTORS WHO BID:	REHAB	LEAD	TOTAL BID
_____	$_____	$_____	$_____
_____	$_____	$_____	$_____
_____	$_____	$_____	$_____
_____	$_____	$_____	$_____
_____	$_____	$_____	$_____
_____	$_____	$_____	$_____

LOWEST BIDDER

_____
CONTRACTOR AWARDED CONTRACT

$_____
AMOUNT OF CONTRACT

_____
DATE OF CONTRACT

_____
GRANTEE REPRESENTATIVE

DATE: _____

IS BID WITHIN 10% OF STAFF ESTIMATE?

CALCULATION OF AFTER REHABILITATION PROPERTY VALUES FOR HOMEOWNER REHABILITATION PROJECTS

1.	Appraised Property Value (Provide statement from the County Tax Assessor)	$ _____
2.	Cost of Rehabilitation (Total of Rehabilitation Contract)	$ _____
3.	Soft Costs	$ _____
3.	After Rehabilitation Property Value (1 + 2+3)	$ _____
4.	Maximum After Rehabilitation Value for _____ County from Attachment IV	$ _____

I hereby certify that the after rehabilitation value of this unit will not exceed the HOME limits.

_____ Date: _____
Program Administrator

APPROVAL FOR REHABILITATION ASSISTANCE

DATE:_____

CASE NO. _____

KNOW ALL MEN BY THESE PRESENT:

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

_____
Property Address

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS, that the _____ 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 according to the provisions of _____'s HOME program.

DATED this _____ day of _____, 19_____.

_____
Program Administrator

CONTRACT FOR REHABILITATION

KNOW ALL MEN BY THESE PRESENT:

GRANTEE _____ TENNESSEE

THIS AGREEMENT made this _____ day of _____ 19___ 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 the Work Write-up 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/she has received a written Proceed Order from the OWNER.

The OWNER shall issue a written Proceed Order within ten (10) days for 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 fifteen (15) days after issuance of the Proceed Order. At the option of the OWNER this contract may be cancelled 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.

SECTION II HOME Applicable Laws & Regulations

Homes must comply with all applicable standards listed below:

1. Executive Order 11246 Requirements 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.
2. 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.

3. Section 92.350 Equal Opportunity & Fair Housing 24 CFR 207.
4. Section 92.351 Affirmative Marketing.
5. Section 92.354 Labor.
6. Section 92.356 Conflict of Interest 24 CFR 24.
7. Section 92.357 Debarment and Suspension 24 CFR 24.
8. Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970 as amended implementing Regulations A7 49 CFR. Part 24 and the requirements of 24 CFR 92.353.
9. Section 92.251 Property Standards 24 CFR Part 92.
10. Cost Effective Energy Code 24 CFR 39 on substantial rehabilitation and reconstruction.
11. The contractor must provide a drug-free workplace in compliance with the Rehabilitation Act of 1973 as amended.
12. HUD Accessibility Standards in accordance with Architectural Barriers Act 42 U.S.C. 4151-4157.
13. Americans with Disabilities Act of 1990 (Title 28 of the CFR Part 36).
14. All state and local codes and ordinances.

SECTION III Requirements

1. The work to be performed under this contract is on a project assisted under the State HOME program which provides 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 lower income residents of the project area 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 project.

2. The parties to this contract 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 134 and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract 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/she has a collective bargaining agreement or other contact or understanding if any, a notice advising said labor organization or workers' representative of his/her 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 hereunder prior to the execution of the contract shall be condition of the Federal financial assistance provided to the project binding upon the applicant or recipient for such assistance its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient its contractors or 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 or national origin. 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. Grantee 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/her attempts to resolve it to the local elected body who shall make a determination.
- If the local elected body is unable to negotiate a solution, the program administrator will contact the Community Programs Division of THDA.

Issues relating to complaints about the performance of the rehabilitation contract should proceed in the following manner.

All claims or disputes between the Owners and Contractor arising out of or related to the work shall be decided by arbitration in accordance with the construction industry arbitration rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise. The Owners and Contractor shall submit all disputes or claims regardless of the extent of the workers progress to (name of arbitrator) unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party to this Remodeling and Construction Agreement and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the Contractor the arbitrator may award costs and attorney's fees in favor of the Contractor. If the award of the arbitrator is in a sum greater than that which was offered in settlement by the Owners, the arbitrator may award costs and attorney's fees in favor of the Owners. The affected parties may institute litigation.

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

No member of the Grantee staff and no officer, employee, or member of the governing body of the Grantee 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 Grantee.

Change orders must be done on the appropriate form (HO-16) and must be signed by the Homeowner, Contractor, and Grantee official. The Tennessee Housing Development Agency must approve any change order in excess of 10% of the original contract price.

SECTION IV 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 Grantee.

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 Grantee.

Covenant and agree to and to hereby indemnify and to hold harmless and defend the OWNER, the Grantee and the State of Tennessee their agents, servants or employees, from 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 required under this program has been secured and such insurance has been approved by the Grantee.

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_____ 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 Grantee 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.

Further on completion of all construction work a Notice of Completion shall be filed at the County Register Deeds as required by State law and a registered copy of the document submitted to the Grantee.

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 Grantee. If any extras are approved an amendment must be signed by the OWNER and the CONTRACTOR.

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 ten (10) days from the date of execution of the contract.

Have the option in the event of any breach of this contract and with the Grantee 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 account as arranged by the Grantee and understands that no interest will accure on the monies placed into the account.

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

SECTION V 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.

SECTION VI 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 or the proceeds thereof for work to be performed. Further, the CONTRACTOR shall cause to be incorporated in all subcontractors 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

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 issued;

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 Employers 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 people 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 American and maintaining identifiable tribal affiliations through membership and participation

(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 Contractors or Subcontractors'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 form 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 non-working 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 on 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 individuals. 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 therefore, 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-top 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 complied 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 classification 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 supervisors 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 Subcontracts with any person or firm debarred form 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 records relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee identification numbers, 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 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 CERTIFICATION OF ELIGIBILITY TO PARTICIPATE

This certification is required pursuant to 24 CFR Section 24.510(b). It shall be completed, signed and submitted as part of the bid proposal.

The prospective bidder certifies by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Firm: _____

BY: _____
(Name Typed or Printed)

_____ _____
Contractor's Signature Date

CONTRACTOR'S NON-KICKBACK CERTIFICATION

DATE:_____

CASE NO. _____

TO: (Grantee)
(Grantee Location), Tennessee

RE: Property located at: _____

Contract Dated: _____ Contract Amount $_____

Contractor: _____

KNOW ALL ME 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

NOTICE OF RIGHT OF RECISSION

_____
(Identification of Transaction)

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

You have entered into a transaction on _____ which will result in a lien being placed on your property for a period of at least five years. You have a legal right under federal law to cancel this transaction *within three business days* from the above date without penalty or obligation. If you desire to do so, this transaction and any lien on your property arising from this transaction is automatically void. 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 _____. 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. The 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 _____, 19_____.

_____ _____
Signature Signature

EFFECT OF RECISSION. When a customer exercises his right to rescind 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 this 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.

HO-15

NOTICE TO PROCEED

DATE:_____

CASE NO. _____

Your are hereby notified to commence work at _____
in reference to the contract dated _____, on or before _____
for rehabilitation on property at the above address.

Pursuant to the provisions to the contract referenced, you are hereby give 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. The date of completion of all WORK is therefore _____.

Please acknowledge receipt of this Notice to Proceed as provided below and return the original signed copy to the Grantee at _____ or to the Grantee's HOME Program Administrator.

_____
Homeowner

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE TO PROCEED is hereby acknowledged by _____
_____ this _____ day of _____, 19_____.

_____
Contractor

_____
Title

_____
Grantee Representative

_____
Date

CHANGE ORDER

DATE:_____

CHANGE ORDER NUMBER: _____

TO: *(Contractor)*

FROM: *(Homeowner)*

PROPERTY ADDRESS: _____

_____

DESCRIPTION OF CHANGES:

_____

_____

_____

_____

_____

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 increased/decreased by this Change Order $ _____

The new Contract Sum, including this Change Order, will be $ _____

The Contract Time will be extended _____ by _____ days.

_____ _____

CONTRACTOR HOMEOWNER

BY: _____ BY: _____

APPROVAL:

_____

PROGRAM ADMINISTRATOR

HO-17

INSPECTION OR PUNCHLIST REPORT

DATE:_____

CASE NO. _____

OWNER: _____

PROPERTY ADDRESS: _____

_____

DATE INSPECTED: _____ _____ _____
Month Day Year

GENERAL STATUS OF WORK:

_____

_____

_____

DISCREPANCIES NOTED (IF ANY):

_____

_____

_____

_____

_____

_____

_____ _____
SIGNATURE OF INSPECTOR PROGRAM ADMINISTRATOR

_____
DATE

PUNCHLIST LETTER

DATE: _____

OWNER: _____

PROPERTY ADDRESS: _____

_____

RE: PUNCH LIST

Dear

I am enclosing the final punch items on the above referenced project. Please make the necessary corrections within fifteen (15) days of the date of this letter. After corrections have been completed, please contact _____ for a reinspection.

If you have any further questions, please contact me at _____.

Sincerely,

(Program Administrator)

FINAL INVOICE, RELEASE OF LIENS AND WARRANTY

DATE: _____ CASE NO. _____

RE: Property located at: _____

_____

Contract Dated: _____

Total Contract Amount $_____

KNOW ALL ME 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 manufacturers' and suppliers' 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 _____, 19____.

WITNESS: CONTRACTOR:

_____ _____

BY:_____

HO-20

RECEIPT OF FINAL PAYMENT

DATE: _____

CASE NO. _____

I, _____, as 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

GRANT NOTE
HOME PROGRAM

$_____ _____, Tennessee

_____, 20__

On demand after date, for value received and hereby acknowledged, _____ and _____ jointly and severally (collectively, "Maker"), promise to pay to the order of _____ ("Holder") the principal sum of _____ and 00/100 Dollars ($_____), in legal tender, with interest thereon from date at zero percent (0%) per annum. Principal shall be payable at the offices of Holder or such other place as Holder may designate.

A. So long as there is no default with respect to the conditions set forth herein, the principal sum due and payable under this Grant Note shall be reduced annually as follows:

1. The first reduction of _____ percent (_____%) of the original principal sum due under this Grant Note shall occur on the date that is one (1) year from the date hereof, so long as the conditions set forth herein are met.

2. Subsequent annual reductions, each in the amount of _____ percent (_____%) of the original principal sum due under this Grant Note, shall occur in each subsequent year on the same month and day as the first reduction, so long as the conditions set forth herein are met.

B. Holder agrees not to make demand for payment under this Grant Note so long as the following conditions are met:

1. The funds advanced hereunder are initially used in accordance with the rules and regulations of the Home Investment Partnership Program set forth in 24 CFR Part 92, as subsequently amended (the "HOME Regulations") and that certain agreement between Holder and the Tennessee Housing Development Agency ("THDA") dated _____, 20__.

2. The Property is occupied by Maker as Maker's principal residence for _____ (_____) years from the date hereof (the "Compliance Period").

3. In the event of Maker's death during the Compliance Period, if Maker's heir or heirs occupy the Property as their principal residence, such heir or heirs will be deemed to meet HOME Regulations for purposes of determining income and the Compliance Period shall continue so long as all other terms and conditions of this Grant Note are fulfilled. If Maker's heir or heirs sell, lease or otherwise transfer all or any part of this Property, all amounts outstanding hereunder shall be immediately due and payable.

4. Maker complies in all respects with the deed of trust given by Maker to Holder, dated the same date as this Grant Note, which conveys title to certain property owned by Maker located at _____ (the "Property").

This Grant Note shall be immediately due and payable upon the sale or transfer of all or any interest in the Property, except as set forth in number 3 above.

In the event of a default hereunder, Holder shall, at any time thereafter, be entitled, but not required, to demand payment of all amounts due under this Grant Note as of the date of default. Amounts not paid upon demand shall bear interest at the maximum lawful rate from the date of demand until the date payment is received. Should efforts be made to collect this Grant Note, or any part of the indebtedness evidenced hereby, by law or through an attorney, Maker shall pay all reasonable attorney's fees, all court costs and all costs of collection upon demand. Any failure on the part of Holder to exercise its rights hereunder shall not, in any event, be considered a waiver of any such rights nor shall such failure preclude Holder from exercising such rights at any time. Maker hereby waives all rights of protest, notice of demand, protest and demand, notice of protest, presentment, demand, dishonor and non-payment.

MAKER:

_____

_____

THIS INSTRUMENT PREPARED BY:

_____
_____
_____
_____

The maximum principal indebtedness for Tennessee recording tax purposes is $_____

DEED OF TRUST
HOME PROGRAM

THIS DEED OF TRUST is made and entered into as of this ____ day of _____, 20__, by and between _____, whose address is _____, ("Property Owner"), _____ and his successors and assigns (collectively, "Trustees"); and _____, a political subdivision and instrumentality of the State of Tennessee, whose address is _____ ("Local Government").

RECITALS

Local Government has agreed to make funds available to the Property Owner through the HOME Investment Partnership Program (the "HOME Program") pursuant to the regulations and program requirements in connection therewith (the "HOME Program Requirements") for the rehabilitation of that certain single family, owner occupied housing unit located at _____, Tennessee, as conveyed to Property Owner by deed of record in Book _____, page _____, in the Register's Office for _____ County, Tennessee, as more fully described in Exhibit A which is attached hereto and incorporated herein by this reference (the "Property"); and

Property Owner is a person or family of low or very low income as defined in the HOME Program Requirements; and

Property Owner desires to secure to Local Government the payment of all indebtedness of the Property Owner relating to the Property under the HOME Program and the due and punctual performance by Property Owner of each and every covenant, condition and agreement made by Property Owner in connection with the Property and the HOME Program.

NOW THEREFORE; for and in consideration of One Dollar ($1.00) cash in hand paid, the receipt of which is acknowledged, and the other considerations hereinafter mentioned, Property Owner, does hereby grant and convey unto the Trustees in trust, with power of sale and with General Warranty, the Property.

TO HAVE AND TO HOLD the Property with the appurtenances, estate, title, and interest thereto belonging to Trustees in trust forever.

But, this conveyance is made IN TRUST for the following uses and trusts, and for no other purpose, to wit: to secure to Local Government payment of the indebtedness evidenced by that certain promissory note of even date ("HOME Note") made by the Property Owner, payable to the order of Local Government in the principal sum of _____ Dollars, ($_____), any modification thereafter, and any note given in substitution for or upon any renewal or extension of the HOME Note.

Pursuant to the provisions of T.C.A. Section 66-11-108, Local Government does not consent to the priority of any contract, whether now in existence or hereafter entered into, for the making of improvements upon the Property, over the lien of this Deed of Trust; provided, however, Local Government acknowledges and agrees that this Deed of Trust is subject and subordinate, in all respects, to the lien, terms, covenants and conditions of that certain deed of trust of record in Book _____, page _____, in said Register's Office (the "First Deed of Trust").

As part of the consideration for the execution of this instrument, and of the indebtedness secured hereunder, Property Owner agrees:

1. To pay to Local Government the outstanding principal of the HOME Note, and all interest thereon, and all other sums due thereunder, as and when the same shall become due as provided therein.

2. To retain title to the Property, and not to convey the same or any interest in the same, without the prior consent, in writing, of Local Government. If any or all of the Property, or any interest in it, is sold, leased or otherwise transferred or conveyed, or if any encumbrance affects the Property, without the prior written consent of Local Government, Local Government may, at its option, require immediate payment of all amounts due under the HOME Note and all amounts secured by this Deed of Trust.

3. To perform all obligations under the First Deed of Trust in accordance with its terms.

Now, if the Property Owner shall pay said indebtedness, and all installments thereof, including both principal and interest, when due, according to the terms of the HOME Note, and if the Property Owner shall keep and perform each of the other covenants and agreements herein contained, then, this trust conveyance shall be of no further force or effect. But, if the Property Owner shall fail to pay said indebtedness, or any part or installment thereof, or any interest thereon, when due, or if the Property Owner shall fail to keep and perform any of the other covenants and agreements herein contained, or if the Property Owner shall make an assignment for the benefit of

creditors, or should a receiver, liquidator, or trustee of the Property Owner, or of any of the Property Owner's property, be appointed, or should any petition in bankruptcy, or for the reorganization or arrangement of the Property Owner pursuant to the Federal Bankruptcy Code, or any statute, federal or state, similar thereto, be filed by or against the Property Owner, and such defaults are not cured within ten (10) days from written notice to Property Owner specifying such default, then, and in any of such events, this trust conveyance shall remain in full force and effect, and at the option of the Local Government, all remaining unpaid indebtedness shall become due and payable at once, without notice, and the Trustee, acting in person or through an agent or agents duly appointed by him for this purpose, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in the county in which the Property is located, to sell the Property at the front door of the Courthouse in said county (or at such other place at said Courthouse as is usually and customarily used for the conduct of foreclosure sales) to the highest bidder for cash, at public outcry, free from the equity of redemption, any and all statutory rights of redemption including, without limitation, those provided in T.C.A. Section 66-8-101, as amended, or as may be hereinafter enacted, homestead, dower, courtesy, any elective share, and all other exemptions or marital rights of every kind, which are hereby expressly waived; and the Trustee is authorized and empowered to execute and deliver a deed to the purchaser. The sale may be adjourned from day to day by the Trustee or his agent or successor, by announcement at the Courthouse on the date the sale is originally set, or any adjournment thereof, and may be reset at a later date without any additional publication. The creditor may bid at any sale under this trust conveyance. Property Owner agrees that the Trustee may, at any time after default in the payment of any part of the indebtedness, enter and take possession of the Property, and shall only account for the net rents actually received by him. Property Owner further agrees that, in the event the Trustee fails, before selling the Property as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for the Property.

Local Government may, at any time and from time to time, without assigning cause, in Local Government's sole and absolute discretion, remove the Trustee herein named and appoint a successor to execute this trust, by an instrument in writing duly executed by Local Government and filed for record in the county in which the Property is located and, upon the execution and filing of such instrument, the title herein conveyed to the Trustee shall be vested in the successor so appointed.

In the event of a sale of the Property under and by virtue of this trust, the Property Owner, and all persons holding under Property Owner, shall be and become the tenants at will of the purchaser from and after the execution and delivery of a deed to the purchaser.

Upon any sale under this Deed of Trust, the proceeds will be applied by the Trustee:

First: To pay all the costs and charges of executing this trust, including attorney's fees and the expenses of any litigation which may arise on account of the execution and enforcement of this trust, or in connection therewith as above provided.

Second: To pay the outstanding indebtedness, or any balance thereof, then remaining unpaid.

Third: To pay the remainder, if any, to Property Owner, or Property Owner's order.

Wherever used herein, the singular number shall be deemed to include the plural, and vice versa, and the masculine gender shall be deemed to include the feminine or neuter, and vice versa. In addition, the word "Property Owner" shall be deemed to include not only the Property Owner specifically named in this Deed of Trust, but also all successors of such Property Owner in title to the Property.

IN WITNESS WHEREOF, the Property Owner has executed this Deed of Trust effective as of the date first written above.

PROPERTY OWNER:

_____

NAME: _____

STATE OF _____)
COUNTY OF _____)

Before me, _____ a Notary Public of the state and county mentioned, personally appeared _____, the within named bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that (s)he executed the foregoing instrument for the purpose therein contained.

Witness my hand and seal, at office, this _____ day of _____, 20__.

_____
Notary Public

My Commission Expires: _____

EXHIBIT A

(attach property description)

THIS INSTRUMENT PREPARED BY:
_____
_____
_____
_____

The maximum principal indebtedness for Tennessee recording tax purposes is $_____

DEED OF TRUST

HOME PROGRAM

THIS DEED OF TRUST is made and entered into as of this ____ day of _____, 20__, by and between _____, whose address is _____, ("Property Owner"), _____ and his successors and assigns (collectively, "Trustees"); and _____, a Tennessee not for profit corporation, whose address is _____ ("Non-Profit").

RECITALS

Non-Profit has agreed to make funds available to the Property Owner through the HOME Investment Partnership Program (the "HOME Program") pursuant to the regulations and program requirements in connection therewith (the "HOME Program Requirements") for the rehabilitation of that certain single family, owner occupied housing unit located at _____, Tennessee, as conveyed to Property Owner by deed of record in Book _____, page _____, in the Register's Office for _____ County, Tennessee, as more fully described in Exhibit A which is attached hereto and incorporated herein by this reference (the "Property"); and

Property Owner is a person or family of low or very low income as defined in the HOME Program Requirements; and

Property Owner desires to secure to Non-Profit the payment of all indebtedness of the Property Owner relating to the Property under the HOME Program and the due and punctual performance by Property Owner of each and every covenant, condition and agreement made by Property Owner in connection with the Property and the HOME Program.

NOW THEREFORE; for and in consideration of One Dollar ($1.00) cash in hand paid, the receipt of which is acknowledged, and the other considerations hereinafter mentioned, Property Owner, does hereby grant and convey unto the Trustees in trust, with power of sale and with General Warranty, the Property.

TO HAVE AND TO HOLD the Property with the appurtenances, estate, title, and interest thereto belonging to Trustees in trust forever.

But, this conveyance is made IN TRUST for the following uses and trusts, and for no other purpose, to wit: to secure to Non-Profit payment of the indebtedness evidenced by that certain promissory note of even date ("HOME Note") made by the Property Owner, payable to the order of Non-Profit in the principal sum of _____ Dollars, ($_____), any modification thereafter, and any note given in substitution for or upon any renewal or extension of the HOME Note.

Pursuant to the provisions of T.C.A. Section 66-11-108, Non-Profit does not consent to the priority of any contract, whether now in existence or hereafter entered into, for the making of improvements upon the Property, over the lien of this Deed of Trust; provided, however, Non-Profit acknowledges and agrees that this Deed of Trust is subject and subordinate, in all respects, to the lien, terms, covenants and conditions of that certain deed of trust of record in Book _____, page _____, in said Register's Office (the "First Deed of Trust").

As part of the consideration for the execution of this instrument, and of the indebtedness secured hereunder, Property Owner agrees:

1. To pay to Non-Profit the outstanding principal of the HOME Note, and all interest thereon, and all other sums due thereunder, as and when the same shall become due as provided therein.

2. To retain title to the Property, and not to convey the same or any interest in the same, without the prior consent, in writing, of Non-Profit. If any or all of the Property, or any interest in it, is sold, leased or otherwise transferred or conveyed, or if any encumbrance affects the Property, without the prior written consent of Non-Profit, Non-Profit may, at its option, require immediate payment of all amounts due under the Home Note and all amounts secured by this Deed of Trust.

3. To perform all obligations under the First Deed of Trust in accordance with its terms.

Now, if the Property Owner shall pay said indebtedness, and all installments thereof, including both principal and interest, when due, according to the terms of the HOME Note, and if the Property Owner shall keep and perform each of the other covenants and agreements herein contained, then, this trust conveyance shall be of no further force or effect. But, if the Property Owner shall fail to pay said indebtedness, or any part or installment thereof, or any interest thereon, when due, or if the Property Owner shall fail to keep and perform any of the other covenants and agreements herein contained, or if the Property Owner shall make an assignment for the benefit of

creditors, or should a receiver, liquidator, or trustee of the Property Owner, or of any of the Property Owner's property, be appointed, or should any petition in bankruptcy, or for the reorganization or arrangement of the Property Owner pursuant to the Federal Bankruptcy Code, or any statute, federal or state, similar thereto, be filed by or against the Property Owner, and such defaults are not cured within ten (10) days from written notice to Property Owner specifying such default, then, and in any of such events, this trust conveyance shall remain in full force and effect, and at the option of the Non-Profit, all remaining unpaid indebtedness shall become due and payable at once, without notice, and the Trustee, acting in person or through an agent or agents duly appointed by him for this purpose, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in the county in which the Property is located, to sell the Property at the front door of the Courthouse in said county (or at such other place at said Courthouse as is usually and customarily used for the conduct of foreclosure sales) to the highest bidder for cash, at public outcry, free from the equity of redemption, any and all statutory rights of redemption including, without limitation, those provided in T.C.A. Section 66-8-101, as amended, or as may be hereinafter enacted, homestead, dower, courtesy, any elective share, and all other exemptions or marital rights of every kind, which are hereby expressly waived; and the Trustee is authorized and empowered to execute and deliver a deed to the purchaser. The sale may be adjourned from day to day by the Trustee or his agent or successor, by announcement at the Courthouse on the date the sale is originally set, or any adjournment thereof, and may be reset at a later date without any additional publication. The creditor may bid at any sale under this trust conveyance. Property Owner agrees that the Trustee may, at any time after default in the payment of any part of the indebtedness, enter and take possession of the Property, and shall only account for the net rents actually received by him. Property Owner further agrees that, in the event the Trustee fails, before selling the Property as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for the Property.

Non-Profit may, at any time and from time to time, without assigning cause, in Non-Profit's sole and absolute discretion, remove the Trustee herein named and appoint a successor to execute this trust, by an instrument in writing duly executed by Non-Profit and filed for record in the county in which the Property is located and, upon the execution and filing of such instrument, the title herein conveyed to the Trustee shall be vested in the successor so appointed.

In the event of a sale of the Property under and by virtue of this trust, the Property Owner, and all persons holding under Property Owner, shall be and become the tenants at will of the purchaser from and after the execution and delivery of a deed to the purchaser.

Upon any sale under this Deed of Trust, the proceeds will be applied by the Trustee:

First: To pay all the costs and charges of executing this trust, including attorney's fees and the expenses of any litigation which may arise on account of the execution and enforcement of this trust, or in connection therewith as above provided.

Second: To pay the outstanding indebtedness, or any balance thereof, then remaining unpaid.

Third: To pay the remainder, if any, to Property Owner, or Property Owner's order.

Wherever used herein, the singular number shall be deemed to include the plural, and vice versa, and the masculine gender shall be deemed to include the feminine or neuter, and vice versa. In addition, the word "Property Owner" shall be deemed to include not only the Property Owner specifically named in this Deed of Trust, but also all successors of such Property Owner in title to the Property.

IN WITNESS WHEREOF, the Property Owner has executed this Deed of Trust effective as of the date first written above.

PROPERTY OWNER:

_____

NAME: _____

STATE OF _____)
COUNTY OF _____)

Before me, _____ a Notary Public of the state and county mentioned, personally appeared _____, the within named bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that (s)he executed the foregoing instrument for the purpose therein contained.

Witness my hand and seal, at office, this _____ day of _____, 20__.

_____
Notary Public

My Commission Expires: _____

EXHIBIT A

(attach property description)

CHAPTER ELEVEN:

RENTAL HOUSING

1. OVERVIEW

1.1 **ACQUISITION** - If your project involves acquisition, you will need to review Chapter Five - Acquisition. The acquisition files for the project must contain, at a minimum, the following documentation:

1. An independent appraisal of the property;
2. A signed sales contract with addendum;
3. A copy of the final settlement statement; and
4. A copy of the recorded deed

1.2 **REHABILITATION** - If rehabilitation is involved, review the procedures for a rehabilitation program in Chapter Nine - Homeowner Rehabilitation. At a minimum, the rehabilitation files for the project must contain the following documentation:

1. Rehabilitation work write-up and cost estimate (HO-5B);
2. Rehabilitation bid tabulations (HO-7);
3. Contract for Rehabilitation (HO-10);
4. Contractor's certification of eligibility to participate (HO-11);
5. Contractor's Non-kickback certification (HO-12);
6. Right of recission (third-party owners only) (HO-13);
7. Lead based paint notices (signed by tenants) (RH-5)
8. Notice to proceed (HO-15);
9. Change order(s) (HO-16)
10. Inspection reports (HO-17);
11. Final invoice, Release of Liens, and Warranty (HO-19);
12. Receipt of final payment (HO-20);
13. Certification of completion and final inspection (FM-7)

1.3 **PROJECT WITH 12 OR MORE UNITS (DAVIS-BACON)** - If 12 or more units are involved in the project, review Chapter Seven - Labor Standards for an explanation of the requirements for rehabilitating or constructing 12 or more units. The project record must contain the following:

1. Copy of Wage Rate Request (LB-1);
2. Copy of the Wage Rate;
3. Bid/Contract Documents with Federal Labor Standards Provisions (LB-2);
4. Ten-day call verification (LB -4);
5. Pre-construction conference minutes/sign-in sheet (LB-5);
6. Payrolls, with evidence of their review (LB-6);
7. Employee interviews (LB-7); and
8. If any violations, evidence of the steps taken to resolve them.

1.4 **THIRD-PARTY RENTAL PROGRAMS** – If a Grantee is using HOME funds to make matching grants to local property owners (third-party owners) to rehabilitate rental properties, the Grantee must ensure the following:

1. Grantees must execute Subrecipient Working Agreements with all third-party owners (form RH-8 is provided as an example);
2. Owners that contract for construction/rehabilitation services and/or architectural/inspection services must follow the required state and local procurement standards for any activity for which HOME funds will be requested; and
3. Owner/Contractors must also procure for services and materials provided by other companies and provide a budget/cost summary and detailed documentation (invoices/receipts, etc.) of all expenses prior to requesting any HOME reimbursement.

2. DEVELOPING PROGRAM POLICIES AND PROCEDURES

2.1 **INTRODUCTION** - Your jurisdiction or organization must formally adopt a set of Policies and Procedures for the operation of the HOME program. These will serve as the guidelines for the day-to-day operation of the program. If applicants are 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" (RH-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 THDA before adoption by the Grantee's governing board.

2.2 **PURPOSE** - Describe the goals of the program and what activities will be undertaken to meet those goals.

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

2.4 **PROGRAM RESOURCES** - Specify the funds available for the program, their source, and how long they will be available.

2.5 **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. THDA will assist you in ensuring compliance and will monitor your program to make sure that you are in compliance. The Grantee must follow the appropriate laws and document their efforts. Failure to do so can have serious repercussions for the program. The following is a list of the applicable laws:

1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358

2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353)

3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.

4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.

5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.

6. Affirmative Marketing, 24 CFR 92.351.

7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.

8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.424, as applicable, and 24 CFR 92.356.

9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.

10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.

11. Drug-Free Workplace, 24 CFR part 24, subpart F.

12. Standard Equal Opportunity Construction Contract Specifications.

13. Certification of Non-segregated Facilities for Contracts Over $10,000.

14. Title VI of Civil Rights Act of 1964 Provisions.

15. Section 109 of Housing and Community Development Act of 1974 Provisions.

16. Section 3 Compliance Provisions.

17. Age Discrimination Act of 1975 Provisions.

18. Section 504 Affirmative Action for Handicapped Provisions.

19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

2.6 **TENANT SELECTION** – The Policies and Procedures governing the operation of your rental housing program must include written tenant selection policies and criteria that:

1. Are consistent with the purpose of providing housing for low and very low income families;

2. Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;

3. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as practical; and

4. Give prompt written notification to any rejected applicant of the grounds for any rejection.

2.7 **OWNER SELECTION** – When operating rental programs which provide grants to third-party owners, the Policies and Procedures must also contain written owner/property selection criteria that:

1. Establish the basic threshold requirements for participation in the program;

2. Provide for a publicly advertised process for the selection of owner/applicants by specific criteria, based on a point system, chronological order, some combination of the two, or any other objective, quantifiable method; and

3. Provide prompt written notification to any owner/applicant denied participation of the grounds for the denial.

3. ELIGIBLE ACTIVITIES (92.205)

3.1 As outlined and defined in Chapter One, Section 2 - Eligible Activities, HOME monies may be used for the following:

1. Rehabilitation of existing units
2. Conversion of non-residential units to residential units
3. Acquisition of existing units and monies for rehabilitation
4. Reconstruction
5. New Construction

4. INELIGIBLE PROPERTIES (92.214)

4.1 HOME funds may not be used to assist any of the following types of housing:

1. Public housing units
2. Properties financed through a HUD-funded Rental Rehabilitation Program
3. Projects assisted under Title VI of NAHA (Prepayment of Mortgages insured by HUD)
4. Commercial properties
5. Provide assistance to a project previously assisted with HOME funds during the period of affordability established under 92.252.
   a. Additional HOME funds may be committed to a project up to one year after project completion (see 92.502), but the amount of HOME funds in the project may not exceed the maximum per unit subsidy amount established under 92.250.

5. PROPERTY STANDARDS AND SPECIFICATIONS

5.1 Rental housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME-assisted rental new construction must meet the Standard Building Code and HOME-assisted rental rehabilitation must meet the Standard Housing Code.

5.2 New construction projects must also meet the Model Energy Code (MEC), published by the Council of American Building Officials.

5.3 All other HOME-assisted rental housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Section 8 housing quality standards.

5.4 The housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

5.5 Site and Neighborhood standards of 24 CFR 983.6(b) apply only to the new construction of rental housing.

6. HOME INVESTMENTS PER UNIT (92.205(c) and 92.250)

6.1

MINIMUM HOME DOLLARS	$1,000	PER UNIT
MAXIMUM HOME DOLLARS	$44,250	EFFICIENCY LIMIT
	$50,724	1-BEDROOM LIMIT
	$61,680	2-BEDROOM LIMIT
	$79,793	3-BEDROOM LIMIT
	$87,588	4-BEDROOM OR MORE LIMIT

6.2 The maximum amount of HOME funds per project shall be only the amount necessary to make the project financially feasible. THDA will require each grantee to use the information provided by the applicant to underwrite each project and determine the amount of HOME funds needed to make the project feasible.

6.3 THDA will review the Rental Housing Feasibility Worksheet (RH-2) to determine that the formula is being applied correctly. THDA may request that the grantee require the applicant seek development funds from a private lender or other source to leverage HOME funds.

6.4 The maximum limit applies only to the investment of HOME funds in a property, and neither the use of Federal Low Income Housing Tax Credits nor the provision of HOME-funded tenant-based rental assistance affects these limits.

7. MIXED INCOME DEVELOPMENTS (92.255)

7.1 All HOME funds used in conjunction with a mixed income development must be used solely for the benefit of the affordable units in the development.

7.2 Housing that accounts for less than 100 percent of the dwelling units in a development qualifies as an affordable unit if the HOME assisted units meet the rent and occupancy requirements of the preceding sections. Each building in a development must contain housing that meets these requirements. Common area costs will be prorated based upon the number of affordable housing units and other units.

8. AFFORDABILITY TERMS (92.252)

8.1 HOME-assisted units must remain affordable for varying terms, depending on the amount of HOME funds invested per unit:

ACTIVITY	HOME FUNDS	AFFORDABILITY
Acquisition or rehabilitation of existing housing	Under $15,000	5 Years
Acquisition or rehabilitation of existing housing	$15,000 - $40,000	10 Years
Acquisition or rehabilitation of existing housing	Over $40,000	15 Years
New construction or acquisition of newly constructed housing		20 Years

EXCEPTION: If FHA mortgage insurance is provided to a HOME project, the term of affordability must equal the length of the FHA-insured mortgage.

9. INCOME REQUIREMENTS FOR HOME TENANTS (92.252)

9.1 HOME Program requirements with respect to the occupancy and affordability of the units apply at the time HOME assistance is *initially* provided *AND* over an extended period of time.

9.2 **INITIAL OCCUPANCY** - During initial occupancy, income requirements of the tenants differ from those in place during the long-term affordability period. Initial occupancy means the first tenants residing in the unit when the project is complete, i.e., the acquisition and rehabilitation are done and the project is rented. Income composition for initial occupancy is as follows:

1. In the case of projects with five or more rental units, or in the case of an owner of multiple one or two unit projects with a total of five or more rental units:

a. 20% of the tenants must have annual incomes at or below 50% of median, adjusted for family size, and must pay the low HOME rents;

b. 70% of the tenants must have annual incomes at or below 60% of median, adjusted for family size, and may pay the high HOME rents. (60% of median income is computed by multiplying the family income at 50% of the median, adjusted for family size, by 120%); and

c. the remaining 10% of the tenants must have annual incomes at or below 80% of median, adjusted for family size, and may pay the high HOME rents.

2. If the 5 or more unit rule does not apply to your project then the tenants may pay the high HOME rents and the income composition *at initial occupancy* is:

a. 10% of the tenants must have annual incomes at or below 80% of median, adjusted for family size; and

b. 90% of the tenants must have annual incomes at or below 60% of median, adjusted for family size.

3. Grantees must complete and submit to THDA an Initial Occupancy Profile (RH-7) as soon as all the units are occupied. Although there may be a significant time-lag between the renting of the first and last units, this Profile should only reflect the income and rents of the very first tenant in each unit. In cases where HOME assistance has been provided to third-party owners, one form should be completed for each owner.

4. The Rental Housing Completion Reports (FM-9) should reflect the income composition of the very first tenant in the unit and agree with the Initial Occupancy Profile.

9.3 **LONG TERM OCCUPANCY REQUIREMENTS** - After initial occupancy requirements have been met, long term occupancy requirements become effective for the duration of the affordability period, ranging from 5 to 20 years.

1. If the 5 unit rule applies to the project, this long term income targeting is:

a. 20% of the tenants must have annual incomes at or below 50% of median, adjusted for family size, and pay the low HOME rents; and

b. 80% of the tenants must have annual incomes at or below 80% of median income, adjusted for family size, and may pay the high HOME rents.

2. After initial occupancy, if the 5 unit rule does not apply to the project, all tenants must have annual incomes at or below 80% of median, adjusted for family size, and may pay the high HOME rents for the duration of the affordability period.

SUMMARY OF INITIAL AND LONG TERM OCCUPANCY REQUIREMENTS				
% OF AREA MEDIAN INCOME (AMI)	**INITIAL OCCUPANCY (4 OR FEWER UNITS)**	**INITIAL OCCUPANCY (5 OR MORE UNITS)**	**LONG TERM OCCUPANCY (4 OR FEWER UNITS)**	**LONG TERM OCCUPANCY (5 OR MORE UNITS)**
AT OR BELOW 50% AMI	---	20% (Must pay Low HOME Rents)	---	20% (Must pay Low HOME Rents)
AT OR BELOW 60% AMI	90% (May pay High HOME Rents)	70% (May pay High HOME Rents)	---	---
AT OR BELOW 80% AMI	10% (May pay High HOME Rents)	10% (May pay High HOME Rents)	100% (May pay High HOME Rents)	80% (May pay High HOME Rents)
ABOVE 80% AMI	Ineligible for initial occupancy	Ineligible for initial occupancy	Must pay 30% of adjusted monthly income	Must pay 30% of adjusted monthly income

9.4 HOME-assisted units retain their HOME designation for the entire period of affordability. However, units that are designated as Low HOME rent units and High HOME rent units can, but are not required to, "float" within the HOME-assisted units to maintain compliance with long-term occupancy requirement.

9.5 The owner should make every effort to keep the project in compliance during the affordability period by leasing the next available unit to an individual at the income level needed for compliance.

9.6 Each year during the period of affordability the owner must re-examine each tenant's annual income to make sure the tenant household remains income eligible for the project.

9.7 Tenants who no longer qualify as low income families must pay as rent 30 percent of the family's *adjusted* gross monthly income, as re-certified annually.

10. RENT LEVELS (92.216)

10.1 Rents are controlled for the length of the applicable affordability period. These rents are determined on an annual basis by HUD. The HOME rents are based on the current Fair Market Rents (FMRs) and the current Income Limits published by HUD.

1. Please note that HOME rent limits are not simply the FMRs used to determine rents for Section 8 certificates or vouchers.

2. In some instances, the Section 8 rents may be higher than the allowable HOME rents. However, if HOME funds have been invested in the unit, the HOME rents must be used.

10.2 THDA will provide Grantees the new HOME rents when they become available each year. The published HOME rents include all utilities. *The utilities paid by tenants must be subtracted from the rents provided to determine the maximum allowable rents*.

1. Rents may increase or decrease from year to year. Where rents have increased, an owner may not raise rents in occupied units immediately. Any increase in rent is subject to the existing lease provisions, and the owner must provide the tenants 30 day prior written notice before increasing any rents.

2. Where rents have decreased, an owner is not required to reduce the rents in occupied units immediately. Compliance with the decreased limits may be done at the point in time specified in the lease, or if not specified, customary for periodic (usually annual) adjustments in rent.

3. Regardless of changes in Fair Market Rents and in median income over time, the qualifying rents are not required to be lower than the HOME rent for the project in effect at the time of project commitment, , i.e., the date the project was called into the Cash and Management Information System (C/MI) (92.252(f)(1)).

10.3 **HOME RENTS** - HOME rents are not necessarily representative of market conditions**.** Rather, these rents represent the following:

1. **HIGH HOME RENTS** - The *lesser* of Fair Market Rents for existing units as determined by HUD or 30% of 65% of median income, adjusted for family size. This rent is used for 80% of the HOME units (if the 5 unit rule applies).

2. **LOW HOME RENTS** - This rent is equal to 30% or 50% of median income, adjusted for family size. This rent is used for 20% of the HOME units (if the 5 unit rule applies).

3. If the project has less than 5 rental units, all of the units may rent at the High HOME rent.

4. The High HOME rents and Low HOME rents are maximum rents which can be charged. See Attachment V: HOME Program Rents.

10.5 **MARKET CONDITIONS** - Each Grantee should be aware of the market conditions of the area in which the project is located. Each project should show market feasibility not based upon the High and Low HOME rents, but rather upon

area housing markets and HOME occupancy requirements which demand occupancy by low and very low income persons.

Rents shall not exceed the published High and Low HOME rents, adjusted for utility arrangements and bedroom size. *However, because these rents must also be attractive to lower income tenants, actual rents may be lower than the High and Low HOME rents.* Programs should be designed so they take into consideration the market feasibility of projects funded.

11. TENANT LEASE PROTECTIONS (92.253)

11.1 The lease, between a tenant and an owner of rental housing assisted with HOME funds, must be for at least ONE year, unless by mutual consent the tenant and the owner agree to a lesser term.

11.2 An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms of the lease; for violation of applicable federal, state or local law; or for other good cause.

Any termination of refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.

11.3 An owner of rental housing assisted with HOME funds must maintain the housing in compliance with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Section 8 housing quality standards.

11.4 Owners may not refuse to lease a HOME-assisted unit to a family which holds a rental certificate (Rental Certificate Program) or a rental voucher (Rental Voucher Program) or a comparable document under the HOME program.

11.5 PROHIBITED LEASE TERMS - Certain Lease Terms are prohibited. These include:

1. AGREEMENT TO BE SUED. Agreement by the tenant to be sued, admit guilt, or to a judgement in favor of the owner in a lawsuit brought in connection with the lease.

2. TREATMENT OF PROPERTY. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with the state law.

3. EXCUSING THE OWNER FROM RESPONSIBILITY. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for actions or failure to act, whether intentional or negligent.

4. WAIVER OF NOTICE - Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.

5. WAIVER OF LEGAL PROCEEDINGS - Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties.

6. WAIVER OF A JURY TRIAL - Agreement by the tenant to waive any right to a jury trial.

7. WAIVER OF RIGHT TO APPEAL COURT DECISION - Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court a decision in connection with the lease.

8. TENANT CHARGEABLE WITH COST OF LEGAL ACTION REGARDLESS OF OUTCOME. Agreement by the tenant to pay attorney fees or other legal costs even if the tenant wins the court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

11.6 Grantees shall comply with all applicable state statutes, including the Uniform Landlord Tenant Law. The Grantee's attorney, or the area Legal Aid Office, can provide assistance.

11.7 Grantees shall also comply with all applicable local ordinances and keep informed about the existence of or changes in such ordinances.

12. RENTAL HOUSING RECORDKEEPING

12.1 **PROGRAM RECORDS** - Grantees are responsible for maintaining records that demonstrate that they are operating a rental housing program in compliance with HOME regulations. At a minimum, the program records must include the following:

1. Policies and Procedures for the operation of the rental program which have been adopted by the Grantee's governing board and which are available to all applicants.

2. Adequate documentation to demonstrate that the tenant selection process was accomplished as stated in the adopted Policies and Procedures.

3. A current waiting list which includes the application date, eligibility, and date accepted or rejected for a rental unit.

4. Documentation of the Grantee's efforts to ensure that the composition of the units meets income guidelines.

5. Documentation that all of the units meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME-assisted rental new construction must meet the Standard Building Code and HOME-assisted rental rehabilitation must meet the Standard Housing Code.

6. Documentation that the Grantee has adopted an Affirmative Marketing Plan and is marketing the rental units according to the plan.

7. Documentation that the rents for all the units are in compliance with HOME regulations.

12.2 **TENANT RECORDS** - In addition to program records which establish a Grantee's compliance with HOME regulations, there must also be individual tenant records. These files should contain, at a minimum, the following:

1. The tenant's application for a rental unit.

2. Verification of the tenant's income and eligibility within the HOME income limits.

3. Copies of required notices signed by the tenant, i.e., lead-based paint notices and fair housing.

4. A signed 12-month lease for the unit with the required tenant protections.

12.3 **GRANTEE'S ON-GOING OBLIGATIONS FOR RENTAL PROPERTY –** After the project is officially closed out by letter to the Grantee, the record will be transferred to the Internal Audit Division of THDA. The Internal Audit Division will provide Grantees with information on HOME Long Term Compliance. Each Grantee will be monitored annually to determine each project's compliance with the HOME Rules and Regulations. Each Grantee will also be monitored for adherence to its contract with THDA. Each Grantee will receive a letter explaining the details of the long term monitoring process and annual reporting requirements.

1. The rental housing long term monitoring requirements are the responsibility of the Grantee. They are responsible for:

   a. Annual income certification of tenants;

   b. Adherence to the HOME rent and income composition guidelines;

   c. Compliance with the Standard Housing Codes or Section 8 Housing Quality Standards;

   d. Reporting to THDA.

   NOTE: Grantees operating third-party renal programs must establish local mechanisms to maintain compliance with the requirements listed above. This should include a reporting

component that requires each third-party owner to submit information to the Grantee on a regular basis. As the initial recipient of THDA/HUD funds, the Grantee is ultimately the responsible party. As such, the Grantee must demonstrate plans for a system of oversight at the time the project is monitored, and the existence of a functioning system before the project is closed out.

ATTACHMENT X: 2003 HOME PROGRAM RENTS

TENNESSEE LIST OF COUNTIES

IDENTIFIED BY METROPOLITAN AND NON-METROPOLITAN STATUS

METROPOLITAN STATISTICAL AREAS (MSA)	COUNTIES
MSA - CHATTANOOGA	HAMILTON, MARION,
MSA - CLARKSVILLE-	MONTGOMERY
MSA - JACKSON	CHESTER, MADISON
MSA – TRI-CITIES	CARTER, HAWKINS, SULLIVAN, UNICOI, WASHINGTON
MSA - KNOXVILLE	ANDERSON, BLOUNT, KNOX, LOUDON, SEVIER, UNION
MSA - MEMPHIS	FAYETTE, SHELBY, TIPTON
MSA - NASHVILLE	CHEATHAM, DAVIDSON, DICKSON, ROBERTSON, RUTHERFORD, SUMNER, WILLIAMSON, WILSON
NON-METROPOLITAN AREAS	ALL OTHER COUNTIES

Effective April 11, 2003

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
MSA CHATTANOOGA							
Low HOME Rent Limit:	392	458	550	650	725	800	875
High HOME Rent Limit:	392	458	550	711	811	932	1032
FOR INFORMATION ONLY:							
Fair Market Rent	392	458	550	711	811	932	1054
50% Rent Limit	437	468	562	650	725	800	875
65% Rent Limit	549	589	709	811	885	958	1032
MSA CLARKSVILLE							
Low HOME Rent Limit:	364	407	479	577	643	710	777
High HOME Rent Limit:	364	407	479	652	671	771	872
FOR INFORMATION ONLY:							
Fair Market Rent	364	407	479	652	671	771	872
50% Rent Limit	388	416	500	577	643	710	777
65% Rent Limit	485	521	627	716	780	842	904
MSA JACKSON							
Low HOME Rent Limit:	282	372	499	639	694	786	861
High HOME Rent Limit:	282	372	499	690	694	798	902
FOR INFORMATION ONLY:							
Fair Market Rent	282	372	499	690	694	798	902
50% Rent Limit	430	461	553	639	713	786	861
65% Rent Limit	540	580	698	798	870	941	1014
MSA TRI-CITIES							
Low HOME Rent Limit:	327	390	478	553	617	681	745
High HOME Rent Limit:	327	390	484	627	743	804	864
FOR INFORMATION ONLY:							
Fair Market Rent	327	390	484	627	743	854	965
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
MSA KNOXVILLE							
Low HOME Rent Limit:	327	402	505	674	753	831	910
High HOME Rent Limit:	327	402	505	674	809	930	1051
FOR INFORMATION ONLY:							
Fair Market Rent	327	402	505	674	809	930	1051
50% Rent Limit	455	487	585	676	753	831	910
65% Rent Limit	571	614	738	845	923	999	1077

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
MSA MEMPHIS							
Low HOME Rent Limit:	456	532	624	745	831	916	1002
High HOME Rent Limit:	456	532	624	867	910	1046	1183
FOR INFORMATION ONLY:							
Fair Market Rent	456	532	624	867	910	1046	1183
50% Rent Limit	501	536	645	745	831	916	1002
65% Rent Limit	631	678	816	934	1023	1110	1198
MSA NASHVILLE							
Low HOME Rent Limit:	458	548	676	800	893	985	1078
High HOME Rent Limit:	458	548	676	921	1033	1187	1296
FOR INFORMATION ONLY:							
Fair Market Rent	458	548	676	921	1033	1187	1342
50% Rent Limit	538	577	692	800	893	985	1078
65% Rent Limit	681	731	879	1007	1104	1199	1296
BEDFORD COUNTY							
Low HOME Rent Limit:	254	326	399	503	559	642	726
High HOME Rent Limit:	254	326	399	503	559	642	726
FOR INFORMATION ONLY:							
Fair Market Rent	254	326	399	503	559	642	726
50% Rent Limit	395	423	508	587	655	723	791
65% Rent Limit	494	531	639	730	795	859	923
BENTON COUNTY							
Low HOME Rent Limit:	274	312	375	494	553	635	718
High HOME Rent Limit:	274	312	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	274	312	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
BLEDSOE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
BRADLEY COUNTY							
Low HOME Rent Limit:	254	320	427	577	703	808	913
High HOME Rent Limit:	254	320	427	577	703	808	913
FOR INFORMATION ONLY:							
Fair Market Rent	254	320	427	577	703	808	913
50% Rent Limit	458	491	590	681	760	838	917
65% Rent Limit	576	619	744	852	930	1008	1086
CAMPBELL COUNTY							
Low HOME Rent Limit:	256	297	375	494	553	635	718
High HOME Rent Limit:	256	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	256	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
CANNON COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	415	444	533	616	687	758	829
65% Rent Limit	519	558	672	767	836	904	972
CARROLL COUNTY							
Low HOME Rent Limit:	254	309	375	494	553	635	718
High HOME Rent Limit:	254	309	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	309	375	494	553	635	718
50% Rent Limit	408	438	525	606	677	746	817
65% Rent Limit	511	549	661	755	823	889	956
CLAIBORNE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
CLAY COUNTY							
Low HOME Rent Limit:	258	297	375	494	553	635	718
High HOME Rent Limit:	258	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	258	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
COCKE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
COFFEE COUNTY							
Low HOME Rent Limit:	254	353	398	553	630	699	764
High HOME Rent Limit:	254	353	398	553	630	724	819
FOR INFORMATION ONLY:							
Fair Market Rent	254	353	398	553	630	724	819
50% Rent Limit	382	410	491	568	633	699	764
65% Rent Limit	478	513	617	705	766	827	888
CROCKETT COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	401	430	516	596	665	734	803
65% Rent Limit	503	539	649	742	808	873	939
CCUMBERLAND CNTY							
Low HOME Rent Limit:	267	297	390	543	553	635	718
High HOME Rent Limit:	267	297	390	543	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	267	297	390	543	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
DECATUR COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
DEKALB COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
DYER COUNTY							
Low HOME Rent Limit:	317	321	428	536	625	689	754
High HOME Rent Limit:	317	321	428	536	667	767	867
FOR INFORMATION ONLY:							
Fair Market Rent	317	321	428	536	667	767	867
50% Rent Limit	377	404	485	560	625	689	754
65% Rent Limit	470	505	608	694	755	815	874
FENTRESS COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
FRANKLIN COUNTY							
Low HOME Rent Limit:	265	297	375	516	607	698	789
High HOME Rent Limit:	265	297	375	516	607	698	789
FOR INFORMATION ONLY:							
Fair Market Rent	265	297	375	516	607	698	789
50% Rent Limit	405	433	521	601	671	740	810
65% Rent Limit	506	544	656	749	815	881	948

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
GIBSON COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	386	414	497	574	641	706	773
65% Rent Limit	483	519	624	714	776	837	900
GILES COUNTY							
Low HOME Rent Limit:	254	323	400	501	560	644	728
High HOME Rent Limit:	254	323	400	501	560	644	728
FOR INFORMATION ONLY:							
Fair Market Rent	254	323	400	501	560	644	728
50% Rent Limit	425	455	546	631	705	778	850
65% Rent Limit	533	572	689	787	859	929	1000
GRAINGER COUNTY							
Low HOME Rent Limit:	258	297	375	494	553	635	718
High HOME Rent Limit:	258	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	258	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
GREENE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	395	423	507	586	653	721	789
65% Rent Limit	493	529	638	728	793	856	920
GRUNDY COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
HAMBLEN COUNTY							
Low HOME Rent Limit:	254	298	392	520	553	635	718
High HOME Rent Limit:	254	298	392	520	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	298	392	520	553	635	718
50% Rent Limit	396	424	510	588	656	725	792
65% Rent Limit	495	532	641	732	796	860	925
HANCOCK COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
HARDEMAN COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
HARDIN COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
HAYWOOD COUNTY							
Low HOME Rent Limit:	266	310	412	516	577	663	745
High HOME Rent Limit:	266	310	412	516	577	663	750
FOR INFORMATION ONLY:							
Fair Market Rent	266	310	412	516	577	663	750
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
HENDERSON COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	415	444	533	616	687	758	829
65% Rent Limit	519	558	672	767	836	904	972
HENRY COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
HICKMAN COUNTY							
Low HOME Rent Limit:	300	304	403	532	564	648	733
High HOME Rent Limit:	300	304	403	532	564	648	733
FOR INFORMATION ONLY:							
Fair Market Rent	300	304	403	532	564	648	733
50% Rent Limit	407	436	523	604	673	744	813
65% Rent Limit	509	547	658	752	819	886	953
HOUSTON COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
HUMPHREYS COUNTY							
Low HOME Rent Limit:	254	310	375	494	553	635	718
High HOME Rent Limit:	254	310	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	310	375	494	553	635	718
50% Rent Limit	401	429	515	595	663	733	801
65% Rent Limit	501	538	648	740	806	871	935

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
JACKSON COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
JEFFERSON COUNTY							
Low HOME Rent Limit:	277	297	386	494	613	704	785
High HOME Rent Limit:	277	297	386	494	613	704	796
FOR INFORMATION ONLY:							
Fair Market Rent	277	297	386	494	613	704	796
50% Rent Limit	392	420	505	583	651	718	785
65% Rent Limit	491	528	634	725	789	852	916
JOHNSON COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
LAKE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
LAUDERDALE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
LAWRENCE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
LEWIS COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
LINCOLN COUNTY							
Low HOME Rent Limit:	254	297	380	494	553	635	718
High HOME Rent Limit:	254	297	380	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	380	494	553	635	718
50% Rent Limit	402	431	517	598	667	735	805
65% Rent Limit	504	541	651	744	810	875	941
McMINN COUNTY							
Low HOME Rent Limit:	254	297	375	496	553	635	718
High HOME Rent Limit:	254	297	375	496	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	496	553	635	718
50% Rent Limit	385	412	495	571	637	704	770
65% Rent Limit	480	516	622	710	773	833	895
McNAIRY COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
MACON COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
MARSHALL COUNTY							
Low HOME Rent Limit:	298	325	424	536	596	685	774
High HOME Rent Limit:	298	325	424	536	596	685	774
FOR INFORMATION ONLY:							
Fair Market Rent	298	325	424	536	596	685	774
50% Rent Limit	453	486	583	675	752	830	908
65% Rent Limit	570	613	737	844	921	998	1075
MAURY COUNTY							
Low HOME Rent Limit:	364	371	494	619	689	792	895
High HOME Rent Limit:	364	371	494	619	689	792	895
FOR INFORMATION ONLY:							
Fair Market Rent	364	371	494	619	689	792	895
50% Rent Limit	538	577	692	800	893	985	1078
65% Rent Limit	681	731	879	1007	1104	1199	1296
MEIGS COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
MONROE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
MOORE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	406	435	522	603	672	741	812
65% Rent Limit	508	546	657	750	818	883	949
MORGAN COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
OBION COUNTY							
Low HOME Rent Limit:	294	298	382	506	553	635	718
High HOME Rent Limit:	294	298	382	506	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	294	298	382	506	553	635	718
50% Rent Limit	402	431	517	598	667	735	805
65% Rent Limit	504	541	651	744	810	875	941
OVERTON COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
PERRY COUNTY							
Low HOME Rent Limit:	254	300	375	494	553	635	718
High HOME Rent Limit:	254	300	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	300	375	494	553	635	718
50% Rent Limit	375	401	481	556	620	685	749
65% Rent Limit	466	501	604	689	749	808	867

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
PICKETT COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
POLK COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
PUTNAM COUNTY							
Low HOME Rent Limit:	309	312	400	550	592	680	769
High HOME Rent Limit:	309	312	400	550	592	680	769
FOR INFORMATION ONLY:							
Fair Market Rent	309	312	400	550	592	680	769
50% Rent Limit	421	451	542	626	698	771	843
65% Rent Limit	529	568	683	781	851	921	991
RHEA COUNTY							
Low HOME Rent Limit:	254	317	375	500	553	635	718
High HOME Rent Limit:	254	317	375	500	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	317	375	500	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
ROANE COUNTY							
Low HOME Rent Limit:	274	297	375	505	607	698	789
High HOME Rent Limit:	274	297	375	505	607	698	789
FOR INFORMATION ONLY:							
Fair Market Rent	274	297	375	505	607	698	789
50% Rent Limit	398	427	512	592	661	729	798
65% Rent Limit	499	536	646	737	803	866	932

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
SCOTT COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
SEQUATCHIE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
SMITH COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	425	455	546	631	705	778	850
65% Rent Limit	533	572	689	787	859	929	1000
STEWART COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	381	408	490	565	631	695	761
65% Rent Limit	475	510	614	702	763	822	885
TROUSDALE COUNTY							
Low HOME Rent Limit:	254	312	414	519	678	748	819
High HOME Rent Limit:	254	312	414	519	680	782	884
FOR INFORMATION ONLY:							
Fair Market Rent	254	312	414	519	680	782	884
50% Rent Limit	410	438	526	608	678	748	819
65% Rent Limit	513	551	663	757	825	891	958

2003 HOME PROGRAM RENTS

COUNTY NAME	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
VAN BUREN COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	381	408	490	565	631	695	761
65% Rent Limit	475	510	614	702	763	822	885
WARREN COUNTY							
Low HOME Rent Limit:	282	297	385	494	553	635	718
High HOME Rent Limit:	282	297	385	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	282	297	385	494	553	635	718
50% Rent Limit	408	438	525	606	677	746	817
65% Rent Limit	511	549	661	755	823	889	956
WAYNE COUNTY							
Low HOME Rent Limit:	254	297	375	494	553	635	718
High HOME Rent Limit:	254	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	254	297	375	494	553	635	718
50% Rent Limit	372	399	478	553	617	681	745
65% Rent Limit	465	499	601	686	745	804	864
WEAKLEY COUNTY							
Low HOME Rent Limit:	275	297	375	494	553	635	718
High HOME Rent Limit:	275	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	275	297	375	494	553	635	718
50% Rent Limit	425	455	546	630	703	775	848
65% Rent Limit	531	571	687	786	856	927	998
WHITE COUNTY							
Low HOME Rent Limit:	258	297	375	494	553	635	718
High HOME Rent Limit:	258	297	375	494	553	635	718
FOR INFORMATION ONLY:							
Fair Market Rent	258	297	375	494	553	635	718
50% Rent Limit	375	401	482	557	622	686	750
65% Rent Limit	468	503	606	691	751	811	871

SAMPLE

RENTAL HOUSING POLICIES AND PROCEDURES FOR

_____

I. PURPOSE

This program will provide good quality affordable rental housing to low and very low income families; will assist tenant families acquire the skills and resources needed to become homeowners; and will assist qualified tenant families purchase their homes at the end of the required affordability period. The program will operate in _____.

II. AUTHORITY

The legal authority of this program comes from the working agreement with Tennessee Housing Development Agency, Public Law 101-625 (National Affordable Housing Act of 1990), as well as State and local laws.

III. PROGRAM RESOURCES

The source of funds for the undertaking of these activities is a grant in the amount of $_____ which _____ has been awarded by Tennessee Housing Development Agency (THDA) through the U.S. Department of Housing and Urban Development Home Investment Partnership Act.

IV. APPLICABLE LAWS

_____ and its tenants are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.

1. Equal Opportunity Provisions for Contracts $10,000 and Under, E. O. 11246 clause for contracts over $10,000

2. Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity

3. Standard Equal Opportunity Construction Contract specifications

4. Certification of Non-segregated Facilities for Contracts Over $10,000

5. Title VI of Civil Rights Act of 1964 Provisions

6. Section 109 of Housing and Community Development Act of 1974 Provisions

7. Section 3 Compliance Provisions of the HUD Act of 1968

8. Age Discrimination Act of 1975 Provisions

9. Section 504 Affirmative Action for Handicapped Provisions

10. Lead-based Paint Hazard Provisions

11. Access to Records/Maintenance of Records Provisions

12. Conflict of Interest Provisions

13. Certification of Bidder Regarding Equal Employment Opportunity

14. Certification of Bidder Regarding Section 3 and Segregated Facilities

15. Contractor Section 3 Plan Format

16. Subcontractor Certification Regarding Equal Employment Opportunity

17. Subcontractor Certification Regarding Section 3 and Segregated Facilities

18. National Environmental Policy Act of 1969 (NEPA), 24 CFR parts 50 and 58

19. Conflict of Interest provisions in 24 CFR 85.36 and OMB Circular A-110

20. Debarment and Suspension provisions as required by 24 CFR part 24

21. Drug Free Workplace policy

V. AFFIRMATIVE MARKETING PROCEDURES

_____ is committed to non-discrimination and equal opportunity in housing, and will seek to attract eligible tenants from all racial, ethnic and gender groups. In order to inform the public and potential tenants of available housing units, _____ will:

1. Make this information known through advertisements and announcements in the local media which include the Equal Opportunity logotype or slogan; and

2. Notify the local PHA or THDA's satellite office to request that applicants on their waiting lists be informed of upcoming vacancies; and

3. Contact community organizations, places of worship, employment centers, fair housing groups or housing counseling agencies to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach (e.g., racial minorities and female head of households).

VI. TENANT SELECTION - INCOME DETERMINATION

A. ANNUAL INCOME (GROSS INCOME) - The HOME program uses the income definitions used in the Section 8 program in determining the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or any other family member;

2. Annual Gross Income is "anticipated" to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date based on current circumstances or known upcoming changes. In other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a re-determination at the end of the shorter period; and

3. Which are not specifically excluded in paragraph G (Income Exclusions) below.

4. Annual income also means amount derived (during the 12-month period) from assets to which any member of the family has access.

5. MONTHLY GROSS INCOME - Monthly gross income is Annual Gross Income divided by 12 months.

B. ASSETS - In general terms, an asset is a cash or non-cash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.

1. MARKET VALUE - The market value of an asset is simply its dollar value on the open market. For example, a stock 's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.

2. CASH VALUE - The cash value of an asset is the market value less reasonable expenses required to covert the asset to cash, including:

   a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or

   b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted form the market value to determine equity in the real estate.

   c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.

C. **INCOME FROM ASSETS** - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest of dividends from an asset, the interest or dividends is still counted as income.

1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.

   a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or

   b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.

   c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.

2. Assets above and below $5,000 are treated differently.

   a. If the family's assets are $5,000 or less, actual income from assets (e.g., interest on a checking account) is counted as annual income.

   b. If the family's assets are greater than $5,000, income from assets is computed as the greater of:

      i. actual income from assets, or

      ii. imputed income from assets based on a passbook rate applied to the cash value of all assets.

3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.

   a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset.

   b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation are not included in this calculation.

   c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

D. ASSET INCLUDE:

1. Amounts in savings accounts and six month average balance for checking accounts.

2. Stocks, bonds, savings certificates, money market funds and other investment accounts.

3. Equity in real property or other capital investments. Equity if the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.

4. The cash value of trusts that are available to the household.

5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in penalty.

6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.

7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.

8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.

9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.

10. Cash value of life insurance policies.

11. Assets disposed of for less than fair market value during two years preceding certification or re-certification.

E. ASSETS DO NOT INCLUDE:

1. Necessary personal property, except as noted under paragraph (D)(9) above (Assets Include).

2. Interest in Indian Trust lands

3. Assets that are part of an active business or farming operation.

   NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

4. Assets not accessible to the family and which provide no income to the family.

5. Vehicles especially equipped for the handicapped.

6. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

F. INCOME INCLUSIONS - The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.

2. The net income for operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation

of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family;

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (F)(2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the Family has Net Family Assets in excess of $5,000, Annual Income shall include the greater of the actual income derived from net family assets or a percentage of the value of such Assets based on the current passbook saving rate, as determined by HUD;

4. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).

5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (G)(3) under Income Exclusions).

6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

   a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

   b. The maximum amount that the welfare assistance agency could in fact allow the Family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage;

7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

8. All regular pay, special pay and allowances of a member of the Armed Forces.

G INCOME EXCLUSIONS - The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18 years;

2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone;

3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (F)(5) of Income Inclusions).

4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

5. Income of a live-in aide;

6. The full amount of student financial assistance paid directly to the student or to the educational institution;

7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

8. a. Amounts received under training programs funded by HUD;

   b. Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

   c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program;

   d. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goal and objectives, and are excluded on for the period during which the family member participates in the employment training program.

9. Temporary, nonrecurring or sporadic income (including gifts);

10. Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era;

11. Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse);

12. Adoption assistance payments in excess of $480 per adopted child;

13. For public housing only, the earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.

14. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.

15. Amounts received by the family in the form of refunds or rebates under state or local law from property taxes paid on the dwelling unit.

16. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.

17. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.

    a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;

    b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);

    c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));

    d. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);

    e. Payments or allowances made under the department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

    f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;

g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;

h. The first $2,000 of per capita shares received from judgement funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117);

i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f));

k. Any earned income tax credit to the extent it exceeds income tax liability;

l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.);

m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

n. Payments received under the Maine Indian Claims Settlement Act of 1980.

H. TIMING OF INCOME CERTIFICATIONS - All households that receive HOME assistance must be income eligible. At a minimum, income certification must be completed before assistance begins. A preliminary determination of eligibility may be made much earlier in the process.

1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.

2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to eligibility.

3. Households must qualify as low income at the time of occupancy or at the time funds are invested, whichever is later.

I. INCOME VERIFICATION - Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8

Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. THIRD-PARTY VERIFICATION - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.

   a. To conduct third party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.

   b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.

2. REVIEW OF DOCUMENTS - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

   Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, overtime, tips and bonuses.

3. APPLICANT CERTIFICATION - When no other form of verification is possible, a certification by the applicant may be used. For example, it may be necessary to use an applicant certification for an applicant whose income comes from "odd jobs" paid for in cash.

   Applicant certification is the least reliable form of verification and may be subject to abuse. In some cases, the applicant certification can be supplemented by looking at the applicant's past history. The Grantee can review the previous year's income tax return to determine if the current year's income is consistent with activity for the previous year.

J. CALCULATION METHODOLOGIES - Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without overtime). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).

2. It is important to clarify whether overtime is sporadic or a predictable component of an applicant's income.

3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

K. DETERMINING WHOSE INCOME TO COUNT - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. INCOME OF LIVE-IN AIDES - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);

2. INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and

3. EARNED INCOME OF MINORS - Earned income of minors (age 17 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.

4 TEMPORARILY ABSENT FAMILY MEMBERS - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns $600/week at a temporary job on the other side of the State. He keeps $200/week for expenses and sends $400/week home to his family. Then entire $600/week is counted in the family's income;

5. ADULT STUDENTS LIVING AWAY FROM HOME - If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the student's income must be counted in the family's income.

6. PERMANENTLY ABSENT FAMILY MEMBER - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

VII. TENANT SELECTION - APPLICATION PROCESS

A. An applicant must have on file with _____ a completed Application for Housing Assistance (HM-), including all information and documentation in support of the application. This information and documentation must be submitted to _____ at least ten (10) days after the request for these documents is mailed or hand-delivered to the applicant.

B. An applicant's reported gross annual income shall be verified by written evidence which may include, but is not limited to:

1. pay stubs;

2. certified statements from employers;

3. self-employment accounting records certified by an independent accountant;

4. income tax returns;

5. bank statements; and

6. eligibility letters from the Social Security Administration and/or the Department of Human Services.

C. Applicants shall present evidence of their ability to pay the required rents. Acceptable evidence shall include:

1. a valid Section 8 Voucher or Certificate;

2. a gross income at least three and one-third (3.33) times greater than the applicable gross rent (e.g., an income of $1,320/month for a rent of $396/month);

3. a successful history of paying rent higher than the applicable HOME rent for the immediate prior twelve months. This is only acceptable in cases where an applicant's living conditions or circumstances would be substantially improved by moving into a _____ HOME unit; or

4. other verifiable evidence acceptable to _____.

D. The applicant must qualify for housing and the size and type available.

1. Households which meet the following criteria will qualify for a two-bedroom unit:

a. Households of two persons in which one person is handicapped or disabled and must have a separate bedroom because of the nature of the handicap or disability.

b. Households consisting of two parents or a single parent and one child or two children of the same gender.

c. Households consisting of two to four related adults of different generations.

d. Other households as determined by _____.

2. Households which meet the following criteria will qualify for a three-bedroom unit:

a. Households consisting of two parents and one child or two children of the same gender in which one of the parents is handicapped or disabled and needs a separate bedroom because of the nature of the handicap or disability.

b. Households consisting of a single parent or two parents and two children of different gender.

c. Households consisting of a single parent or two parents, one or two grandparents, and one or more children.

d. Households consisting of five (5) or more persons.

e. Other households as determined by _____.

E. A credit report may be used to verify a reported credit history.

VIII. TENANT SELECTION - INITIAL SELECTION PROCEDURES

A. The initial selection process shall apply only to those applicants who apply by or before forty-five (45) days after an advertisement announcing the availability of _____ HOME units for rent are first published in a local newspaper. For the 2003 HOME program, that date is _____.

B. All applicants who qualify for the initial selection procedure and who meet the Eligibility Criteria shall be ranked according to the date of application as described above. Selections shall begin with the applicant with the earliest application and appropriate family composition for the first available unit and proceed in chronological order to the next application and so forth until all units are initially rented.

C. In the event that there is more than one applicant with the same date of application, the unit will be allocated as follows:

1. If the applicants have the same date of application, preference shall be given to the applicant who in the judgement of _____ is best suited for participation in the HOME project, all factors considered.

2. The judgement and determination shall be made only by the _____ Board of Directors, its Executive Committee, or a special appointed by the Board for the purpose of making such selections.

IX. TENANT SELECTION - PERMANENT SELECTION PROCEDURE

A. After the initial selection procedure, all applicants who meet the eligibility criteria, including those left in the initial applicant pool, will be placed on a waiting list for an appropriate unit (determined by number of bedrooms).

B. Each waiting list will be organized according to chronological order, based on the date of the applications.

X. TENANT SELECTION - NOTIFICATION PROCEDURES

A. All applicants who are rejected for any cause shall be notified of the reason(s) for their rejection. Said notification shall be hand-delivered or mailed to the applicant at his/her/their last known address within ten (10) days after rejection of the application.

B. All applicants who are placed on a waiting list will be so notified.

XI. TENANT LEASE PROTECTIONS

A. Tenants will be required to sign a lease. If the tenant is a Section 8 Voucher or Certificate user, the lease will be the same Section 8 lease that would be signed with any landlord. If the tenant does not have a Section 8 Voucher or Certificate, the lease will be the HOME lease (RH-6). In either case, the lease protects both the tenant and _____, and sets forth the tenant's responsibilities as well as _____ responsibilities and obligations as a landlord. The lease, between the tenant and _____ will be for at least ONE year, unless by mutual consent the tenant and _____ agree to a lesser term.

B. _____ may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violation of the terms of the lease; for violation of applicable federal, state or local law; or for other good cause. Any termination of refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.

C. _____ must maintain the total development in compliance with all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME-assisted rental new construction must meet the Standard Building Code and HOME-assisted rental rehabilitation must meet the Standard Housing Code. All other HOME-assisted rental housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Section 8 housing quality standards.

D. _____ may not refuse to lease a HOME-assisted unit to a family which holds a rental certificate (Rental Certificate Program) or a rental voucher (Rental Voucher Program) or a comparable document under the HOME program.

E. Certain Lease Terms are prohibited. These include:

1. *AGREEMENT TO BE SUED* - Agreement by the tenant to be sued, admit guilt, or to a judgement in favor of the owner in a lawsuit brought in connection with the lease.

2. *TREATMENT OF PROPERT* - Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties.

   a. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with the state law.

3. *EXCUSING THE OWNER FROM RESPONSIBILITY* - Agreement by the tenant not to hold the owner or the owner's agents legally responsible for actions or failure to act, whether intentional or negligent.

4. *WAIVER OF NOTICE* - Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.

5. *WAIVER OF LEGAL PROCEEDINGS* - Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties.

6. *WAIVER OF A JURY TRIAL* - Agreement by the tenant to waive any right to a jury trial.

7. *WAIVER OF RIGHT TO APPEAL COURT DECISION* - Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court a decision in connection with the lease.

8. *TENANT CHARGEABLE WITH COST OF LEGAL ACTIONS REGARDLESS OF OUTCOME* - Agreement be the tenant to pay attorney fees or other legal costs even if the tenant wins the court proceeding be the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

XII. SECURITY DEPOSITS

A. Tenants will be required to make a reasonable security deposit. You will be permitted to make said deposit in equal monthly installments of the first six (6) months of your lease term. The specific amount and manner for handling the security deposit will be set forth in the lease. A security deposit shall not exceed the lower of one month's rent or 30% of the tenant's gross monthly income.

XIII. RENT LEVELS

A. Rents are controlled for the length of the applicable affordability period. These rents are determined on an annual basis by HUD. _____ will be provided with these rents, which include all utilities. The utilities paid by tenants must be subtracted from the rents provided to determine the maximum allowable rents. The applicable utility allowance is provided by the local PHA or THDA. HOME rent limits are on file and open for public inspection in _____'s office.

B. HOME rents may increase or decrease from year to year. If rents are increased, tenants will be notified in writing at least 30 days in advance. HOME rents may not rise above the limits set by HUD.

XIV. INCOME RECERTIFICATON

A. As long as the rental unit is governed by the HOME "affordability period", tenant income must be rechecked and re-certified on an annual basis. In most cases, the affordability period is five (5) years from the date the unit is first rented. The annual re-certification is required by the HOME regulations and helps to insure that the program continues to serve low or very low income households.

B. Should the income of a household rise above the HOME income limits, adjusted by family size, the household *will not* be evicted or be required to move. The household would, however, be required to pay higher rent. In such a case, HOME regulations require that these tenants pay 30% of their gross monthly income for rent and utilities

XV. RANKING SYSTEM DEFINITIONS

FULL-TIME EMPLOYMENT

A job at which a person regularly spends 31 or more hours per week.

HANDICAPPED OR DISABLED

A person who has been declared disabled for the purposes of Social Security or who has been certified as disabled or handicapped by a qualified public or private agency.

HOMELESS

A family is homeless if they lack a fixed, regular, adequate night-time, and has a primary night-time residence for individuals that is either a supervised public or private shelter; an institution that provides temporary residence for individuals intended to be institutionalized; or a public or private place not designed for or ordinarily used for sleeping.

HOUSEHOLD

All persons who regularly reside together in a single housing unit.

INVOLUNTARILY DISPLACED

An individual or a family is involuntarily displaced if they are displaced from the home they have been occupying or if they will be displaced within six months from the date of certification because of fires, disasters, government action, or action by a private owner that the tenant could not control or prevent (not to include eviction for cause or a reasonable increase in rent); or actual or threatened physical violence that has occurred recently or is of a continuous nature.

MORE THAN 50% OF INCOME FOR HOUSING

A family paying more than 50% of their gross monthly income for rent and utilities combined. Utilities include electricity, water, heating fuel, and sewer, if available. A family may document actual utility bills or use the lowest applicable utility allowance published by THDA or the local PHA.

OVERCROWDED CONDITIONS

A household is overcrowded if there is an average of three or more persons per bedroom; or if there is no bedroom space for any member(s) of the household.

PART-TIME EMPLOYMENT

A job at which a person regularly works at least 10 but no more than 30 hours per week.

SUBSTANDARD HOUSING

A housing unit is substandard if it does not have operable indoor plumbing; does not have a useable flush toilet, bathtub or shower inside the unit for the exclusive use of the family; does not have electricity, or has inadequate or unsafe electrical service; does not have a safe and adequate source of heat; does not have a kitchen; has been declared unfit for habitation by any agency of government; or is dilapidated to the point that it does not provide decent, safe and sanitary shelter or has one or more critical defects in sufficient number to require considerable repair or rebuilding. Any one of these conditions qualify a unit as substandard.

RENTAL HOUSING FEASIBILITY WORKSHEET

Complete the following calculations to determine the "gap", i.e. the minimum amount of HOME funds needed to carry out the proposed rental housing activity.

If the proposed project consists of scattered site rental housing, this form must be completed for each unit. A project may include more than one site only if the sites are within a four block area of each other.

PART I: PROJECT INFORMATION

A. PROJECT NAME _____

Project Address _____ County _____

City _____ State _____ Zip Code _____

Project Owner _____

B. PROJECT DETAILS

1. Type of Project

_____ Multifamily Rental Residential
_____ Single Room Occupancy Housing
_____ Elderly Housing
_____ Single Family Dwelling
_____ Congregate Care Facility
_____ Other _____

2. Type of Activity

_____ New Construction
_____ Acquisition
_____ Acquisition/Rehabilitation
_____ Rehabilitation only

3. _____ Total number of units

Number of HOME-assisted units _____
Number of HOUSE-assisted units _____

4. Are or will all low-income units be of a least equal comparability in terms of construction quality and amenities when compared to non HOME assisted units of the project?

☐ YES ☐ NO

C. SITE INFORMATION

1. Is the site currently under control of the applicant? ☐ YES ☐ NO

   If YES, control is in the form of: ☐ Deed ☐ Option ☐ Sales Contract

   Expiration date of contract or option _____

2. Is site properly zoned for the development? ☐ YES ☐ NO

   If NO, is site currently in the process of re-zoning? ☐ YES ☐ NO

   When is the zoning issue to be resolved? _____ (month/year)

3. Are all necessary utilities presently available at the site? ☐ YES ☐ NO

   If NO, which utilities need to be brought to the site? _____

D. RELOCATION INFORMATION

Does this project propose any relocation of tenants? ☐ YES ☐ NO

If YES, STOP. You must notify THDA PRIOR to submitting the application.

E. MAXIMUM HOME SUBSIDY

1. Maximum HOME subsidy possible:

0 BR	$ 29,500	x	_____	units	=	$_____
1 BR	$ 33,816	x	_____	units	=	$_____
2 BR	$ 41,120	x	_____	units	=	$_____
3 BR	$ 53,195	x	_____	units	=	$_____
4 BR	$ 58,392	x	_____	units	=	$_____

   Total HOME subsidy $_____

2. Total HOME subsidy or maximum of $500,000: $_____

F. SOURCE OF FUNDS *(Commitment letters must be attached)*

1. Amount of contribution

   a. Mortgage Proceeds $ _____

   b. Syndication Proceeds $ _____

   c. Equity Contributions $ _____

   d. Federal Funds $ _____

   e. State Funds $ _____

   f. Local Government Funds $ _____

   g. TOTAL FUNDS $ _____

PART II: PROJECT FEASIBILITY WORKSHEET

A.	PROJECT COSTS	HOME COSTS	TOTAL COSTS
1.	To Purchase Land & Buildings	$ _____	$ _____
2.	Site Work	$ _____	$ _____
3.	Rehabilitation & New Construction		
	New Building Hard Costs	$ _____	$ _____
	Rehabilitation Hard Costs	$ _____	$ _____
	Contractor Overhead	$ _____	$ _____
	Contractor Profit	$ _____	$ _____
	Subtotal	$ _____	$ _____
4.	Contingency		
	Construction Contingency	$ XXXXXXXXXX	$ _____
	Subtotal	$ XXXXXXXXXX	$ _____
5*.	Architectural & Engineering Fees		
	Architect Fee-Design	$ _____	$ _____
	Architect Fee-Supervision	$ _____	$ _____
	Subtotal	$ _____	$ _____
6.*	Interim Costs		
	Construction Insurance	$ XXXXXXXXXX	$ _____
	Construction Interest	$ XXXXXXXXXX	$ _____
	Construction Loan Origin	$ _____	$ _____
	Construction Loan Credit Enhancement	$ _____	$ _____
	Taxes	$ _____	$ _____
	Subtotal	$ _____	$ _____
7.*	Financing Fees and Expenses		
	Bond Premium	$ _____	$ _____
	Credit Report	$ _____	$ _____
	Permanent Loan Origin fee	$ _____	$ _____
	Perm Loan Credit Enhance	$ _____	$ _____
	Cost of Issue/Underwriter	$ _____	$ _____
	Title and Recording	$ _____	$ _____
	Counsel's Fee	$ _____	$ _____
	Subtotal	$ _____	$ _____
8.*	Soft Costs		
	Property Appraisal	$ _____	$ _____
	Market Study	$ _____	$ _____
	Environmental Study	$ XXXXXXXXXX	$ _____
	Rent-Up	$ XXXXXXXXXX	$ _____
	Relocation Costs	$ _____	$ _____
	Affirmative Marketing Activities	$ XXXXXXXXXX	$ _____
	Subtotal	$ _____	$ _____
9.	Initial Operating Reserves	$ XXXXXXXXXX	$ _____
10.	TOTAL DEVELOPMENT COSTS	$_____	$_____

**If the total of project costs from Sections A5, A6, A7 and A8 exceed 12% of Total Development Costs (A10), you must provide written justification.*

B. MONTHLY UTILITY ALLOWANCE CALCULATIONS

(If utilities are paid by tenants)

UTILITY TYPE	ALLOWANCE AMOUNT				
	0 BR	1 BR	2 BR	3 BR	4 BR
Heating					
Air Conditioning					
Cooking					
Lighting					
Water					
Sewer					
Trash					
TOTAL ALLOWANCE					

SOURCE OF UTILITY AMOUNTS: ☐ THDA ☐ Local PHA ☐ Other _____

C. MAXIMUM HOME RENTS *(See Attachment V: 1998 HOME Program Rents)*

RENT	0 BR	1 BR	2 BR	3 BR	4 BR
High HOME Rent					
Low HOME Rent					
Utility Allowance (UA)					
Net High HOME Rent (High Rent less UA)					
Net Low HOME Rent (Low Rent less UA)					

D. PROPERTY INCOME CALCULATIONS

If charging less than allowable net rents, you must attach a written justification.

1. 0 Bedroom _____ # units x _____ monthly **high** rent $_____
   0 Bedroom _____ # units x _____ monthly **low** rent $_____

2. 1 Bedroom _____ # units x _____ monthly **high** rent $_____
   1 Bedroom _____ # units x _____ monthly **low** rent $_____

3. 2 Bedroom _____ # units x _____ monthly **high** rent $_____
   2 Bedroom _____ # units x _____ monthly **low** rent $_____

4. 3 Bedroom _____ # units x _____ monthly **high** rent $_____
   3 Bedroom _____ # units x _____ monthly **low** rent $_____

5. 4 Bedroom _____ # units x _____ monthly **high** rent $_____
   4 bedroom _____ # units x _____ monthly **low** rent $_____

6. Total monthly income (E1 + E2 + E3 + E4 + E5) $_____

7. Less vacancy allowance _____% $_____

   If the estimated vacancy allowance exceeds 10%, attach a written justification.

8. Other income (List) _____ $_____

9. Net monthly income (E6 - E7 + E8) $_____

10. Total annual project income (E9 x 12) $_____

E. PROJECT OPERATING EXPENSES

1. Management $_____
2. Utility $_____
3. Water/Sewer $_____
4. Trash Removal $_____
5. Payroll/Payroll Taxes $_____
6. Insurance $_____
7. Real Estate Taxes $_____
8. Maintenance $_____
9. Compliance Reporting $_____
10. Other $_____

11. Total Annual Operating Expenses $_____
    (F1 + F2 + F3 + F4 + F5 + F6 + F7 + F8 + F9 + F10)

If "Annual Operating Expenses" (F11) exceeds 50% of "Total Annual Income" (E10), you must attach a written justification.

F. ANNUAL REPLACEMENT RESERVES FOR UNITS $_____

If Annual Replacement for Reserves exceeds $200 per unit per year, you must attach a written justification.

G. TOTAL AVAILABLE FOR DEBT SERVICE

1. Annual Project Income (E10) $_____
2. Less Annual Operating Expenses (F11) $_____
3. Less Annual Replacement Reserves (G) $_____
4. Total available for debt service (H1 - H2 - H3) $_____

H. DEBT PROJECT WILL SUPPORT *(This section should be completed with your Lender)*

1. Total available for debt service (H4) $_____
2. Debt Service Coverage Ratio Required from Lender _____%

   (Percentage of net income from the project the lender will consider available to pay debt)
   If this ratio exceeds 125%, your lender must attach a written justification.

2. Actual Amount Available for Debt Service $_____

   (Total available for debt service divided by debt service ratio)

3. Specifics of Debt

   a. Interest Rate _____%
   If the interest rate exceeds 10%, your lender must attach a written justification.

   b. Amortization Term _____ Years
   If the amortization term is less than 15 years, your lender must attach a written justification.

4. Debt project will support (should agree with TOTAL SOURCE OF FUNDS (Part I: F1g) on page 2) $_____

I. FEASIBILITY SUMMARY

1. **Total Development Costs** (Part II: A10) $_____

2. **Total Funding Sources**
   a. Debt Project will Support (I4) $_____
   b. Owner's Equity Contribution (including syndication proceeds) $_____
   c. Other Grants $_____
   d. Total Funding $_____

3. **The Gap**
   a. Total Development Costs less Total Funding (J1 - J2d) $_____
   b. HOME/HOUSE Award $_____
   c. Balance to be funded by Owner (J3a - J3b) $_____

J. MANAGEMENT AND MARKETING.

1. For single developments of over 10 units, you agree that should your proposal be accepted by THDA that you will produce a market analysis to determine the marketability of the development in a form acceptable to THDA.

2. For single developments of over 10 units, you agree that should your proposal be accepted by THDA that you will formulate a plan for the management of the development once completed in a form acceptable to THDA.

The undersigned hereby certifies that the information set forth in this form, and in any attachment in support thereof, is true, correct and complete. If additional sources of federal funds become available, THDA will be notified immediately. The undersigned also certifies that they are aware that providing false information can subject the individual signing to criminal sanctions up to and including a Class B Felony.

APPLICANT: _____

BY: _____ DATE: _____

SAMPLE RH-3

RENTAL HOUSING APPLICATION

This is a preliminary application for apartment at _____ .
It holds no lease or rent obligations. All information will be verified by the management prior to an applicant being placed on our waiting list for consideration. All applicants must meet established selection criteria.

Date: _____

A. PERSONAL INFORMATION

Head of Household: _____ Age: _____

Social Security Number: _____

Address: _____ Phone: _____

City: _____ State: _____ Zip: _____

Marital Status: ☐ Single ☐ Married ☐ Divorced ☐ Widow/Widower

Name of Spouse: _____ Age: _____

Social Security Number: _____

All persons living with you	Relationship	Age	Sex	Social Security #

Are either you or your spouse handicapped or disabled? ☐ YES ☐ NO
If YES, what is the nature of the condition? _____
_____

Have you ever been convicted of a misdemeanor or felony? ☐ YES ☐ NO
If YES, please explain _____
_____

Whom should we contact in an emergency?
Name: _____ Phone: _____

B. PRESENT HOUSING INFORMATION

How long have you lived at your present address? _____

If you presently rent, how much is your rent? $_____ per _____

Landlord's Name: _____ Phone: _____

Address: _____

C. EMPLOYMENT AND INCOME INFORMATION

Employer: _____ Phone: _____

Address: _____

Your Supervisor: _____

Pay: _____ per _____ Hours per Week: _____

Length of Employment: _____

Spouse's Employer:_____ Phone: _____

Address: _____

Supervisor: _____

Pay: _____ per _____ Hours per Week: _____

Length of Employment: _____

If spouse employed less than one (1) full year, give previous employer information:

Employer: _____ Phone: _____

Address: _____

List any other income you receive below:

Social Security:	$_____	SSI	$_____
AFDC	$_____	Worker's Comp	$_____
Child Support	$_____	Food Stamps	$_____
Unemployment	$_____		
Other (Specify)	_____		$_____

D. ASSETS (Other than household items and automobile)

Do you have a checking account at any bank? ☐ YES ☐ NO

If YES, give name of bank(s) _____

Do you have a savings account at any bank: ☐ YES ☐ NO

If YES, give name of bank(s) _____

FAMILY MEMBER	ASSET DESCRIPTION	CURRENT MARKET VALUE	INCOME FROM ASSETS
Total Net Family Assets		a.	
Total Actual Asset Income			b.
If line (a) is greater than $5,000, multiply (a) by _____ (passbook rate) and enter result here; otherwise, leave blank			c.

E. FAMILY INCOME CALCULATION

1. Number in Household _____

2. Income Limits for _____ County dated _____

   LMI Maximum _____ VLI Maximum _____

3. Payment Frequency

   ☐ Hourly (hourly rate x number of hours per week)

   ☐ Weekly (weekly salary x 52 weeks per year)

   ☐ Bi-monthly (24 times per year)

   ☐ Every two weeks (26 times per year)

   ☐ Monthly

4. Show income calculation to convert to annual gross income.

Example: Mr. Jones is paid $5.00/hour and works 32 hours/week $5.00 x 32 = $160 x 52 weeks = $8,320 annual income

5. SUMMARY OF INCOME DATA

FAMILY MEMBER	WAGES SALARIES	BENEFITS PENSIONS	PUBLIC ASSISTANCE	OTHER INCOME	TOTALS
TOTALS					

Asset Income - Enter greater of lines 5(b) or 5 (c) above $_____

Total Anticipated Income $_____

ANNUAL INCOME - Anticipate Income plus Asset Income $_____

F. DEBTS

List all current debts, including loans, credit purchases, credit cards, hospital/doctor bills, etc. Attach a separate sheet if necessary.

COMPANY/LENDER	AMOUNT OWED	PAYMENT	FREQUENCY
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If you have ever failed to pay a debt, had a foreclosure, taken bankruptcy, or had a judgement against you for debt, attach a separate sheet of paper explaining the details.

G. REFERENCES

List three (3) people not related to you by blood or marriage whom we may contact as references

NAME	ADDRESS	TELEPHONE
_____	_____	_____
_____	_____	_____
_____	_____	_____

H. CERTIFICATION AND AGREEMENT

I certify that all the information above is complete, correct and true to the best of my knowledge. I understand that false or misleading information may result in the rejection of my application. I also understand that completion of this application in no way guarantees me that I receive rental housing. Further, I give permission to check any and all information and/or references contained herein, including but not limited to employers and landlords; and further, I also give permission to check my credit rating and the credit information contained herein either directly or through a credit reporting agency.

_____ Date: _____
Applicant

_____ Date: _____
Co-Applicant

RETURN COMPLETED APPLICATION AND ATTACHMENTS TO:

_____

_____

_____

◆◆◆

SAMPLE

HOME Program
Eligibility Release Form

Organization requesting release of information (Name, Address, Telephone and Date)

Purpose: Your signature on this HOME Program Eligibility Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

HOME Homeownership Program
HOME Rental Rehabilitation Program
HOME Homeowner Rehabilitation Program
HOME Rental New Construction Program

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

Instructions: Each adult member of the household must sign a HOME Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Information Covered: Inquiries may be made about items initiated by applicant/tenant.

	Verification Required	Initials
Income (all sources)		
Assets (all sources)		
Child Care Expense		
Handicap Assistance Expense (if applicable)		
Medical Expense (if applicable)		
Federal Preferences		
Other Preferences		
Other (list)		
Dependent Deduction ____ Full-Time Student ____ Handicap/Disabled Family Member ____ Minor Children		

Authorization: I authorize the above-named HOME Grantee and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

(1) A photocopy of this form is as valid as the original

(2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).

(3) I have the right to copy information from this file and to request correction of information I believe inaccurate.

(4) All adult household members will sign this form and cooperate with the owner in this process.

Head of Household – Signature, Printed Name and Date Family Member HEAD
X
Other Adult Member of the Household – Signature, Printed Name and Date Family Member #3
X

Other Adult Member of Household – Signature, Printed Name and Date Family Member #2
X
Other Adult Member of the Household – Signature, Printed Name and Date Family Member #4
X

SAMPLE

VERIFICATION OF ASSETS ON DEPOSIT

(Name of HOME Participating Jurisdiction) _____	Checking Account #	Average Monthly Balance for Last 6 Months	Current Interest Rate	
AUTHORIZATION: Federal Regulations require us to verify income from Assets of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.	**Savings Accounts #**	**Current Balance**	**Current Interest Rate**	
	Certificate of Deposit Account #	**Amount**	**Withdrawal Penalty**	**Current Interest Rate**
	IRA, Keogh, Retirement Accounts			
Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed	**Account #**	**Amount**	**Withdrawal Penalty**	**Current Interest Rate**
	Money Market Funds	**Amount (Average 6 month Balance)**	**Interest Rate**	
Release: **I hereby authorize the release of the requested information** _____ **(Signature of Applicant**	**Signature of _____ or** **Authorized Representative_____.** **Title:** **Date:** **Telephone**			
WARNING: **Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.**				

SAMPLE

VERIFICATION OF EMPLOYMENT

(Name of HOME Participating Jurisdiction)

_____

AUTHORIZATION: Federal Regulations require us to verify income from Assets of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household..

Employed since: _____ Occupation: _____

Salary: _____ Effective date of last increase:_____

Base pay rate:

$ _____/hour or $ _____/week or $ _____/month

Average hours/week at base pay rate: _____ Hours

No. Weeks ____ or No. Weeks _____ worked per year

Overtime pay rate: $_____/hour

Expected average number of hours overtime worked per week during next 12 months: _____

Any other compensation not included above (specify for commissions, bonuses, tips, etc.):

For: _____ $_____per _____

Is pay received for vacation? ____No. of days/year_____

Total base pay earnings for past 12 mos. $_____

Total overtime earnings for past 12 mos. $_____

Probability and expected date of any pay increase:_____

Does employee have access to a retirement account? Yes_____ No _____

If Yes, what amount can they get access to $_____

Release: **I hereby authorize the release of the requested information**

_____

(Signature of Applicant

Signature of _____ or

Authorized Representative_____.

Title:

Date:

Telephone

WARNING: **Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.**

APPLICANT CHECKLIST

PLEASE BRING:

1. Copies of the pay check stubs fro the past two months or eligibility letters from social security or the Department of Human Services, or other verification of income.

2. A copy of your income tax form (1040, 1040EZ, etc.) for _____ year.

3. Copies of social security cards for *all* households members.

4. Copies of birth certificates for children, or written explanation of why birth certificates are unavailable.

5. Bank statements for the past three months.

6. Rent receipts or other verification of rent.

7. Other information or documents listed below:

SAMPLE RH-4

SECURITY DEPOSIT INSTALLMENT PAYMENT AGREEMENT

Tenant: _____

Unit: _____

THIS AGREEMENT entered into on the _____ day of _____, 19____, between _____ hereinafter called the LANDLORD and _____ hereinafter called the TENANT.

Pursuant to the terms and conditions of the lease agreement executed between the LANDLORD and TENANT, it is hereby understood between the LANDLORD and TENANT that the Security Deposit for the above stated dwelling unit, as stated in the Lease Agreement executed by the LANDLORD and TENANT on _____ shall be paid by the TENANT to the LANDLORD as stated below:

Total Security Deposit $_____

Amount to be paid upon Signing of the Lease $_____

Balance to be paid in _____ installments of $_____ each, beginning on _____ and each _____ thereafter until paid in full.

_____ Date:_____
Landlord

_____ Date:_____
Tenant

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

LEAD WARNING STATEMENT:

Housing build before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure:

a. Presence of lead-based paint and/or lead-based paint hazards (Check (i) or (ii) below):

i. ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing. Explain.

_____

ii. ☐ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

b. Records and reports available to Lessor (Check (i) or (ii) below:

i. ☐ Lessor has provided the Lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing. (List documents below.)

_____

ii. ☐ Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgement: (Initial)

c. _____ Lessee has received copies of all information listed above.

d. _____ Lessee has received the pamphlet *Protect Your Family From Lead In Your HOME*.

Certification of Accuracy:

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____ _____
Lessor Date

_____ _____
Lessee Date

SAMPLE RH-6

LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this _____ day of _____, 19____ by and between _____(LANDLORD) whose business address is _____ and _____(TENANT) for the _____ bedroom dwelling located at _____ _____.

THE HOUSEHOLD consists of the following members:

_____ Age _____ relationship _____

_____ Age _____ relationship _____

_____ Age _____ relationship _____

_____ Age _____ relationship _____

_____ Age _____ relationship _____

_____ Age _____ relationship _____

1. TENANT ELIGIBILITY

The acquisition and/or rehabilitation of this rental property was financed in part by a federal grant from the U.S. Department of Housing and Urban Development (HUD) under the HOME Investment Partnerships Program (HOME) administered by the Tennessee Housing Development Agency (THDA). Pursuant to LANDLORD's Working Agreement with THDA, the LANDLORD has agreed to limit occupancy to eligible low-income tenants as defined by HUD. Such income limitations are based on a percentage of area median income adjusted for household size and are adjusted annually by HUD.

The TENANT hereby certifies that household size has been accurately represented above and that all household income has been disclosed to LANDLORD in the Rental Application, which is part of this lease, for purposes of determining tenant eligibility under HOME.

2. TERM OF LEASE

The term of this lease shall be for one year and shall begin on the ____ day of _____, 19____, and shall continue until (1) a termination of this lease by the LANDLORD in accordance with provisions herein; (2) a termination of this lease by the TENANT in

accordance with provisions herein; (3) termination of this lease by mutual agreement of the parties hereto; or (4) the _____ day of _____ of 19___.

3. RENTS

The TENANT shall pay a monthly rent of $_____ per month for the twelve-month rental period under this lease. Upon annual renewal of this lease, rents may be adjusted in accordance with the federal and state regulations of the HOME Program.

The first month's rent (or prorated partial month's rent) in the amount of $_____ is payable upon entering into this lease. Thereafter, full monthly rent is due on the first day of each month. Rent is considered LATE if payment is not received on or before the 5th day of the month (or the first regular business day following the 5th), at which time an additional LATE FEE of $10.00 will be payable, plus an additional charge of $1.00 per day will be added thereafter. Provided, however, that such LATE FEE shall not exceed ten percent (10%) of the amount of rent past due. A check returned for any reason shall be considered non-payment of rent and the late fee provision shall apply.

4. LEASE RENEWAL

The TENANT shall give the LANDLORD thirty (30) days written notice of their desire to extend the term of this lease. TENANT understands that annual renewal of this lease will require recertification of TENANT's household income for the purpose of determining TENANT's continuing eligibility. The TENANT will timely supply all required information on household income and composition, or other eligibility factors of the tenant household.

Should TENANT remain eligible under the HOME guidelines, if mutually agreeable to both parties, TENANT and LANDLORD will enter into a new Lease Agreement for a term of one year.

Should the Tenant's household income change during their occupancy resulting in income which is higher than the HOME income limitations, the TENANT will not be required to vacate the dwelling unit. However, the TENANT will be required to enter into a new Lease Agreement for a term of one year and will be required to pay a higher monthly rent which may be equal to the lesser of (a) 30% of their Gross Income less the appropriate Utility Allowance as determined by the local Public Housing Authority or (b) the maximum rent allowable under state and local law. Such rent will be set forth in the new Lease Agreement.

5. SECURITY DEPOSIT

The TENANT has deposited with the LANDLORD an initial security deposit of $_____and agrees to deposit an additional $_____ in equal monthly installments of $_____ beginning on _____and continuing until a total Security Deposit of $_____ has been deposited with the LANDLORD.

The LANDLORD will hold the Security Deposit during the period the TENANT occupies the dwelling unit under this lease, and shall comply with state and local laws regarding interest payments on Security Deposits.

After the TENANT has moved from the dwelling unit, the LANDLORD may (subject to state and local laws) use the Security Deposit, including any interest on the Deposit, as reimbursement for any unpaid rent or any repairs necessitated by action or neglect of the TENANT or for any other amounts with the TENANT owes under this lease. After the TENANT has vacated the unit, the LANDLORD shall inspect the unit and complete a Move-Out Inspection Report, which shall be the basis for any charge against the Security Deposit. The LANDLORD will give the TENANT a copy of the Move-Out

Inspection Report listing all items charged against the Security Deposit and the amount of each item. After deducting the amount used as reimbursement to the LANDLORD, the LANDLORD shall promptly refund the full amount of the balance, if any, to the TENANT.

6. UTILITIES

The LANDLORD shall provide the utilities checked in Column A below without any additional cost to the TENANT. The utilities checked in Column B are not included in the Contract Rent, and are to be paid by the TENANT, including any required deposits.

TYPE OF UTILITY	COLUMN A PAID BY LANDLORD	COLUMN B PAID BY TENANT
Electricity	☐	☐
Natural Gas	☐	☐
Propane or other Heating Fuel	☐	☐
Hot Water	☐	☐
Cold Water	☐	☐
Sewer	☐	☐
Garbage Collection	☐	☐
Telephone	☐	☐
Cable Television	☐	☐
Other (Specify)	☐	☐
_____	☐	☐
_____	☐	☐

The TENANT agrees not to waste utilities furnished by the LANDLORD; not to use utilities or equipment for any improper or unauthorized purpose.

7. APPLIANCES/EQUIPMENT

The LANDLORD shall provide the following appliances and equipment:

Range	☐	Other (Specify)	
Refrigerator	☐	_____	☐
Dishwasher	☐	_____	☐
Washer/Dryer	☐	_____	☐
Garbage Disposal	☐	_____	☐

TENANT may not install additional appliances and equipment without the prior written consent of the LANDLORD.

8. MAINTENANCE

TENANT RESPONSIBILITIES:

The TENANT shall be responsible for the ordinary care and cleaning of the dwelling unit and any appliances provided, and shall keep the dwelling and appliances in a clean and sanitary condition and otherwise comply with all state and local laws requiring TENANTS to maintain rented premises. TENANT shall use all appliances, fixtures, and equipment in a safe manner and only for the purposes for which they are intended. If damage to the dwelling unit or appliances (other than normal wear and tear) is caused by acts of or neglect by the TENANT or other occupying the premises with the TENANT's permission, TENANT, upon agreement with the LANDLORD, shall repair such damage at the TENANT's own expense. If (a) TENANT fails to make agreed upon repairs, or (b) LANDLORD agrees to make repairs, the LANDLORD may cause such repairs to be made and TENANT shall be liable to LANDLORD for any reasonable expense thereby incurred by the LANDLORD.

The TENANT shall not permit any trash or junk to accumulate in the dwelling unit or on the grounds thereof. No inoperable automobiles, or other junk, shall be permitted to remain on the grounds of the dwelling unit except with the written permission of the LANDLORD.

The TENANT shall not make any alterations to the dwelling unit, appliances, fixtures and equipment without the prior written consent of the LANDLORD.

The TENANT shall not install additional or different locks on any doors or windows of the dwelling unit without the prior written consent of the LANDLORD. If the LANDLORD approves the TENANT's request to install such locks, the TENANT agrees to provide the LANDLORD with a key for each lock.

The TENANT shall give the LANDLORD prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the unit or related facilities.

LANDLORD RESPONSIBILITIES:

The LANDLORD shall provide for the general preventive maintenance and repair of the dwelling unit and of all appliances owned by the LANDLORD. The LANDLORD shall maintain the dwelling unit to provide decent, safe and sanitary housing in accordance with Section 8 Housing Quality Standards and all relevant local building codes.

The LANDLORD shall provide pest extermination services, as conditions require.

The LANDLORD shall arrange for collection and removal of trash and garbage.

The LANDLORD shall provide repainting, as conditions require.

The LANDLDORD shall mow the lawn and provide general maintenance and upkeep of the common area grounds.

9. TERMINATION OF TENANCY

The LANDLORD may not terminate this lease except for (a) serious and repeated violations of the terms and conditions of this lease; (b) violation of federal, state or local law which imposes obligations on a Tenant in connection with the occupancy or use of the dwelling unit and surrounding premises; or (c) Other Good Cause.

Any termination of this lease by the LANDLORD shall be preceded by thirty (30) days advance written notice to the TENANT specifying the grounds for said termination.

The LANDLORD may evict the TENANT only by due legal process as provided in state or local law.

10. TERMINATION OF LEASE BY TENANT

The TENANT may terminate this lease without cause at any time after the first year of occupancy of the HOME-assisted dwelling unit upon sixty (60) days written notice by the TENANT to the LANDLORD.

11. NOTICES

Any notice or notices required under this lease may be combined with and run concurrently with any notice or notices required under state and local law.

Any notice by LANDLORD to TENANT or by TENANT to LANDLORD will be delivered to the respective address of each as stated in the first paragraph of this lease.

12. DISCRIMINATION

The LANDLORD shall not discriminate against the TENANT in the provision of services, or in any other manner, on the grounds of age, race, color, creed, religion, sex, handicap, or national origin.

13. INSPECTION OF THE DWELLING UNIT

The LANDLORD's AGENT may enter the dwelling unit only for the following purposes: (1) to inspect to see that the TENANT is complying with this lease; (2) to make repairs; (3) to exhibit the unit to prospective purchasers, mortgagees, tenants, and/or workmen; or (4) to respond to an emergency such as a fire. The TENANT shall not unreasonably withhold consent to the LANDLORD to enter for such purposes. However, the LANDLORD shall, except in an emergency such as a fire, give the TENANT at least twenty-four (24) hours notice of intent to enter the dwelling, and may then enter only at a reasonable time. The TENANT may, solely at his/her discretion, permit the LANDLORD to enter the dwelling unit without said notice. In the case of an emergency, the LANDLORD shall, within two (2) days thereafter, notify the TENANT of the date, time, purpose and result of such entry.

14. INSURANCE

The LANDLORD is not responsible for, and will not provide, fire or casualty insurance for the TENANT's personal property.

15. OCCUPANCY OF THE DWELLING UNIT

The TENANT must live in the dwelling unit and the unit must be the TENANT's only place of residence. The TENANT shall use the premises only as a private dwelling for himself/herself and the individuals listed above.

The TENANT will notify the LANDLORD of the time period and purpose on any extended absences from the dwelling unit (more than thirty (30) days). Should it be determined by LANDLORD

that the dwelling unit is no longer a primary residence, tenancy may be terminated so that other eligible households with greater need may be provided affordable housing.

The TENANT agrees not to assign this lease, not to sublet or transfer possession of the premises, nor to give accommodation to boarders or lodgers without the written consent of the LANDLORD. The TENANT further agrees not to use or permit the use of the dwelling unit for any purpose other than as a private dwelling unit solely for the TENANT and his/her family and/or dependents. This provision does not apply to reasonable accommodations of the TENANT's guests or visitors whose stay is less than thirty (30) days.

The dwelling unit may not be used on a regular basis for licensed or unlicensed/paid or unpaid care for children who are not members of the TENANT's household.

16. NOISE

The TENANT agrees not to allow on the premises any excessive noise or other activity which materially disturbs the peace and quiet of other residents in the neighborhood.

17. PETS (☐ APPLICABLE ☐ NOT APPLICABLE)

The TENANT shall be permitted to keep common household pets in his/her dwelling unit, subject to, and upon the terms and conditions set forth in the Pet Rules which is a part of this lease.

The TENANT hereby agrees to comply with all Pet Rules and any subsequent amendments or additions thereto.

The TENANT acknowledges and agrees that a violation of the Pet Rules may be grounds for removal of the pet or termination of tenancy, or both, in accordance with the lease and all applicable federal, state and local laws and regulations.

In addition to any other right of inspection permitted under this lease, the LANDLORD may, after reasonable notice to TENANT, and during reasonable hours, enter and inspect the dwelling unit if the LANDLORD has reasonable grounds to believe or has received a signed, written complaint alleging that the conduct or condition of a pet in TENANT's dwelling unit constitutes, under applicable state or federal law, a nuisance or a threat to the health or safety of the other residents or other persons in the community.

18. CONDITION OF THE DWELLING UNIT

By signing this lease, the TENANT acknowledges that the dwelling unit is safe, clean and in good condition. The TENANT agrees that all appliances and equipment in the unit are in good working order, except as described in the Move-In Inspection Report which is part of this lease. The TENANT also agrees that the LANDLORD has made no promises to decorate, alter, repair or improve the dwelling unit, except as listed on the Move-In Inspection Report. The TENANT further agrees that at the end of occupancy to surrender the dwelling unit in as good condition as when received, reasonable wear and tear excepted.

19. HAZARDS

The TENANT shall not undertake, or permit his/her family or guests to undertake any hazardous acts or do anything that will increase the project's insurance premiums.

If the unit is damaged by fire, wind, or rain to the extent that the unit cannot be lived in and the damage is not caused or made worse by the TENANT, the TENANT will be responsible for rent payments only up to the date of destruction. Additional rent will not accrue unit the unit has been repaired to a livable condition.

20. PROHIBITED LEASE PROVISIONS

Notwithstanding anything to the contrary contained in this lease, any provision of this lease which falls within the classification below shall be inapplicable:

A. AGREEMENT TO BE SUED. Agreement by the TENANT to be sued, to admit guilt, or a judgement in favor of the LANDLORD in a lawsuit brought in connection with this lease.

B. TREATMENT OF PROPERTY. Agreement by the TENANT that the LANDLORD may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the TENANT concerning disposition of personal property remaining in the dwelling unit after the tenant has moved out of the unit. The LANDLORD may dispose of this personal property in accordance with state law.

C. EXCUSING LANDLORD FROM RESPONSIBILITY. Agreement by the TENANT not to hold the LANDLORD or LANDLORD'S AGENTS legally responsible for any action or failure to act, whether intentional or negligent.

D. WAIVER OF NOTICE. Agreement of the TENANT that the LANDLORD may institute a lawsuit without notice to the TENANT.

E. WAIVER OF LEGAL PROCEEDINGS. Agreement by the TENANT that the LANDLORD may evict the TENANT (1) without instituting a civil court proceeding in which the TENANT has the opportunity to present a defense, or (2) before a decision by a court on the rights of the parties.

F. WAIVER OF JURY TRIAL. Agreement by the TENANT to waive any right to a trial by jury.

G. WAIVER OF RIGHT TO APPEAL COURT DECISION. Agreement by the TENANT to waive the TENANT's right to appeal, or to otherwise challenge in court, a court decision in connection with this lease.

H. TENANT CHARGEABLE WITH COST OF LEGAL ACTIONS REGARDLESS OF OUTCOME. Agreement by the TENANT to pay attorney's fees or other legal costs even if the TENANT wins in a court proceeding by the owner against the TENANT. The TENANT, however, may be obligated to pay costs if the TENANT loses.

21. LANDLORD TENANT ACT

This lease is in conformance with the Uniform Residential Landlord and Tenant Act, Tennessee Code Annotated 66-28-011 through 66-28-517.

22. CHANGES

This lease, together with any future adjustments of rent, evidences the entire agreement between the LANDLORD and TENANT. No change herein shall be made except in writing, signed and dated by both parties hereto.

TENANT acknowledges that he/she has read and understands this lease, the Rental Application, and all other agreements, which are a part of this lease.

IN WITNESS WHEREOF, the parties hereto have, by their duly appointed representatives set forth their signatures:

TENANT:

1. _____ _____
Signature Date

2. _____ _____
Signature Date

3. _____ _____
Signature Date

LANDLORD:

BY: _____ _____
Signature Date

_____
Print or Type Name and Title of Signatory

INITIAL OCCUPANCY PROFILE *

GRANTEE: _____

OWNER: _____ DATE PREPARED: _____

PROPERTY ADDRESS	# OF BDRM	TENANT	INTIAL INCOME CERTIFICATION DATE	INITIAL ANNUAL GROSS INCOME	SIZE OF HOUSEHOLD	LOWER INCOME PERCENTAGE			UTILITY ALLOW (UA)	MAXIMUM MONTHLY HOME RENTS LESS UA		ACTUAL RENTS
						30%	50%	60%		HIGH	LOW	

- Initial Occupancy Profile of the first tenants in the unit when the acquisition and/or rehabilitation is completed.

SAMPLE RH-8

SUBRECIPIENT WORKING AGREEMENT

This Working Agreement, by and between the _____, hereinafter referred to as the Grantor, and _____, hereinafter referred to as the Property Owner, is for the purpose of providing decent, safe, sanitary and affordable rental housing for low income residents of _____ _____ in Tennessee through the federally-funded HOME program. The Grantor is a recipient of HOME funds from the Tennessee Housing Development Agency (THDA) and the Property Owner is a subrecipient of the HOME funds from the Grantor.

The Grantor has provided the Property Owner HOME funds in the amount of $_____ for the rehabilitation rental property owned by the Property Owner at _____ _____. In return for the HOME funds, the Property Owner must maintain the rental units in compliance with HOME regulations for a period of _____ (___) years from the date of completion of the rehabilitation of the unit(s). Failure of the Property Owner to maintain the units in compliance with HOME regulations will require the repayment of the HOME funds to the Grantor.

HOME PROGRAM REQUIREMENTS:

The Grantor will provide each Property Owner with the following:

1 A copy of the Rental Housing Policies and Procedures adopted by the Grantor for the operation of its rental housing program.

2 The income limits and HOME rents applicable to the specific county in which the rental property is located. The income limits and HOME rents are updated on a yearly basis, and the Grantor will provide the new limits to the Property Owner.

3 The utility allowance published by THDA or the local public housing authority (PHA) for the specific county in which the property is located and for the type of rental housing (apartment, single-family, trailer). The utility allowances are updated on a yearly basis and the Grantor will provide the new limits to the Property Owner.

4 A copy of pages 11-1 through 11-14 of *Chapter 11 --Rental Housing* from THDA's HOME Operations Manual. This Chapter is being provided for informational purposes and to allow the Property Owner to view compliance issues first hand.

5 A sample customer questionnaire or application for rental housing, a request for verification of employment, the *Fair Housing: It's Your Right* pamphlet, and the *Protect Your Family from Lead in Your Home* pamphlet.

6 A sample lease agreement and addendum with the required tenant lease protections.

For long-term compliance, the Property Owner will provide the Grantor with the following for each unit rehabilitated with HOME funds:

1. An application filled out and signed by the tenant**.** This document must show personal data, including names of all persons, including minors, who will be residing in the unit, marital status, current employment, and all income and assets for all household members, including minors. The unit size for which the household is applying must be appropriate to the size of the household. (A sample application is provided.)

2. Receipts signed by the tenant that they have received the Fair Housing pamphlet and the lead paint pamphlet at the time of application.

3. Income verification for all household members. This can be the verification of employment form provided by the Grantor, copies of checks for Social Security, Supplemental Security Income, AFDC or other social support income received by household members, notarized statements of no income, copies of the most recent income tax returns, or any other documentation showing gross household income. These documents must be dated within 6 months of the application or the yearly recertification of annual income.

4. The HOME rents must be confirmed by Grantor personnel prior to signing a lease. These are based upon the current HOME rents for the specific county in which the rental property is located less the applicable utility allowance for tenant paid utilities.

5. A copy of the signed lease between the Property Owner and the tenant that shows all persons, including minors, residing in the unit and the number of bedrooms in the unit. The lease must include the tenant protections required by the HOME program. (A sample lease is provided).

6. Rental units that are constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances and zoning ordinances at the time of project completion. In the absence of a local code, HOME-assisted new construction must meet the Standard Building Code and HOME-assisted rental rehabilitation must meet the Standard Housing Code. The Property Owner must maintain the HOME-assisted units in compliance with the applicable codes throughout the five-year compliance period. The GRANTOR will conduct an annual housing quality standard inspection (HQS) after initial rent up to insure that the unit is being maintained in compliance with HOME regulations.

The Property Owner understands that by signing this document, as well as previous contractual documents, that he/she is obligated to comply with HOME regulations in return for the grant funds awarded to them. Failure to comply with previous contractual documents or with this Working Agreement will require the repayment of the HOME funds used to rehabilitate this unit.

AGREED TO AS WRITTEN:

Grantor: _____ Property Owner: _____

BY: _____ BY: _____

Date: _____ Date: _____

Part 92-Home Investment Partnerships Program

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SUBPART A - GENERAL

92.1 Overview

This part implements the HOME Investment Partnerships Act (the HOME Investment Partnerships Program).

In general, under the HOME Investment Partnerships Program, HUD allocates funds by formula among eligible State and local governments to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families.

Generally, HOME funds must be matched by nonfederal resources.

State and local governments that become participating jurisdictions may use HOME funds to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing, and tenant-based rental assistance.

Participating jurisdictions may provide assistance in a number of eligible forms, including loans, advances, equity investments, interest subsidies and other forms of investment that HUD approves.

92.2 Definitions

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.2]

The terms 1937 Act, ALJ, Fair Housing Act, HUD, Indian Housing Authority (IHA), Public Housing Agency (PHA), and Secretary are defined in 24 CFR 5.100.

Act means the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq.

Adjusted income. See **92.203**.

Annual income. See **92.203**.

Certification shall have the meaning provided in section 104(21) of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12704.

Commitment means

1. The participating jurisdiction has executed a legally binding agreement with a State recipient, a subrecipient or a contractor to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or has executed a written agreement reserving a specific amount of funds to a community housing development organization; or has met the requirements to commit to a specific local project, as defined in paragraph (2), below.

2. Commit to a specific local project, which means:
   i. If the project consists of rehabilitation or new construction (with or without acquisition) the participating jurisdiction (or State recipient or subrecipient) and project owner have executed a written legally binding agreement under which HOME assistance will be provided to the owner for an identifiable project under which construction can reasonably be expected to start within twelve months of the agreement date. If the project is owned by the participating jurisdiction or State recipient, the project has been set up in the disbursement and information system established by HUD, and construction can reasonably be expected to start within twelve months of the project set-up date.
   ii.
      A. If the project consists of acquisition of standard housing and the participating jurisdiction (or State recipient or subrecipient) is acquiring the property with HOME funds, the participating jurisdiction (or State recipient or subrecipient) and the property owner have executed a legally binding contract for sale of an identifiable property and the property title will be transferred to the participating jurisdiction (or State recipient or subrecipient) within six months of the date of the contract.

B. If the project consists of acquisition of standard housing and the participating jurisdiction (or State recipient or subrecipient) is providing HOME funds to a family to acquire single family housing for homeownership or to a purchaser to acquire rental housing, the participating jurisdiction (or State recipient or subrecipient) and the family or purchaser have executed a written agreement under which HOME assistance will be provided for the purchase of the single family housing or rental housing and the property title will be transferred to the family or purchaser within six months of the agreement date.

iii. If the project consists of tenant-based rental assistance, the participating jurisdiction (or State recipient, or subrecipient) has entered into a rental assistance contract with the owner or the tenant in accordance with the provisions of **92.209**.

Community housing development organization means a private nonprofit organization that:

1. Is organized under State or local laws;

2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
   i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
   ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members; and
   iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;

4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986;

5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members;

6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"

7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;

8. Maintains accountability to low-income community residents by:
   i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
   ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and

10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

Family has the same meaning given that term in 24 CFR 5.403.

HOME funds means funds made available under this part through allocations and reallocations, plus program income.

Homeownership means ownership in fee simple title or a 99 year leasehold interest in a one- to four-unit dwelling or in a condominium unit, or equivalent form of ownership approved by HUD. The ownership interest may be subject only to the restrictions on resale required under **92.254**(a); mortgages, deeds of trust, or other liens or instruments securing debt on the property as approved by the participating jurisdiction; or any other restrictions or encumbrances that do not impair the good and marketable nature of title to the ownership interest. For purposes of the insular areas, homeownership includes leases of 40 years or more. The participating jurisdiction must determine whether or not ownership or membership in a cooperative or mutual housing project constitutes homeownership under State law.

Household means one or more persons occupying a housing unit.

Housing includes manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single-room occupancy housing, and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities and student dormitories.

Insular areas means Guam, the Northern Mariana Islands, the United States Virgin Islands, and American Samoa.

Jurisdiction means a State or unit of general local government.

Low-income families means families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Metropolitan city has the meaning given the term in 24 CFR 570.3.

Neighborhood means a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation that is within the boundary but does not encompass the entire area of a unit of general local government; except that if the unit of general local government has a population under 25,000, the neighborhood may, but need not, encompass the entire area of a unit of general local government.

Participating jurisdiction means a jurisdiction (as defined in this section) that has been so designated by HUD in accordance with **92.105**.

Person with disabilities means a household composed of one or more persons, at least one of whom is an adult, who has a disability.

1. A person is considered to have a disability if the person has a physical, mental, or emotional impairment that:
    i. Is expected to be of long-continued and indefinite duration;
    ii. Substantially impedes his or her ability to live independently; and
    iii. Is of such a nature that such ability could be improved by more suitable housing conditions.

2. A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that:
    i. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
    ii. Is manifested before the person attains age 22;
    iii. Is likely to continue indefinitely;

iv. Results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and

v. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated. Notwithstanding the preceding provisions of this definition, the term "person with disabilities" includes two or more persons with disabilities living together, one or more such persons living with another person who is determined to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this definition who were living, in a unit assisted with HOME funds, with the deceased member of the household at the time of his or her death.

Program income means gross income received by the participating jurisdiction, State recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions. When program income is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be prorated to reflect the percentage of HOME funds used. Program income includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;

2. Gross income from the use or rental of real property, owned by the participating jurisdiction, State recipient, or a subrecipient, that was acquired, rehabilitated, or constructed, with HOME funds or matching contributions, less costs incidental to generation of the income;

3. Payments of principal and interest on loans made using HOME funds or matching contributions;

4. Proceeds from the sale of loans made with HOME funds or matching contributions;

5. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;

6. Interest earned on program income pending its disposition; and

7. Any other interest or return on the investment permitted under **92.205**(b) of HOME funds or matching contributions.

Project means a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking under this part. The project includes all the activities associated with the site and building. For tenant-based rental assistance, project means assistance to one or more families.

Project completion means that all necessary title transfer requirements and construction work have been performed; the project complies with the requirements of this part (including the property standards under § 92.251); the final drawdown has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD. For tenant-based rental assistance, project completion means the final drawdown has been disbursed for the project.

Reconstruction means the rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is rehabilitation for purposes of this part.

Single room occupancy (SRO) housing means housing (consisting of single room dwelling units) that is the primary residence of its occupant or occupants. The unit must contain either food preparation or sanitary facilities (and may contain both) if the project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure or hotel, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants.

State means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive officer to act on behalf of the State with regard to the provisions of this part.

State recipient. See **92.201**(b)(2).

Subrecipient means a public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient. The participating jurisdiction's selection of a subrecipient is not subject to the procurement procedures and requirements.

Tenant-based rental assistance is a form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. Tenant-based rental assistance under this part also includes security deposits for rental of dwelling units.

Transitional housing means housing that:

1. Is designed to provide housing and appropriate supportive services to persons, including (but not limited to) deinstitutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children; and

2. Has as its purpose facilitating the movement of individuals and families to independent living within a time period that is set by the participating jurisdiction or project owner before occupancy.

Unit of general local government means a city, town, township, county, parish, village, or other general purpose political subdivision of a State; a consortium of such political subdivisions recognized by HUD in accordance with § 92.101; and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this part. When a county is an urban county, the urban county is the unit of general local government for purposes of the HOME Investment Partnerships Program.

Urban county has the meaning given the term in 24 CFR **570.3**.

Very low-income families means low-income families whose annual incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

92.4 Waivers and Suspension of Requirements for Disaster Areas

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.4]

HUD's authority for waiver of regulations and for the suspension of requirements to address damage in a Presidentially declared disaster area is described in 24 CFR 5.110 and in section 290 of the Act, respectively.

SUBPART B - ALLOCATION FORMULA

92.50 Formula Allocation

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.50]

a. Jurisdictions eligible for a formula allocation. HUD will provide allocations of funds in amounts determined by the formula described in this section to units of general local governments that, as of the end of the previous fiscal year, are metropolitan cities, urban counties, or consortia approved under Sec. **92.101**; and States.

b. Amounts available for allocation; State and local share. The amount of funds that are available for allocation by the formula under this section is equal to the balance of funds remaining after reserving amounts for Indian tribes, insular areas, housing education and organizational support, other support for State and local housing strategies, and other purposes authorized by Congress, in accordance with the Act and appropriations.

c. Formula factors. The formula for determining allocations uses the following factors. The first and sixth factors are weighted 0.1; the other four factors are weighted 0.2.

   1. Vacancy-adjusted rental units where the household head is at or below the poverty level. These rental units are multiplied by the ratio of the national rental vacancy rate over a jurisdiction's rental vacancy rate.

   2. Occupied rental units with at least one of four problems (overcrowding, incomplete kitchen facilities, incomplete plumbing, or high rent costs). Overcrowding is a condition that exists if there is more than one person per room occupying the unit. Incomplete kitchen
   facilities means the unit lacks a sink with running water, a range, or a refrigerator. Incomplete plumbing means the unit lacks hot and cold piped water, a flush toilet, or a bathtub or shower inside the unit for the exclusive use of the occupants of the unit. High rent costs occur when more than 30 percent of household income is used for rent.

   3. Rental units built before 1950 occupied by poor families.

   4. Rental units described in paragraph (c)(2) of this section multiplied

by the ratio of the cost of producing housing for a jurisdiction divided by the national cost.

5. Number of families at or below the poverty level.

6. Population of a jurisdiction multiplied by a net per capita income (pci). To compute net pci for a jurisdiction or for the nation,
the pci of a three person family at the poverty threshold is subtracted from the pci of the jurisdiction or of the nation. The index is constructed by dividing the national net pci by the net pci of a
jurisdiction.

d. Calculating formula allocations for units of general local government.

1. Initial allocation amounts for units of general local
government described in paragraph (a) of this section are determined by multiplying the sum of the shares of the six factors in paragraph (c) of this section by 60 percent of the amount available under paragraph (b) of this section for formula allocation. The shares are the ratio of the weighted factor for each jurisdiction over the corresponding factor for the total for all of these units of general local government.

2. If any of the initial amounts for such units of general local
government in Puerto Rico exceeds twice the national average, on a per rental unit basis, that amount is capped at twice the national average.

3. To determine the maximum number of units of general local
government that receive a formula allocation, only one jurisdiction (the unit of general local government with the smallest allocation of HOME funds) is dropped from the pool of eligible jurisdictions on each successive recalculation. Then the amount of funds available for units of general local government is redistributed to all others. This recalculation/redistribution continues until all remaining units of general local government receive an allocation of $500,000 or more. Only units of general local government which receive an allocation of $500,000 or more under the formula will be awarded an allocation. In fiscal years in which Congress appropriates less than $1.5 billion of
HOME funds, $335,000 is substituted for $500,000.

4. The allocation amounts determined under paragraph (d)(3) of this section are reduced by any amounts that are necessary to provide

increased allocations to States that have no unit of general local government receiving a formula allocation (see paragraph (e)(4) of this section). These reductions are made on a prorata basis, except that no
unit of general local government allocation is reduced below $500,000 (or $335,000 in fiscal years in which Congress appropriates less than $1.5 billion of HOME funds).

e. Calculating formula allocations for States.

1. Forty percent of the funds available for allocation under paragraph (b) of this section are allocated to States. The allocation amounts for States are calculated by determining initial amounts for each State, based on the sum of the shares of the six factors. For 20 percent of the funds to be allocated to States, the shares are the ratio of the weighted factor for the entire State over the corresponding factor for the total for all States. For 80 percent of the funds to be allocated to States, the shares are the ratio of the weighted factor for all units of general local government within the State that do not receive a formula allocation over the corresponding factor for the total for all States.

2. If the initial amounts for Puerto Rico (based on either or both
the 80 percent of funds or 20 percent of funds calculation) exceed twice the national average, on a per rental unit basis, each amount that exceeds the national average is capped at twice the national average, and the resultant funds are reallocated to other States on a prorata basis.

3. If the initial amounts when combined for any State are less than the $3,000,000, the allocation to that State is increased to the $3,000,000 and all other State allocations are reduced by an equal amount on a prorata basis, except that no State allocation is reduced below $3,000,000.

4. The allocation amount for each State that has no unit of general local government within the State receiving an allocation under paragraph (d) of this section is increased by $500,000. Funds for this increase are derived from the funds available for units of

general local government, in accordance with paragraph (d)(4) of this section.

[61 FR 48750, Sept. 16, 1996, as amended at 62 FR 28928, May 28, 1997]

Insular Areas Program

92.60 Allocation Amounts for Insular Areas

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.60]

a. Initial allocation amount for each insular area. The initial allocation amount for each insular area is determined based upon the insular area's population and occupied rental units compared to all insular areas.

b. Threshold requirements. The HUD Field Office shall review each insular area's progress on outstanding allocations made under this section, based on the insular area's performance report, the timeliness of close-outs, and compliance with fund management requirements and regulations, taking into consideration the size of the allocation and the degree and complexity of the program. If HUD determines from this review that the insular area does not have the capacity to administer effectively a new allocation, or a portion of a new allocation, in addition to allocations currently under administration, HUD may reduce the insular area's initial allocation amount.

c. Previous audit findings and outstanding monetary obligations. HUD shall not make an allocation to an insular area that has either an outstanding audit finding for any HUD program, or an outstanding monetary obligation to HUD that is in arrears, or for which a repayment schedule has not been established. This restriction does not apply if the HUD Field Office finds that the insular area has made a good faith effort to clear the audit and, when there is an outstanding monetary obligation to HUD, the insular area has made a satisfactory arrangement for repayment of the funds due HUD and payments are current.

d. Increases to the initial allocation amount. If funds reserved for the insular areas are available because HUD has decreased the amount for one or more insular areas in accordance with paragraphs (b) or (c) of this section, or for any other reason, HUD may increase the allocation amount for one or more of the remaining insular areas based upon the insular area's performance in committing HOME funds within the 24 month deadline, producing housing units described in its program description, and meeting HOME program requirements. Funds that become available but which are not used to increase the allocation amount for one or more of the remaining insular areas will be reallocated in accordance with **92.66**.

e. Notice of allocation amounts. HUD will notify each insular area, in writing, as to the amount of its HOME allocation.

92.61 Program Description

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.61]

a. Submission requirement. Not later than 90 days after HUD notifies the insular area of the amount of its allocation, the insular area must submit a program description and certifications to HUD.

b. Content of program description. The program description must contain the following:
    1. An executed Standard Form 424;

    2. The estimated use of HOME funds and a description of projects and eligible activities, including number of units to be assisted, estimated costs, and tenure type (rental or owner occupied) and, for tenant assistance, number of households to be assisted;

    3. A timetable for the implementation of the projects or eligible activities;

    4. If the insular area intends to use HOME funds for homebuyers, the guidelines for resale or recapture as required in **92.254**(a)(5);

    5. If the insular area intends to use HOME funds for tenant-based rental assistance, a description of how the program will be administered consistent with the minimum guidelines described in **92.209**;

    6. If an insular area intends to use other forms of investment not described in **92.205**(b), a description of the other forms of investment;

    7. A statement of the policy and procedures to be followed by the insular area to meet the requirements for affirmative marketing, and establishing and overseeing a minority and women business outreach program under **92.351**;

    8. If the insular intends to use HOME funds for refinancing along with rehabilitation, the insular area's guidelines described in **92.206**(b).

c. Certifications. The following certifications must accompany the program description:
    1. A certification that, before committing funds to a project, the insular area will evaluate the project in accordance with guidelines that it

adopts for this purpose and will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing;

2. If the insular area intends to provide tenant-based rental assistance, the certification required by **92.209**;

3. A certification that the submission of the program description is authorized under applicable law and the insular area possesses the legal authority to carry out the HOME Investment Partnerships Program, in accordance with the HOME regulations;

4. A certification that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR part 24 and the requirements of **92.353**;

5. A certification that the insular area will use HOME funds in compliance with all requirements of this part;

6. The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F; and

7. The certification required with regard to lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.

92.62 Review of Program Description and Certifications

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.62]

a. Review of program description. The responsible HUD Field Office will review an insular area's program description and will approve the description unless the insular area has failed to submit information sufficient to allow HUD to make the necessary determinations required for 92.61(b)(4), (b)(6), and (b)(7), or the guidelines under (b)(8) are not satisfactory to HUD, if applicable; or if the level of proposed projects or eligible activities is not within the management capability demonstrated by past performance in housing and community development programs. If the insular area has not submitted information on § 92.61(b)(4), (b)(6), and (b)(7), or the guidelines under (b)(8) are not satisfactory to HUD, if applicable; or if the level of proposed projects or eligible activities is not within the management capability demonstrated by past performance in housing and community development programs, the insular area may be required to furnish such further information or assurances as HUD may consider necessary to find the program description and certifications satisfactory. The HUD Field Office shall work with the insular area to achieve a complete and satisfactory program description.

b. Review period. Within thirty days of receipt of the program description, the HUD Field Office will notify the insular area if determinations cannot be made under § 92.61(b)(4), (b)(6), (b)(7), or (b)(8) with the supporting information submitted, or if the proposed projects or activities are beyond currently demonstrated capability. The insular area will have a reasonable period of time, agreed upon mutually, to submit the necessary supporting information or to revise the proposed projects or activities in its program description.

c. HOME Investment Partnership Agreement. After HUD Field Office approval under this section, a HOME funds allocation is made by HUD execution of the agreement, subject to execution by the insular area. The funds are obligated on the date HUD notifies the insular area of HUD's execution of the agreement.

92.63 Amendments to Program Description

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.63]

An insular area must submit to HUD for approval any substantial change in its HUD-approved program description that it makes and must document any other changes in its file. A substantial change involves a change in the guidelines for resale or recapture (**92.61**(b)(4)), other forms of investment (92.61(b)(6)), minority and women business outreach program (92.61(b)(7)) or refinancing (92.61(b)(8)); or a change in the tenure type of the project or activities; or a funding increase to a project or activity of $100,000 or 50% (whichever is greater).

The HUD Field Office will notify the insular area if its program description, as amended, does not permit determinations to be made under 92.61(b)(4), (b)(6), (b)(7), or (b)(8), or if the level of proposed projects or eligible activities is not within the management capability demonstrated by past performance in housing and community development programs, within 30 days of receipt.

The insular area will have a reasonable period of time, agreed upon mutually, to submit the necessary supporting information to revise the proposed projects or activities in its program description.

92.64 Applicability of Requirements to Insular Areas

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.64]

a. Insular areas are subject to the same requirements in subpart E (Program Requirements), subpart F (Project Requirements), subpart K (Program Administration), and subpart L (Performance Reviews and Sanctions) of this part as participating jurisdictions, except for the following.

1. Subpart E (Program Requirements): Administrative costs, as described in § 92.207, are eligible costs for insular areas in an amount not to exceed 15 percent of the HOME funds provided to the insular area. The matching contribution requirements in this part do not apply.

2. Subpart K (Program Administration):

   i. Section **92.500** (The HOME Investment Trust Fund) does not apply. HUD will establish a HOME account in the United States Treasury for each insular area and the HOME funds must be used for approved activities. A local account must be established for program income. Each insular area may use either a separate local HOME account or a subsidiary account within its general fund (or other appropriate fund) as the local HOME account. HUD will recapture HOME funds in the HOME Treasury account by the amount of:

      A. Any funds that are not committed within 24 months after the last day of the month in which HUD notifies the insular area of HUD's execution of the HOME Investment Partnership Agreement;

      B. Any funds that are not expended within five years after the last day of the month in which HUD notifies the insular area of HUD's execution of the HOME Investment Partnership Agreement; and

      C. Any penalties assessed by HUD under **92.552**.

   ii. Section 92.502 (Program disbursement and information system) applies, except that references to the HOME Investment Trust Fund mean HOME account. In addition, **92.502**(c) does not apply, and instead compliance with Treasury Circular No. 1075 (31 CFR part 205) and 24 CFR 85.21 is required.

   iii. Section **92.503** (Program income, repayments, and recaptured funds) applies, except that the funds may be retained provided the funds are used for eligible activities in accordance with the requirements of this section.

3. Section **92.504** (Participating jurisdiction responsibilities; written agreements; on-site inspections) applies, except that the written agreement must ensure compliance with the requirements in this section.

4. Section **92.508** (Recordkeeping) applies with respect to the records that relate to the requirements of this section.

5. Section **92.509** (Performance reports) applies, except that a performance report is required for the fiscal year allocation only after completion of the approved projects funded by the allocation.

6. Subpart L (Performance Reviews and Sanctions): Section **92.552** does not apply. Instead, **92.65** applies.

   b. The requirements of subpart H (Other Federal Requirements) of this part apply as follows: **92.357** Executive Order 12372 applies as written, and the requirements of the remaining sections which apply to participating jurisdictions are applicable to the insular areas.

   c. Subpart B (Allocation Formula), subpart C (Consortia; Designation and Revocation as a Participating Jurisdiction), subpart D (Submission Requirements), and subpart G (Community Housing Development Organizations) of this part do not apply.

   d. Subpart A (General) applies, except that for the definitions of commitment, program income, and subrecipient, "participating jurisdiction" means "insular area."

92.65 Funding Sanctions

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.65]

Following notice and opportunity for informal consultation, HUD may withhold, reduce or terminate the assistance where any corrective or remedial actions taken under **92.551** fail to remedy an insular area's performance deficiencies, and the deficiencies are sufficiently substantial, in the judgment of HUD, to warrant sanctions.

92.66 Reallocation

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.66]

Any HOME funds which are reduced or recaptured from an insular area's allocation and which are not used to increase the allocation amount for one or more of the remaining insular areas as provided in **92.60** of this part, will be reallocated by HUD to the States in accordance with the requirements in subpart J for reallocating funds initially allocated to a State.

SUBPART C - CONSORTIA; DESIGNATION AND REVOCATION OF DESIGNATION AS A PARTICIPATING JURISDICTION

92.101 Consortia

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.101]

a. A consortium of geographically contiguous units of general local government is a unit of general local government for purposes of this part if the requirements of this section are met.
    1. One or more members of a proposed consortium or an existing consortium whose consortium qualification terminates at the end of the fiscal year, must provide written notification by March 1 to the HUD Field Office of its intent to participate as a consortium in the HOME Program for the following fiscal year. Provided that subsequent deadlines could be met, the Field Office may accept notification at a later date.
    2. The proposed consortium must provide, at such time and in a manner and form prescribed by HUD, the qualification documents, which will include submission of:
        i. A written certification by the State that the consortium will direct its activities to alleviation of housing problems within the State; and
        ii. Documentation which demonstrates that the consortium has executed one legally binding cooperation agreement among its members authorizing one member unit of general local government to act in a representative capacity for all member units of general local government for the purposes of this part and providing that the representative member assumes overall responsibility for ensuring that the consortium's HOME Program is carried out in compliance with the requirements of this part.
    3. Before the end of the fiscal year in which the notice of intent and documentation are submitted, HUD must determine that the consortium has sufficient authority and administrative capability to carry out the purposes of this part on behalf of its member jurisdictions. HUD will endeavor to make its determination as quickly as practicable after receiving the consortium's documentation in order to provide the consortium an opportunity to correct its submission, if necessary. If the submission is deficient, HUD will work with the consortium to resolve the issue, but will not delay the formula allocations.

b. A metropolitan city or an urban county may be a member of a consortium. A unit of general local government that is included in an urban county may be part of a consortium, only if the urban county joins the consortium. The included local government cannot join the consortium except through participation in the urban county.

c. A non-urban county may be a member of a consortium. However, the county cannot on its own include the whole county in the consortium. A unit of local government located within the non-urban county that wishes to participate, as a member of the consortium must sign the HOME consortium agreement.

d. If the representative unit of general local government distributes HOME funds to member units of general local government, the representative unit is responsible for applying to the member units of general local government the same requirements as are applicable to subrecipients.

e. The consortium's qualification as a unit of general local government continues for a period of three successive Federal fiscal years, or until HUD revokes its designation as a participating jurisdiction, or until an urban county member fails to requalify under the CDBG program as an urban county for a fiscal year included in the consortium's qualification period, or the consortium fails to receive a HOME allocation for the first Federal fiscal year of the consortium's qualification period and does not request to be considered to receive a HOME allocation in each of the subsequent two years. However, if a member urban county's three year CDBG qualification cycle is not the same as the consortium, the consortium may elect a shorter qualification period than three years to synchronize with the urban county's qualification period. During the period of qualification, additional units of general local government may join the consortium, but no included unit of general local government may withdraw from the consortium. See 24 CFR part 91, subpart E, for consolidated plan requirements for consortia, including the requirement that all members of the consortia must be on the same program year.

92.102 Participation Threshold Amount

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.102]

a. To be eligible to become a participating jurisdiction, a unit of general local government must have a formula allocation under **92.50** that is equal to or greater than $750,000; or

b. If a unit of general local government's formula allocation is less than $750,000, HUD must find:
    1. The unit of general local government has a local PHA and has demonstrated a capacity to carry out the provisions of this part, as evidenced by satisfactory performance under one or more HUD-

administered programs that provide assistance for activities comparable to the eligible activities under this part; and

2. The State has authorized HUD to transfer to the unit of general local government a portion of the State's allocation or the State, the unit of general local government, or both, has made available its own resources such that the sum of the amounts transferred or made available are equal to or greater than the difference between the unit of general local government's formula allocation and $750,000.

c. In fiscal years in which Congress appropriates less than $1.5 billion for this part, $500,000 is substituted for $750,000 each time it appears in this section.

92.103 Notification of Intent to Participate

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.103]

a. Not later than 30 days after receiving notice of its formula allocation amount, a jurisdiction must notify HUD in writing of its intention to become a participating jurisdiction.

b. A unit of general local government that has a formula allocation of less than $750,000, or less than $500,000 in fiscal years in which Congress appropriates less than $1.5 billion for this part, must submit, with its notice, one or more of the following, as appropriate, as evidence that it has met the threshold allocation requirements in 92.102(b):
    1. Authorization from the State to transfer a portion of its allocation to the unit of general local government;
    2. A letter from the governor or designee indicating that the required funds have been approved and budgeted for the unit of general local government;
    3. A letter from the chief executive officer of the unit of general local government indicating that the required funds have been approved and budgeted.

92.104 Submission of a Consolidated Plan

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.104]

A jurisdiction that has not submitted a consolidated plan to HUD must submit to HUD, not later than 90 days after providing notification under 92.103, a consolidated plan in accordance with 24 CFR part 91.

92.105 Designation as a Participating Jurisdiction

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.105]

When a jurisdiction has complied with the requirements of **92.102** through **92.104** and HUD has approved the jurisdiction's consolidated plan in accordance with 24 CFR part 91, HUD will designate the jurisdiction as a participating jurisdiction.

92.106 Continuous Designation as a Participating Jurisdiction

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.106]

Once a State or unit of general local government is designated a participating jurisdiction, it remains a participating jurisdiction for subsequent fiscal years and the requirements of Secs. **92.102** through **92.105** do not apply, unless HUD revokes the designation in accordance with Sec. **92.107**.

92.107 Revocation of Designation as a Participating Jurisdiction

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.107]

HUD may revoke a jurisdiction's designation as a participating jurisdiction if:

a. HUD finds, after reasonable notice and opportunity for hearing as provided in **92.552**(b) that the jurisdiction is unwilling or unable to carry out the provisions of this part, including failure to meet matching contribution requirements; or

b. The jurisdiction's formula allocation falls below $750,000 (or below $500,000 in fiscal years in which Congress appropriates less than $1.5 billion for this part) for three consecutive years, below $625,000 (or below $410,000 in fiscal years in which Congress appropriates less than $1.5 billion for this part) for two consecutive years, or the jurisdiction does not receive a formula allocation in any one year.

c. When HUD revokes a participating jurisdiction's designation as a participating jurisdiction, HUD will reallocate any remaining funds in the jurisdiction's HOME Investment Trust Fund established under **92.500** in accordance with **92.451**.

SUBPART D - SUBMISSION REQUIREMENTS

92.150 Submission Requirements

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.150]

In order to receive its HOME allocation, a participating jurisdiction must submit a consolidated plan in accordance with 24 CFR part 91. That part includes requirements for the content of the consolidated plan, the process of developing the consolidated plan, including citizen participation, the submission date, HUD approval, and amendments.

SUBPART E - PROGRAM REQUIREMENTS

92.200 Private-Public Partnership

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.200]

Each participating jurisdiction must make all reasonable efforts to maximize participation by the private sector in accordance with section 221 of the Act.

92.201 Distribution of Assistance

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.201]

a. Local.
    1. Each local participating jurisdiction must, insofar as is feasible, distribute HOME funds geographically within its boundaries and among different categories of housing need, according to the priorities of housing need identified in its approved consolidated plan.

    2. The participating jurisdiction may only invest its HOME funds in eligible projects within its boundaries, or in joint projects within the boundaries of contiguous local jurisdictions which serve residents from both jurisdictions.

b. State.
    1. Each State participating jurisdiction is responsible for distributing HOME funds throughout the State according to the State's assessment of the geographical distribution of the housing needs within the State, as identified in the State's approved consolidated plan. The State must distribute HOME funds to rural areas in amounts that take into account the non-metropolitan share of the State's total population and objective measures of rural housing need, such as poverty and substandard housing, as set forth in the State's approved consolidated plan. To the extent the need is within the boundaries of a participating unit of general local government, the State and the unit of general local government shall coordinate activities to address that need.

    2. A State may carry out its own HOME program without active participation of units of general local government or may distribute HOME funds to units of general local government to carry out HOME programs in which both the State and all or some of the units of general local government perform specified program functions. A unit

of general local government designated by a State to receive HOME funds from a State is a State recipient.

3.
   i. A State that uses State recipients to perform program functions shall ensure that the State recipients use HOME funds in accordance with the requirements of this part and other applicable laws. The State may require the State recipient to comply with requirements established by the State or may permit the State recipient to establish its own requirements to comply with this part.
   ii. The State shall conduct such reviews and audit of its State recipients as may be necessary or appropriate to determine whether the State recipient has committed and expended the HOME funds in the United States Treasury account as required by 92.500, and has met the requirements of this part, particularly eligible activities, income targeting, affordability, and matching contribution requirements.

4. A State and local participating jurisdiction may jointly fund a project within the boundaries of the local participating jurisdiction. The State may provide the HOME funds to the project or it may provide the HOME funds to the local participating jurisdiction to fund the project.

5. A State may fund projects on Indian reservations located within the State provided that the State includes Indian reservations in its consolidated plan.

92.202 Site and Neighborhood Standards

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.202]

a. General. A participating jurisdiction must administer its HOME program in a manner that provides housing that is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of title VI of the Civil Rights Act of 1964, the Fair Housing Act, E.O. 11063, and HUD regulations issued pursuant thereto; and promotes greater choice of housing opportunities.

b. New rental housing. In carrying out the site and neighborhood requirements with respect to new construction of rental housing, a participating jurisdiction is responsible for making the determination that proposed sites for new construction meet the requirements in 24 CFR 983.6(b).

92.203 Income Determinations

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.203]

a. The HOME program has income targeting requirements for the HOME program and for HOME projects. Therefore, the participating jurisdiction must determine each family is income eligible by determining the family's annual income.
    1. For families who are tenants in HOME-assisted housing and not receiving HOME tenant-based rental assistance, the participating jurisdiction must initially determine annual income using the method in paragraph (a)(1)(i) of this section. For subsequent income determinations during the period of affordability, the participating jurisdiction may use any one of the following methods in accordance with **92.252**(h):
        i. Examine the source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family.
        ii. Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request.
        iii. Obtain a written statement from the administrator of a government program under which the family receives benefits and which examines each year the annual income of the family. The statement must indicate the tenant's family size and state the amount of the family's annual income; or alternatively, the statement must indicate the current dollar limit for very low- or low-income families for the family size of the tenant and state that the tenant's annual income does not exceed this limit.

1. For all other families, the participating jurisdiction must determine annual income by examining the source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family.
    b. When determining whether a family is income eligible, the participating jurisdiction must use one of the following three definitions of "annual income":

1. "Annual income" as defined at 24 CFR 5.609 (except when determining the income of a homeowner for an owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of Net Family Assets); or

2. Annual Income as reported under the Census long-form for the most recent available decennial Census. This definition includes:
    i. Wages, salaries, tips, commissions, etc.;

ii. Self-employment income from owned non-farm business, including proprietorships and partnerships;
iii. Farm self-employment income;
iv. Interest, dividends, net rental income, or income from estates or trusts;
v. Social Security or railroad retirement;
vi. Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;
vii. Retirement, survivor, or disability pensions; and
viii. Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony; or

3. Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.
   c. Although the participating jurisdiction may use any of the three definitions of "annual income" permitted in paragraph (b) of this section, to calculate adjusted income it must apply exclusions from income established at 24 CFR 5.611. The HOME rents for very low-income families established under **92.252**(b)(2) are based on adjusted income. In addition, the participating jurisdiction may base the amount of tenant-based rental assistance on the adjusted income of the family.
   d.
      1. The participating jurisdiction must calculate the annual income of the family by projecting the prevailing rate of income of the family at the time the participating jurisdiction determines that the family is income eligible. Annual income shall include income from all family members. Income or asset enhancement derived from the HOME-assisted project shall not be considered in calculating annual income.

4. The participating jurisdiction is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the participating jurisdiction determined that the family qualified as income eligible.

92.204 Applicability of Requirements to Entities that Receive a Reallocation of Home Funds, other than Participating Jurisdictions

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.204]

a. Jurisdictions other than participating jurisdictions and community housing development organizations receiving competitive reallocations from HUD are subject to the same requirements in subpart E (Program Requirements), subpart F (Project Requirements), subpart K (Program Administration), and

subpart L (Performance Reviews and Sanctions) of this part as participating jurisdictions, except for the following:

1. Subpart E (Program Requirements): the matching contribution requirements in **92.218** through **92.221** do not apply.

2. Subpart K (Program Administration):
   i. Section **92.500** (The HOME Investment Trust Fund) does not apply. HUD will establish a HOME account in the United States Treasury and the HOME funds must be used for approved activities. A local account must be established for program income. HUD will recapture HOME funds in the HOME Treasury account by the amount of:
      A. Any funds that are not committed within 24 months after the last day of the month in which HUD notifies the entity of HUD's execution of the HOME Investment Partnership Agreement;
      B. Any funds that are not expended within five years after the last day of the month in which HUD notifies the entity of HUD's execution of the HOME Investment Partnership Agreement; and
      C. Any penalties assessed by HUD under **92.552**.

   ii. Section **92.502** (Program disbursement and information system) applies, except that references to the HOME Investment Trust Fund mean HOME account and the reference to 24 CFR part 58 does not apply. In addition, § 92.502(c) does not apply, and instead, compliance with Treasury Circular No. 1075 (31 CFR part 205) and 24 CFR 85.21 is required.

   iii. Section **92.503** (Program income, repayments, and recaptured funds) applies, except that program income may be retained provided the funds are used for eligible activities in accordance with the requirements of this section.

3. Section **92.504** (Participating jurisdiction responsibilities; written agreements; on-site inspections) applies, except that the written agreement must ensure compliance with the requirements in this section.

4. Section **92.508** (Recordkeeping) applies with respect to the records that relate to the requirements of this section.

5. Section **92.509** (Performance reports) applies, except that a performance report is required only after completion of the approved projects.
   b. The requirements in subpart H (Other Federal Requirements) of this part apply as written, except that jurisdictions and community housing development organizations receiving reallocations from HUD must comply with affirmative marketing requirements, labor requirements, and lead-based paint requirements, applicable to participating jurisdictions.
   c. Subpart B (Allocation Formula), subpart C (Consortia; Designation and Revocation of Designation as a Participating Jurisdiction), and subpart

G (Community Housing Development Organizations) of this part do not apply.

d. Subpart A (General) applies, except that for the definitions of commitment, program income, and subrecipient, "participating jurisdiction" means jurisdiction or community housing development organization receiving the competitive reallocation.

92.205 Eligible Activities: General

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.205]

a. Eligible activities.

1. HOME funds may be used by a participating jurisdiction to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition (including assistance to homebuyers), new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations; to provide tenant-based rental assistance, including security deposits; to provide payment of reasonable administrative and planning costs; and to provide for the payment of operating expenses of community housing development organizations. The housing must be permanent or transitional housing. The specific eligible costs for these activities are set forth in **92.206** through **92.209**.

2. Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable housing.

3. Conversion of an existing structure to affordable housing is rehabilitation, unless the conversion entails adding one or more units beyond the existing walls, in which case, the project is new construction for purposes of this part.

4. Manufactured housing. HOME funds may be used to purchase and/or rehabilitate a manufactured housing unit, or purchase the land upon which a manufactured housing unit is located. Except for existing, owner-occupied manufactured housing that is rehabilitated with HOME funds, the manufactured housing unit must, at the time of project completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner or land for which the manufactured housing owner has a lease for a period at least equal to the applicable period of affordability.

b. Forms of assistance.
    1. A participating jurisdiction may invest HOME funds as equity investments, interest-bearing loans or advances, non-interest-bearing loans or advances, interest subsidies consistent with the purposes of this part, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the purposes of this part. Each participating jurisdiction has the right to establish the terms of assistance, subject to the requirements of this part.
    2. A participating jurisdiction may invest HOME funds to guarantee loans made by lenders and, if required, the participating jurisdiction may establish a loan guarantee account with HOME funds. The HOME funds may be used to guarantee the timely payment of principal and interest or payment of the outstanding principal and interest upon foreclosure of the loan. The amount of the loan guarantee account must be based on a reasonable estimate of the default rate on the guaranteed loans, but under no circumstances may the amount on deposit exceed 20 percent of the total outstanding principal amount guaranteed; except that the account may include a reasonable minimum balance. While loan funds guaranteed with HOME funds are subject to all HOME requirements, funds which are used to repay the guaranteed loans are not.

c. Minimum amount of assistance. The minimum amount of HOME funds that must be invested in a project involving rental housing or homeownership is $1,000 times the number of HOME-assisted units in the project.

d. Multi-unit projects. HOME funds may be used to assist one or more housing units in a multi-unit project. Only the actual HOME eligible development costs of the assisted units may be charged to the HOME program. If the assisted and non-assisted units are not comparable, the actual costs may be determined based on a method of cost allocation. If the assisted and non-assisted units are comparable in terms of size, features and number of bedrooms, the actual cost of the HOME-assisted units can be determined by pro-rating the total HOME eligible development costs of the project so that the proportion of the total development costs charged to the HOME program does not exceed the proportion of the HOME-assisted units in the project.

e. Terminated projects. A HOME assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any HOME funds invested in the project must be repaid to the participating jurisdiction's HOME Investment Trust Fund in accordance with **92.503**(b) (except for project-specific assistance to community housing development organizations as provided in **92.301**(a)(3) and 92.301(b)(3)).

92.206 Eligible Project Costs

[Code of Federal Regulations]
[Title 24, Volume 1]

[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.206]

HOME funds may be used to pay the following eligible costs:

a. Development hard costs. The actual cost of constructing or rehabilitating housing. These costs include the following:
    1. For new construction, costs to meet the applicable new construction standards of the participating jurisdiction and the Model Energy Code referred to in **92.251**;

    2. For rehabilitation, costs:
        i. To meet the property standards in 92.251;
        ii. To make essential improvements, including energy-related repairs or improvements, improvements necessary to permit use by persons with disabilities, and the abatement of lead-based paint hazards, as required by **92.355**, and to repair or replace major housing systems in danger of failure; and

    3. For both new construction and rehabilitation, costs:
        i. To demolish existing structures;
        ii. To make utility connections including off-site connections from the property line to the adjacent street; and
        iii. To make improvements to the project site that are in keeping with improvements of surrounding, standard projects. Site improvements may include on-site roads and sewer and water lines necessary to the development of the project. The project site is the property, owned by the project owner, upon which the project is located.

    4. For both new construction and rehabilitation of multifamily rental housing, costs to construct or rehabilitate laundry and community facilities which are located within the same building as the housing and which are for the use of the project residents and their guests.

    5. Costs to make utility connections or to make improvements to the project site, in accordance with the provisions of **92.206**(a)(3)(ii) and (iii) are also eligible in connection with acquisition of standard housing.

b. Refinancing costs. The cost to refinance existing debt secured by housing that is being rehabilitated with HOME funds:
    1. For single-family (1- to 4-family) owner-occupied housing when loaning HOME funds to rehabilitate the housing, if the refinancing is necessary to reduce the overall housing costs to the borrower and make the housing more affordable.
    2. For multifamily projects, when loaning HOME funds to rehabilitate the units if refinancing is necessary to permit or continue affordability under § **92.252**. The participating jurisdiction must establish refinancing guidelines and state them in its consolidated plan described in 24 CFR part 91. Regardless of the amount of HOME funds invested, the minimum affordability period shall be 15 years. The guidelines shall describe the conditions under which the participating

jurisdictions will refinance existing debt. At minimum, the guidelines must:

i. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing;
ii. Require a review of management practices to demonstrate that disinvestment in the property has not occurred, that the long term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated;
iii. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both;
iv. Specify the required period of affordability, whether it is the minimum 15 years or longer;
v. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community; and
vi. State that HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

c. Acquisition costs. Costs of acquiring improved or unimproved real property, including acquisition by homebuyers.

d. Related soft costs. Other reasonable and necessary costs incurred by the owner or participating jurisdiction and associated with the financing, or development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds. These costs include, but are not limited to:

1. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
2. Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorneys fees, private appraisal fees and fees for an independent cost estimate, builders or developers fees.
3. Costs of a project audit that the participating jurisdiction may require with respect to the development of the project.
4. Costs to provide information services such as affirmative marketing and fair housing information to prospective homeowners and tenants as required by **92.351**.
5. For new construction or rehabilitation, the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up (not to exceed 18 months) and which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service. Any HOME funds placed in an operating deficit reserve that

remain unexpended after the period of project rent-up may be retained for project reserves if permitted by the participating jurisdiction.

6. Staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing inspections, and other services related to assisting potential owners, tenants, and homebuyers, e.g., housing counseling, may be charged to project costs only if the project is funded and the individual becomes the owner or tenant of the HOME-assisted project. For multi-unit projects, such costs must be allocated among HOME-assisted units in a reasonable manner and documented.
7. For both new construction and rehabilitation, costs for the payment of impact fees that are charged for all projects within a jurisdiction.
8. Costs of environmental review and release of funds in accordance with 24 CFR Part 58 which are directly related to the project.

e. Community housing development organization costs. Eligible costs of project-specific assistance are set forth in **92.301**.

f. Relocation costs. The cost of relocation payments and other relocation assistance to persons displaced by the project are eligible costs.
    1. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the temporary relocation of persons.
    2. Other relocation assistance means staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling, and other assistance necessary to minimize hardship.

g. Costs relating to payment of loans. If the HOME funds are not used to directly pay a cost specified in this section, but are used to pay off a construction loan, bridge financing loan, or guaranteed loan, the payment of principal and interest for such loan is an eligible cost only if:
    1. The loan was used for eligible costs specified in this section, and
    2. The HOME assistance is part of the original financing for the project and the project meets the requirements of this part.

92.207 Eligible Administrative and Planning Costs

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.207]

A participating jurisdiction may expend, for payment of reasonable administrative and planning costs of the HOME program, an amount of HOME funds that is not more

than ten percent of the fiscal year HOME basic formula allocation plus any funds received in accordance with **92.102**(b) to meet or exceed participation threshold requirements that fiscal year. A State that transfers any HOME funds in accordance with **92.102**(b) must exclude these funds in calculating the amount it may expend for administrative and planning costs. A participating jurisdiction may also use up to ten percent of the program income deposited in its local HOME account during the program year, for administrative and planning costs. Reasonable administrative and planning costs include:

a. General management, oversight and coordination. Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not limited to, necessary expenditures for the following:
    1. Salaries, wages, and related costs of the participating jurisdiction's staff. In charging costs to this category the participating jurisdiction may either include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involves program administration assignments, or the prorated share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The participating jurisdiction may use only one of these methods. Program administration includes the following types of assignments:
        i. Developing systems and schedules for ensuring compliance with program requirements;
        ii. Developing interagency agreements and agreements with entities receiving HOME funds;
        iii. Monitoring HOME-assisted housing for progress and compliance with program requirements;
        iv. Developing agreements and monitoring housing not assisted with HOME funds that the participating jurisdiction designates as a matching contribution in accordance with § 92.219(b) for compliance with applicable program requirements;
        v. Preparing reports and other documents related to the program for submission to HUD;
        vi. Coordinating the resolution of audit and monitoring findings;
        vii. Evaluating program results against stated objectives; and
        viii. Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraphs (a)(1)(i) through (vii) of this section;

    2. Travel costs incurred for official business in carrying out the program;

    3. Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services;

    4. Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space; and

    5. Costs of administering tenant-based rental assistance programs.

b. Staff and overhead. Staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing, inspections, and other services related to assisting potential owners, tenants, and homebuyers (e.g., housing counseling); and staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling, and other assistance necessary to minimize hardship. These costs may be charged as administrative costs or as project costs under **92.206**(d)(6) and (f)(2), at the discretion of the participating jurisdiction.

c. Public information. The provision of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of projects being assisted with HOME funds.

d. Fair housing. Activities to affirmatively further fair housing in accordance with the participating jurisdiction's certification under 24 CFR part 91.

e. Indirect Costs. Indirect costs may be charged to the HOME program under a cost allocation plan prepared in accordance with OMB Circulars A-87 or A-122 as applicable.

f. Preparation of the consolidated plan. Preparation of the consolidated plan required under 24 CFR part 91. Preparation includes the costs of public hearings, consultations, and publication.

g. Other Federal requirements. Costs of complying with the Federal requirements in subpart H of this part. Project-specific environmental review costs may be charged as administrative costs or as project costs in accordance with **92.206**(d)(8), at the discretion of the participating jurisdiction.

92.208 Eligible Community Housing Development Organization (CDHO) Operating Expense and Capacity Building Costs

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.208]

a. Up to 5 percent of a participating jurisdiction's fiscal year HOME allocation may be used for the operating expenses of community housing development organizations (CHDOs). These funds may not be used to pay operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME Program. Operating expenses means reasonable and necessary costs for the operation of the community housing development organization. Such costs include salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials and supplies.

The requirements and limitations on the receipt of these funds by CHDOs are set forth in 92.300(e) and (f).

b. HOME funds may be used for capacity building costs under **92.300**(b)

92.209 Tenant-Based Rental Assistance: Eligible Costs and Requirements

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.209]

a. Eligible costs. Eligible costs are the rental assistance and security deposit payments made to provide tenant-based rental assistance for a family pursuant to this section. Administration of tenant-based rental assistance is eligible only under general management oversight and coordination at **92.207**(a).

b. General requirement. A participating jurisdiction may use HOME funds for tenant-based rental assistance only if the participating jurisdiction makes the certification about inclusion of this type of assistance in its consolidated plan in accordance with 24 CFR **91.225**(d)(1), **91.325**(d)(1), or **91.425**(a)(2)(i), and specifies local market conditions that lead to the choice of this option.

c. Tenant selection. The participating jurisdiction must select families in accordance with written tenant selection policies and criteria that are consistent with the following:
    1. Low-income families. Tenant-based rental assistance may only be provided to very low- and low-income families. The participating jurisdiction must determine that the family is very low- or low-income before the assistance is provided. During the period of assistance, the participating jurisdiction must annually determine that the family continues to be low-income.

    2. Federal preferences. At least 50 percent of the families assisted must qualify, or would qualify in the near future without tenant-based rental assistance, for one of the three Federal preferences under section 6(c)(4)(A) of the 1937 Act. These are families that occupy substandard housing (including families that are homeless or living in a shelter for homeless families); families that are paying more than 50 percent of their annual income for rent; or families that are involuntarily displaced. [For FY 1996 and FY 1997, the Federal preferences do not apply.]

    3. Preferences for Individuals with Special Needs.
        i. The participating jurisdiction may establish a preference for individuals with special needs. The participating jurisdiction may offer, in conjunction with a tenant-based rental assistance program, particular types of non-mandatory services that may be most appropriate for persons with a special need or a

particular disability. Generally, tenant-based rental assistance and the related services should be made available to all persons with special needs or disabilities who can benefit from such services.

ii. The participating jurisdiction may also provide a preference for a specific category of individuals with disabilities (e.g., persons with HIV/AIDS or chronic mental illness) if the specific category is identified in the participating jurisdiction's consolidated plan as having unmet need and the preference is needed to narrow the gap in benefits and services received by such persons.

iii. Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a). For example, a participating jurisdiction may not determine that persons given a preference under the program are therefore prohibited from applying for or participating in other programs or forms of assistance.

iv. To the extent that a participating jurisdiction is operating a tenant-based rental assistance program targeted exclusively to individuals with special needs or disabilities or to a specific category of individuals with special needs or disabilities, at least 50% of the individuals must qualify or would qualify in the near future for one of the three Federal preferences as described in (c)(2) of this section.

4. Existing tenants in the HOME-assisted projects. A participating jurisdiction may select low-income families currently residing in housing units that are designated for rehabilitation or acquisition under the participating jurisdiction's HOME program without requiring that the family meet the requirements of (c)(2) of this section. Families so selected may use the tenant-based assistance in the rehabilitated or acquired housing unit or in other qualified housing.

d. Portability of assistance. A participating jurisdiction may require the family to use the tenant-based assistance within the participating jurisdiction's boundaries or may permit the family to use the assistance outside its boundaries.

e. Term of rental assistance contract. The term of the rental assistance contract providing assistance with HOME funds may not exceed 24 months, but may be renewed, subject to the availability of HOME funds. The term of the rental assistance contract must begin on the first day of the term of the lease. For a rental assistance contract between a participating jurisdiction and an owner, the term of the contract must terminate on termination of the lease. For a rental assistance contract between a participating jurisdiction and a family, the term of the contract need not end on termination of the lease, but no payments may be made after termination of the lease until a family enters into a new lease.

f. Rent reasonableness. The participating jurisdiction must disapprove a lease if the rent is not reasonable, based on rents that are charged for comparable unassisted rental units.

g. Tenant protections. The lease must comply with the requirements in **92.253**(a) and (b).

h. Maximum subsidy.
   1. The amount of the monthly assistance that a participating jurisdiction may pay to, or on behalf of, a family may not exceed the difference between a rent standard for the unit size established by the participating jurisdiction and 30 percent of the family's monthly adjusted income.

   2. The participating jurisdiction must establish a minimum tenant contribution to rent.

   3. The participating jurisdiction's rent standard for a unit size must be based on:
      i. Local market conditions; or

      ii. For each unit size, may not be less than 80 percent of the published Section 8 Existing Housing fair market rent (in effect when the payment standard amount is adopted) nor more than the fair market rent or HUD-approved community-wide exception rent (in effect when the participating jurisdiction adopts its rent standard amount). (Community-wide exception rents are maximum gross rents approved by HUD for the Rental Certificate Program under 24 CFR **882.106**(a)(3) for a designated municipality, county, or similar locality, which apply to the whole PHA jurisdiction.) A participating jurisdiction may approve on a unit-by-unit basis a subsidy based on a rent standard that exceeds the applicable fair market rent by up to 10 percent for 20 percent of units assisted.

i. Housing quality standards. Housing occupied by a family receiving tenant-based assistance under this section must meet the requirements set forth in 24 CFR **982.401**. The participating jurisdiction must inspect the housing initially and re-inspect it annually.

j. Security deposits.
   1. A participating jurisdiction may use HOME funds provided for tenant-based rental assistance to provide loans or grants to very low- and low-income families for security deposits for rental of dwelling units whether or not the participating jurisdiction provides any other tenant-based rental assistance under this section.

   2. The relevant State or local definition of "security deposit" in the jurisdiction where the unit is located is applicable for the purposes of this part, except that the amount of HOME funds that may be provided for a security deposit may not exceed the equivalent of two month's rent for the unit.

3. Only the prospective tenant may apply for HOME security deposit assistance, although the participating jurisdiction may pay the funds directly to the tenant or to the landlord.

4. HOME funds for security deposits may be provided as a grant or as a loan. If they are provided as a loan, the loan repayments are program income to be used in accordance with § 92.503.

5. Paragraphs (b), (c), (d), (f), (g) and (i) of this section are applicable to HOME security deposit assistance, except that income determinations pursuant to paragraph (c)(1) of this section and Housing Quality Standard inspections pursuant to paragraph (i) of this section are required only at the time the security deposit assistance is provided.

k. Program operation. A tenant-based rental assistance program must be operated consistent with the requirements of this section. The participating jurisdiction may operate the program itself, or may contract with a PHA or other entity with the capacity to operate a rental assistance program. The tenant-based rental assistance may be provided through an assistance contract to an owner that leases a unit to an assisted family or directly to the family. In either case, the participating jurisdiction (or entity operating the program) must approve the lease.

l. Use of Section 8 assistance. In any case where assistance under section 8 of the 1937 Act becomes available to a participating jurisdiction, recipients of tenant-based rental assistance under this part will qualify for tenant selection preferences to the same extent as when they received the tenant-based rental assistance under this part.

92.212 Pre-Award Costs

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.212]

a. General. Before the effective date of the HOME Investment Partnership Agreement, the participating jurisdiction may incur costs which may be charged to the HOME allocation after the award of the HOME allocation, provided the costs are in compliance with the requirements of this part (including environmental review requirements) and with the statutory and regulatory requirements in effect at the time the costs are charged to the HOME allocation.

b. Administrative and planning costs. Eligible administrative and planning costs may be incurred as of the beginning of the participating jurisdiction's consolidated program year (see 24 CFR 91.10) or the date the consolidated plan describing the HOME allocation to which the costs will be charged is received by HUD, whichever is later.

c. Project costs. Eligible project costs may be incurred during the current program year in an amount not to exceed 25% of the current HOME allocation amount, to be charged to the following year's HOME allocation. Before incurring the pre-award costs, the participating jurisdiction must comply with its citizen participation plan requirements addressing 24 CFR 91.105(b)(2), (4), (5) and (g) (local governments) or § 91.115(b)(2), (4), (5) and (f) (States). In lieu of a full action plan, the participating jurisdiction may develop a mini-action plan which describes the proposed pre-award projects and costs in accordance with § 91.220(c) and includes, if applicable, § 91.220(g)(2) (local governments) or § 91.320(c) and, if applicable, § 91.320(g)(2) (States). The mini-action plan must state that HOME funding for the project(s) is subject to the future availability of HOME funds. The subsequent action plan (i.e., action plan for the HOME allocation to which the costs will be charged) must also include the use of HOME funds contained in the mini-action plan.

d. Subrecipient or State recipient costs. The participating jurisdiction may authorize its subrecipient or State recipient to incur pre-award costs in accordance with the requirements of this section. The authorization must be in writing.

e. Other pre-agreement costs. Pre-agreement costs in excess of the amount set forth in paragraph (c) of this section must be approved, in writing, by the HUD Field Office before the costs are incurred.

92.213

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.213]

Reserved

92.214 Prohibited Activities

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.214]

a. HOME funds may not be used to:
    1. Provide project reserve accounts, except as provided in Sec. 92.206(d)(5), or operating subsidies;

    2. Provide tenant-based rental assistance for the special purposes of the existing section 8 program, in accordance with section 212(d) of the Act;

3. Provide non-federal matching contributions required under any other Federal program;

4. Provide assistance authorized under section 9 of the 1937 Act (annual contributions for operation of public housing);

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5. Carry out activities authorized under 24 CFR part 968 (Public Housing Modernization);

6. Provide assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;

7. Provide assistance (other than tenant-based rental assistance or assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the participating jurisdiction in the written agreement under Sec. 92.504. However, additional HOME funds may be committed to a project up to one year after project completion (see Sec. 92.502), but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under Sec. 92.250.

8. Pay for the acquisition of property owned by the participating jurisdiction, except for property acquired by the participating jurisdiction with HOME funds, or property acquired in anticipation of carrying out a HOME project; or

9. Pay for any cost that is not eligible under Secs. 92.206 through 92.209.
    b. Participating jurisdictions may not charge monitoring, servicing
    and origination fees in HOME-assisted projects. However, participating jurisdictions may charge nominal application fees (although these fees are not an eligible HOME cost) to project owners to discourage frivolous applications. Such fees are applicable credits under OMB Circular A-87.

[61 FR 48750, Sept. 16, 1996, as amended at 62 FR 28929, May 28, 1997]

92.215 Limitation on Jurisdictions under Court Order

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.215]

Limitations on the use of HOME funds in connection with litigation involving discrimination or fair housing are set forth in section 224 of the Act.

Income Targeting

92.216 Income Targeting: Tenant-Based Rental Assistance and Rental Units

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.216]

Each participating jurisdiction must invest HOME funds made available during a fiscal year so that, with respect to tenant-based rental assistance and rental units:

a. Not less than 90 percent of:
    1. The families receiving such rental assistance are families whose annual incomes do not exceed 60 percent of the median family income for the area, as determined and made available by HUD with adjustments for smaller and larger families (except that HUD may establish income ceilings higher or lower than 60 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction cost or fair market rent, or unusually high or low family income) at the time of occupancy or at the time funds are invested, whichever is later; or

    2. The dwelling units assisted with such funds are occupied by families having such incomes; and

b. The remainder of:
    1. The families receiving such rental assistance are households that qualify as low-income families (other than families described in paragraph (a)(1) of this section) at the time of occupancy or at the time funds are invested, whichever is later; or

    2. The dwelling units assisted with such funds are occupied by such households.

92.217 Income Targeting: Homeownership

[Code of Federal Regulations]
[Title 24, Volume 1]

[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.217]

Each participating jurisdiction must invest HOME funds made available during a fiscal year so that with respect to homeownership assistance, 100 percent of these funds are invested in dwelling units that are occupied by households that qualify as low-income families at the time of occupancy or at the time funds are invested, whichever is later.

92.218 Amount of Matching Contribution

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.218]

a. General. Each participating jurisdiction must make contributions to housing that qualifies as affordable housing under the HOME program, throughout a fiscal year. The contributions must total not less than 25 percent of the funds drawn from the jurisdiction's HOME Investment Trust Fund Treasury account in that fiscal year, excluding funds drawn for purposes identified in paragraph (c) of this section.

b. Shortfall amount from State or local resources. Amounts made available under **92.102**(b)(2) from the resources of a State (other than a transfer of the State's formula allocation), the local participating jurisdiction, or both, to enable the local participating jurisdiction to meet the participation threshold amount are not required to be matched and do not constitute matching contributions.

c. HOME funds not required to be matched. HOME funds used for administrative and planning costs (pursuant to **92.207**); community housing development organization operating expenses (pursuant to § 92.208); capacity building (pursuant to **92.300**(b)) of community housing development organizations; and project specific assistance to community housing development organizations (pursuant to § 92.301) when the participating jurisdiction waives repayment under the provisions of **92.301**(a)(3) or 92.301(b)(3) are not required to be matched.

d. Match contribution for other programs. Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching contribution requirement for the HOME program.

92.219 Recognition of Matching Contribution

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.219]

a. Match contribution to HOME-assisted housing. A contribution is recognized as a matching contribution if it is made with respect to:
   1. A tenant who is assisted with HOME funds;

   2. A HOME-assisted unit;

   3. The portion of a project that is not HOME-assisted provided that at least 50 percent of the housing units in the project are HOME-assisted. If the match contribution to the portion of the project that is not HOME-assisted meets the affordable housing requirements of **92.219**(b)(2), the percentage requirement for HOME-assisted units does not apply; or

   4. The commercial space in a mixed-use project in which at least 51 percent of the floor space is residential provided that at least 50 percent of the dwelling units are HOME-assisted.

b. Match contribution to affordable housing that is not HOME-assisted. The following requirements apply for recognition of matching contributions made to affordable housing that is not HOME-assisted:
   1. For tenant-based rental assistance that is not HOME-assisted:
      i. The contribution must be made with respect to a tenant who is assisted with tenant-based rental assistance that meets the requirements of **92.203** (Income determinations) and paragraphs (a), (c), (f), and (i) of **92.209** (Tenant-based rental assistance); and

      ii. The participating jurisdiction must demonstrate in writing that such assistance meets the provisions of 92.203 and 92.209 (except 92.209(e)).

   2. For affordable housing that is not HOME-assisted:
      i. The contribution must be made with respect to housing that qualifies as affordable housing under **92.252** or **92.254**.

      ii. The participating jurisdiction or its instrumentality must execute, with the owner of the housing (or, if the participating jurisdiction is the owner, with the manager or developer), a written agreement that imposes and enumerates all of the affordability requirements from 92.252 and **92.253**(a) and (b) (Tenant protections), or 92.254, whichever are applicable; the property standards requirements of **92.251**; and income

determinations made in accordance with 92.203. This written agreement must be executed before any match contributions may be made.

iii. A participating jurisdiction must establish a procedure to monitor HOME match-eligible housing to ensure continued compliance with the requirements of 92.203 (Income determinations), 92.252 (Qualification as affordable housing: Rental housing), 92.253(a) and (b) (Tenant protections) and 92.254 (Qualification as affordable housing: Homeownership). No other HOME requirements apply.

iv. The match may be in any eligible form of match except those in **92.220**(a)(2) (forbearance of fees), (a)(4) (on-site and off-site infrastructure), (a)(10) (direct cost of supportive services) and (a)(11) (direct costs of homebuyer counseling services).

v. Match contributions to mixed-use or mixed-income projects that contain affordable housing units will be recognized only if the contribution is made to the project's affordable housing units.

92.220 Form of Matching Contribution

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.220]

a. Eligible forms. Matching contributions must be made from nonfederal resources and may be in the form of one or more of the following:
    1. Cash contributions from nonfederal sources. To be recognized as a cash contribution, funds must be contributed permanently to the HOME program (or to affordable housing not assisted with HOME funds), regardless of the form of investment provided to the project. Therefore, to receive match credit for the full amount of a loan to a HOME project, all repayment, interest, or other return on investment of the contribution must be deposited in the local account of the participating jurisdiction's HOME Investment Trust Fund to be used for eligible HOME activities in accordance with the requirements of this part. A cash contribution to affordable housing that is not assisted with HOME funds must be contributed permanently to the project. Repayments of matching contributions in affordable housing projects, as defined in § 92.219(b), that are not HOME-assisted, must be made to the local account of the participating jurisdiction's HOME Investment Trust Fund to get match credit for the full loan amount.
        i. A cash contribution may be made by the participating jurisdiction, non-Federal public entities, private entities, or individuals, except as prohibited under paragraph (b)(4) of this section. A cash contribution made to a nonprofit organization

for use in a HOME project may be counted as a matching contribution.

ii. A cash contribution may be made from program income (as defined by 24 CFR § 85.25(b)) from a Federal grant earned after the end of the award period if no Federal requirements govern the disposition of the program income. Included in this category are repayments from closed out grants under the Urban Development Action Grant Program (24 CFR part 570, subpart G) and the Housing Development Grant Program (24 CFR part 850), and from the Rental Rehabilitation Grant Program (24 CFR part 511) after all fiscal year Rental Rehabilitation grants have been closed out.

iii. The grant equivalent of a below-market interest rate loan to the project that is not repayable to the participating jurisdiction's HOME Investment Trust Fund may be counted as a cash contribution, as follows:

A. If the loan is made from funds borrowed by a jurisdiction or public agency or corporation the contribution is the present discounted cash value of the difference between the payments to be made on the borrowed funds and payments to be received from the loan to the project based on a discount rate equal to the interest rate on the borrowed funds.

B. If the loan is made from funds other than funds borrowed by a jurisdiction or public agency or corporation, the contribution is the present discounted cash value of the yield foregone. In determining the yield foregone, the participating jurisdiction must use as a measure of a market rate yield one of the following, as appropriate:

1. With respect to one- to four-unit housing financed with a fixed interest rate mortgage, a rate equal to the 10-year Treasury note rate plus 200 basis points;

2. With respect to one- to four-unit housing financed with an adjustable interest rate mortgage, a rate equal to the one-year Treasury bill rate plus 250 basis points;

3. With respect to a multifamily project, a rate equal to the 10-year Treasury note rate plus 300 basis points; or

4. With respect to housing receiving financing for rehabilitation, a rate equal to the 10-year Treasury note rate plus 400 basis points.

iv. Proceeds of bonds that are not repaid with revenue from an affordable housing project (e.g., general obligation bonds) and that are loaned to a HOME-assisted or other qualified affordable

housing project constitute a cash contribution under this paragraph.
(v) A cash contribution may be counted as a matching contribution only if it is used for costs eligible under §§ 92.206 or 92.209, or for the following (which are not HOME eligible costs): the cost of removing and relocating an ECHO housing unit during the period of affordability in accordance with § 92.258(d)(3)(ii), payments to a project reserve account beyond payments permitted by §92.206(d)(5), operating subsidies, or costs relating to the portion of a mixed-income or mixed-use HOME-assisted project not related to the affordable housing units.

2. Forbearance of fees.
   i. State and local taxes, charges or fees. The value (based on customary and reasonable means for establishing value) of State or local taxes, fees, or other charges that are normally and customarily imposed or charged by a State or local government on all transactions or projects in the conduct of its operations, which are waived, foregone, or deferred (including State low-income housing tax credits) in a manner that achieves affordability of HOME-assisted projects, may be counted as match. The amount of any real estate taxes may be based on post-improvement property value. For taxes, fees, or charges that are forgiven for future years, the value is the present discounted cash value, based on a rate equal to the rate for the Treasury security with a maturity closest to the number of years for which the taxes, fees, or charges are waived, foregone, or deferred.

   ii. Other charges or fees. The value of fees or charges associated with the transfer or development of real estate that are normally and customarily imposed or charged by public or private entities, which are waived or foregone, in whole or in part, in a manner that achieves affordability of HOME-assisted projects, may be counted as match. Fees and charges under this paragraph do not include fees or charges for legal or other professional services; professional services which are donated, in whole or in part, are an eligible matching contribution in accordance with paragraph (a)(7) of this section.

   iii. Fees or charges that are associated with the HOME Program only (rather than normally and customarily imposed or charged on all transactions or projects) are not eligible forms of matching contributions.

3. Donated Real Property. The value, before the HOME assistance is provided and minus any debt burden, lien, or other encumbrance, of donated land or other real property may be counted as match. The donation may be made by the participating jurisdiction, non-Federal public entities, private entities, or individuals, except as prohibited under paragraph (b)(4) of this section.

i. Donated property not acquired with Federal resources is a contribution in the amount of 100% of the value.

ii. Donated property acquired with Federal assistance may provide a partial contribution as follows. The property must be acquired with Federal assistance specifically for a HOME project (or for affordable housing that will be counted as match pursuant to § 92.219(b)(2)). The property must be acquired with the Federal assistance at demonstrably below the appraised value and must be acknowledged by the seller as a donation to affordable housing at the time of the acquisition with the Federal assistance. The amount of the contribution is the difference between the acquisition price and the appraised value at the time of acquisition with the Federal assistance. If the property is acquired with the Federal assistance by someone other than the HOME project (or affordable housing) owner, to continue to qualify as a contribution, the property must be given to the HOME project (or affordable housing) owner at a price that does not exceed the amount of the Federal assistance used to acquire the property.

iii. Property must be appraised in conformance with established and generally recognized appraisal practice and procedures in common use by professional appraisers. Opinions of value must be based on the best available data properly analyzed and interpreted. The appraisal of land and structures must be performed by an independent, certified appraiser.

4. The cost, not paid with Federal resources, of on-site and off-site infrastructure that the participating jurisdiction documents are directly required for HOME-assisted projects. The infrastructure must have been completed no earlier than 12 months before HOME funds are committed to the project.

5. Proceeds from multifamily and single family affordable housing project bond financing validly issued by a State or local government, or an agency or instrumentality of a State or local government or a political subdivision of a State and repayable with revenues from the affordable housing project financed as follows:

   i. Fifty percent of the loan amount made from bond proceeds to a multifamily affordable housing project owner may qualify as match.

   ii. Twenty-five percent of the loan amount from bond proceeds made to a single-family affordable housing project owner may qualify as match.

   iii. Loans made from bond proceeds may not constitute more than 25 percent of a participating jurisdiction's total annual match contribution.

6. The reasonable value of donated site-preparation and construction materials, not acquired with Federal resources. The value of site-preparation and construction materials is to be determined in accordance with the participating jurisdiction's cost estimate procedures.

7. The reasonable rental value of the donated use of site preparation or construction equipment.

8. The value of donated or voluntary labor or professional services (see § 92.354(b)) in connection with the provision of affordable housing. A single rate established by HUD shall be applicable for determining the value of unskilled labor. The value of skilled labor or professional services shall be determined by the rate that the individual or entity performing the labor or service normally charges.

9. The value of sweat equity (see § 92.354(c)) provided to a homeownership project, under an established component of a participating jurisdiction's program, up until the time of project completion (i.e., submission of a project completion form). Such labor shall be valued at the rate established for unskilled labor at paragraph (a)(8) of this section.

10. The direct cost of supportive services provided to families residing in HOME-assisted units during the period of affordability or receiving HOME tenant-based rental assistance during the term of the tenant-based rental assistance contract. The supportive services must be necessary to facilitate independent living or be required as part of a self-sufficiency program. Examples of supportive services include: case management, mental health services, assistance with the tasks of daily living, substance abuse treatment and counseling, day care, and job training and counseling.

11. The direct cost of homebuyer counseling services provided to families that acquire properties with HOME funds under the provisions of § 92.254(a), including ongoing counseling services provided during the period of affordability. These services may be provided as part of a homebuyer counseling program that is not specific to the HOME Program, but only the cost of services to families that complete purchases with HOME assistance may be counted as match.

b. Ineligible forms. The following are examples that do not meet the requirements of paragraph (a) of this section and do not count toward meeting a participating jurisdiction's matching contribution requirement:
   1. Contributions made with or derived from Federal resources or funds, regardless of when the Federal resources or funds were received or expended. CDBG funds (defined in 24 CFR 570.3) are Federal funds for this purpose;

   2. The interest rate subsidy attributable to the Federal tax-exemption on financing or the value attributable to Federal tax credits;

   3. Owner equity or investment in a project; and

4. Cash or other forms of contributions from applicants for or recipients of HOME assistance or contracts, or investors who own, are working on, or are proposing to apply for, assistance for a HOME-assisted project. The prohibition in this paragraph (b)(4) does not apply to contractors (who do not own any HOME project) contributing professional services in accordance with paragraph (a)(8) of this section or to persons contributing sweat equity in accordance with paragraph (a)(9) of this section.

92.221 Match Credit

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.221]

a. When credit is given. Contributions are credited on a fiscal year basis at the time the contribution is made, as follows:
    1. A cash contribution is credited when the funds are expended.

    2. The grant equivalent of a below-market interest rate loan is credited at the time of the loan closing.

    3. The value of state or local taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred is credited at the time the state or local government or other public or private entity officially waives, forgoes, or defers the taxes, fees, or other charges and notifies the project owner.

    4. The value of donated land or other real property is credited at the time ownership of the property is transferred to the HOME project (or affordable housing) owner.

    5. The cost of investment in infrastructure directly required for HOME-assisted projects is credited at the time funds are expended for the infrastructure or at the time the HOME funds are committed to the project if the infrastructure was completed before the commitment of HOME funds.

    6. The value of donated material is credited as match at the time it is used for affordable housing.

    7. The value of the donated use of site preparation or construction equipment is credited as match at the time the equipment is used for affordable housing.

    8. The value of donated or voluntary labor or professional services is credited at the time the work is performed.

9. A loan made from bond proceeds under § 92.220(a)(5) is credited at the time of the loan closing.

10. The direct cost of social services provided to residents of HOME-assisted units is credited at the time that the social services are provided during the period of affordability.

11. The direct cost of homebuyer counseling services provided to families that purchase HOME-assisted units is credited at the time that the homebuyer purchases the unit or for post-purchase counseling services, at the time the counseling services are provided.

b. Excess match. Contributions made in a fiscal year that exceed the participating jurisdiction's match liability for the fiscal year in which they were made may be carried over and applied to future fiscal years' match liability. Loans made from bond proceeds in excess of 25 percent of a participating jurisdiction's total annual match contribution may be carried over to subsequent fiscal years as excess match, subject to the annual 25 percent limitation.

c. Credit for match contributions shall be assigned as follows:
    1. For HOME-assisted projects involving more than one participating jurisdiction, the participating jurisdiction that makes the match contribution may decide to retain the match credit or permit the other participating jurisdiction to claim the credit.

    2. For HOME match contributions to affordable housing that is not HOME-assisted (match pursuant to § 92.219(b)) involving more than one participating jurisdiction, the participating jurisdiction that makes the match contribution receives the match credit.

    3. A State that provides non-Federal funds to a local participating jurisdiction to be used for a contribution to affordable housing, whether or not HOME-assisted, may take the match credit for itself or may permit the local participating jurisdiction to receive the match credit.

92.222 Reduction of Matching Contribution Requirement

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.222]

a. Reduction for fiscal distress. HUD will determine match reductions annually.
    1. Distress criteria for local government participating jurisdictions. If a local government participating jurisdiction satisfies both of the distress factors in paragraphs (a)(1)(i) and (ii) of this section, it is in severe

fiscal distress and its match requirement will be reduced by 100% for the period specified in paragraph (a)(3) of this section. If a local government participating jurisdiction satisfies either distress factor in paragraphs (a)(1)(i) or (ii) of this section, it is in fiscal distress and its match requirement will be reduced by 50 percent, for the period specified in paragraph (a)(4) of this section.

i. Poverty rate. The average poverty rate in the participating jurisdiction was equal to or greater than 125 percent of the average national poverty rate during the calendar year for which the most recent data are available, as determined according to information of the Bureau of the Census.

ii. Per capita income. The average per capita income in the participating jurisdiction was less than 75 percent of the average national per capita income, during the calendar year for which the most recent data are available, as determined according to information from the Bureau of the Census.

2. Distress criteria for participating jurisdictions that are States. If a State satisfies at least 2 of the 3 distress factors in paragraphs (a)(2)(i) - (iii) of this section, it is in severe fiscal distress and its match requirement will be reduced by 100% for the period specified in paragraph (a)(3) of this section. If a State satisfies any 1 of the 3 distress factors in paragraphs (a)(2)(i) - (iii) of this section, it is in fiscal distress and its match requirement will be reduced by 50 percent, for the period specified in paragraph (a)(4) of this section.

   i. Poverty rate. The average poverty rate in the State was equal to or greater than 125 percent of the average national poverty rate during the calendar year for which the most recent data are available, as determined according to information from the Bureau of the Census.

   ii. Per capita income. The average per capita income in the State was less than 75 percent of the average national per capita income, during the calendar year for which the most recent data are available, as determined according to information from the Bureau of the Census.

   iii. Personal income growth. The average personal income growth rate in the State over the most recent four quarters for which the data are available was less than 75 percent of the average national personal income growth rate during that period, as determined according to information from the Bureau of Economic Analysis.

3. Period of match reduction for severe fiscal distress. A 100% match reduction is effective for the fiscal year in which the severe fiscal distress determination is made and for the following fiscal year.

4. Period of match reduction for fiscal distress. A 50% match reduction is effective for the fiscal year in which the fiscal distress determination is made and for the following fiscal year, except that if a severe fiscal distress determination is published in that following fiscal year, the participating jurisdiction starts a new two-year match reduction period in accordance with the provisions of paragraph (a)(3) of this section.

b. Reduction of match for participating jurisdictions in disaster areas. If a participating jurisdiction is located in an area in which a declaration of major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act is made, it may request a reduction of its matching requirement. For a local participating jurisdiction, the HUD Field office may reduce the matching requirement specified in **92.218** by up to 100 percent for the fiscal year in which the declaration of major disaster is made and the following fiscal year. For a State participating jurisdiction, the HUD Field office may reduce the matching requirement specified in 92.218, by up to 100 percent for the fiscal year in which the declaration of major disaster is made and the following fiscal year with respect to any HOME funds expended in an area to which the declaration of a major disaster applies. At its discretion and upon request of the participating jurisdiction, the HUD Field Office may extend the reduction for an additional year.

SUBPART F - PROJECT REQUIREMENTS

92.250 Maximum Per-Unit Subsidy Amount and Subsidy Layering

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.251]

a.

1. Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion, except as provided in paragraph (b) of this section. The participating jurisdiction must have written standards for rehabilitation that ensure that HOME-assisted housing is decent, safe, and sanitary. In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable: one of three model codes (Uniform Building Code (ICBO), National Building Code (BOCA), Standard (Southern) Building Code (SBCCI)); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926. To avoid duplicative inspections when FHA financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

2. All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

3. The housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

4. Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards pre-empt State and local codes covering the same aspects of performance for such housing. Participating jurisdictions providing HOME assistance to install manufactured housing units must comply with applicable State and local laws or codes. In the absence of such laws or codes, the participating jurisdiction must comply with the manufacturer's written instructions for installation of manufactured housing units. Manufactured housing

that is rehabilitated using HOME funds must meet the requirements set out in paragraph (a)(1) of this section.

b. The following requirements apply to housing for homeownership that is to be rehabilitated after transfer of the ownership interest:
    1. Before the transfer of the homeownership interest, the participating jurisdiction must:
        i. Inspect the housing for any defects that pose a danger to health; and

        ii. Notify the prospective purchaser of the work needed to cure the defects and the time by which defects must be cured and applicable property standards met.

    2. The housing must be free from all noted health and safety defects before occupancy and not later than 6 months after the transfer.

    3. The housing must meet the property standards in paragraph (a)(1) of this section not later than 2 years after transfer of the ownership interest.

c. An owner of rental housing assisted with HOME funds must maintain the housing in compliance with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

d. All housing occupied by tenants receiving HOME tenant-based rental assistance must meet the housing quality standards in 24 CFR 982.401.

92.252 Qualification as Affordable Housing: Rental Housing

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.252]

The HOME-assisted units in a rental housing project must be occupied only by households that are eligible as low-income families and must meet the following requirements to qualify as affordable housing. The affordability requirements also apply to the HOME-assisted non-owner-occupied units in single-family housing purchased with HOME funds in accordance with **92.254**.

a. Rent limitation. HUD provides the following maximum HOME rent limits. The maximum HOME rents are the lesser of:
    1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or

    2. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

b. Additional Rent limitations. In rental projects with five or more HOME-assisted rental units, twenty (20) percent of the HOME-assisted units must be occupied by very low-income families and meet one of following rent requirements:
    1. The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under (a) of this section, then the maximum rent for units under this paragraph is that calculated under paragraph (a).

    2. The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

c. Initial rent schedule and utility allowances. The participating jurisdiction must establish maximum monthly allowances for utilities and services (excluding telephone). The participating jurisdiction must review and approve rents proposed by the owner for units subject to the maximum rent limitations in paragraphs (a) or (b) of this section. For all units subject to the maximum rent limitations in paragraphs (a) or (b) of this section for which the tenant is paying utilities and services, the participating jurisdiction must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

d. Nondiscrimination against rental assistance subsidy holders. The owner cannot refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982--Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance

program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

e. Periods of Affordability. The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

Rental Housing Activity Minimum period of affordability in years Rehabilitation or acquisition of existing housing per unit amount of HOME funds:

Under $15,000: 5

$15,000 to $40,000: 10

Over $40,000 or
rehabilitationinvolving refinancing: 15

New construction or acquisition
of newly constructed housing: 20

f. Subsequent rents during the affordability period.
    1. The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. HUD then provides the new maximum HOME rent limits to participating jurisdictions. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

    2. The participating jurisdiction must provide project owners with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits in paragraph (f)(1) of this section) in accordance with the written agreement between the participating jurisdiction and the owner. Owners must annually provide the participating jurisdiction with information on rents and occupancy of HOME-assisted units to demonstrate compliance with this section.

    3. Any increase in rents for HOME-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must

provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

g. Adjustment of HOME rent limits for a particular project.
    1. Changes in fair market rents and in median income over time should be sufficient to maintain the financial viability of a project within the HOME rent limits in this section.

    2. HUD may adjust the HOME rent limits for a project, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly.

h. Tenant income. The income of each tenant must be determined initially in accordance with **92.203**(a)(1)(i). In addition, each year during the period of affordability the project owner must re-examine each tenant's annual income in accordance with one of the options in 92.203 selected by the participating jurisdiction. An owner of a multifamily project with an affordability period of 10 years or more who re-examines tenant's annual income through a statement and certification in accordance with 92.203(a)(1)(ii), must examine the income of each tenant, in accordance with 92.203(a)(1)(i), every sixth year of the affordability period. Otherwise, an owner who accepts the tenant's statement and certification in accordance with 92.203(a)(1)(ii) is not required to examine the income of tenants in multifamily or single-family projects unless there is evidence that the tenant's written statement failed to completely and accurately state information about the family's size or income.

i. Over-income tenants.
    1. HOME-assisted units continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the incomes of existing tenants if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected.

    2. Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted income, except that tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by section 42. In addition, in projects in which the HOME units are designated as floating pursuant to paragraph (j), tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

j. Fixed and floating HOME units. In a project containing HOME-assisted and other units, the participating jurisdiction may designate fixed or floating HOME units. This designation must be made at the time of project commitment. Fixed units remain the same throughout the period of affordability. Floating units are changed to maintain conformity with the requirements of this section during the period of affordability so that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size, features, and number of bedrooms to the originally designated HOME-assisted unit.

92.253 Tenant and Participant Protections

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.253]

a. Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner.

b. Prohibited lease terms. The lease may not contain any of the following provisions:
    1. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

    2. Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

    3. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

    4. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

    5. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

    6. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;

7. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

8. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

c. Termination of tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

d. Tenant selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that:
   1. Are consistent with the purpose of providing housing for very low-income and low-income families;

   2. Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;

   3. Give reasonable consideration to the housing needs of families that would have a Federal preference under section 6(c)(4)(A) of the 1937 Act (see § 92.209(c)(2));

   4. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and

   5. Give prompt written notification to any rejected applicant of the grounds for any rejection.

92.254 Qualification as Affordable Housing: Homeownership

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.254]

[Page 586-590]

a. Acquisition with or without rehabilitation. Housing that is for acquisition by a family must meet the affordability requirements of this paragraph (a).
    1. The housing must be single-family housing (1- to 4-family residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot).

    2. The housing must be modest housing as follows:
        i. In the case of acquisition of newly constructed housing or standard housing, the housing has a purchase price for the type of single family housing that does not exceed 95 percent of the median purchase price for the area, as described in paragraph (a)(2)(iii) of this section.

        ii. In the case of acquisition with rehabilitation, the housing has an estimated value after rehabilitation that does not exceed 95 percent of the median purchase price for the area, described in paragraph (a)(2)(iii) of this section.

        iii. If a participating jurisdiction intends to use HOME funds for homebuyer assistance or for rehabilitation of owner-occupied single-family properties, the participating jurisdiction may use the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) (which may be obtained from the HUD Field Office) or it may determine 95 percent of the median area purchase price for single family housing in the jurisdiction, as follows. The participating jurisdiction must set forth the price for different types of single family housing (1- to 4-unit family residence, condominium unit, cooperative unit, combination of manufactured housing and lot or manufactured housing lot) for the jurisdiction. The 95 percent of median area purchase price must be established in accordance with a market analysis which ensured that a sufficient number of recent housing.

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sales are included in the survey. Sales must cover the requisite number of months based on volume: For 500 or more sales per month, a one-month

reporting period; for 250 through 499 sales per month, a two-month reporting period; for less than 250 sales per month, at least a three-month reporting period. The data must be listed in ascending order of sales price. The address of the listed properties must include the location within the participating jurisdiction. Lot, square and subdivision data may be substituted for the street address. The housing sales data must reflect all, or nearly all, of the one-family house sales in the entire participating jurisdiction. To determine the median, take the middle sale on the list if an odd number of sales and if an even number, take the higher of the middle numbers and consider it the median. After identifying the median sales price, the amount should be multiplied by .95 to determine the 95 percent of the median area purchase price. This information must be submitted to the HUD Field Office for review.

3. The housing must be acquired by a homebuyer whose family qualifies as a low-income family and the housing must be the principal residence of the family throughout the period described in paragraph (a)(4) of this section.

4. Periods of affordability. The HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The per unit amount of HOME funds and the affordability period that they trigger are described more fully in paragraphs (a)(5)(i) (resale) and (ii) (recapture) of this section.

Homeownership assistance HOME amount per-unit	Minimum period of affordability in years
Under $15,000	5
$15,000 to $40,000	10
Over $40,000	15

5. Resale and recapture. To ensure affordability, the participating jurisdiction must impose either resale or recapture requirements, at its option. The participating jurisdiction must establish the resale

or
recapture requirements that comply with the standards of this section
and set forth the requirements in its consolidated plan. HUD must
determine that they are appropriate.

i. Resale. Resale requirements must ensure, if the housing does not
continue to be the principal residence of the family for the duration of the period of affordability, that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low- income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The period of affordability is based on the total amount of HOME funds invested in the housing.

A. Except as provided in paragraph (a)(5)(i)(B) of this section,
deed restrictions, covenants running with the land, or other similar mechanisms must be used as the mechanism to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

B. Certain housing may be presumed to meet the resale restrictions (i.e., the housing will be available and affordable to a reasonable range of low-income homebuyers; a low-income homebuyer will occupy the housing as the family's principal residence; and the original owner will be afforded a fair

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return on investment) during the period of affordability without the imposition of enforcement mechanisms by the participating jurisdiction. The presumption must be based upon a market analysis of the neighborhood

in which the housing is located. The market analysis must include an evaluation of the location and characteristics of the housing and residents in the neighborhood (e.g., sale prices, age and amenities of the housing stock, incomes of residents, percentage of owner-occupants) in relation to housing and incomes in the housing market area. An analysis of the current and projected incomes of neighborhood residents for an average period of affordability for homebuyers in the neighborhood must support the conclusion that a reasonable range of low- income families will continue to qualify for mortgage financing. For example, an analysis shows that the housing is modestly priced within the housing market area and that families with incomes of 65% to 80% of area median can afford monthly payments under average FHA terms without other government assistance and housing will remain affordable at least during the next five to seven years compared to other housing in the market area; the size and amenities of the housing are modest and substantial rehabilitation will not significantly increase the market value; the neighborhood has housing that is not currently owned by the occupants, but the participating jurisdiction is encouraging homeownership in the neighborhood by providing homeownership assistance and by making improvements to the streets, sidewalks, and other public facilities and services. If a participating jurisdiction in preparing a neighborhood revitalization strategy under Sec. 91.215(e)(2) of its consolidated plan or Empowerment Zone or Enterprise Community application under 24 CFR part 597 has incorporated the type of market data described above, that submission may serve as the required analysis under this section. If the participating jurisdiction continues to provide homeownership assistance for housing in the neighborhood, it must periodically update the market analysis to verify the original presumption of continued affordability.

i. Recapture. Recapture provisions must ensure that the participating jurisdiction recoups all or a portion of the HOME assistance to the homebuyers, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The participating jurisdiction may structure its recapture provisions based on its program design and market conditions. The period of affordability is based upon the total amount of HOME funds subject to recapture described in paragraph (a)(5)(ii)(A)(5) of this section.

   A. The following options for recapture requirements are acceptable to HUD. The participating jurisdiction may adopt, modify or develop its own recapture requirements for HUD approval.

      1. Recapture entire amount. The participating jurisdiction may recapture the entire amount of the HOME investment from the homeowner.

      2. Reduction during affordability period. The participating jurisdiction may reduce the HOME investment amount to be recaptured on a prorata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

      3. Shared net proceeds. If the net proceeds are not sufficient to recapture the full HOME investment (or a reduced amount as

provided for in paragraph (a)(5)(ii)(A)(2) of this section) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the owner since purchase, the participating jurisdiction may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

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[GRAPHIC] [TIFF OMITTED] TC12OC91.007

4. Owner investment returned first. The participating jurisdiction may permit the homebuyer to recover the homebuyer's entire investment (downpayment and capital improvements made by the owner since purchase)
before recapturing the HOME investment.

5. Amount subject to recapture. The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable
price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy). The recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of this part. If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale option must be used.

6. Special considerations for single-family properties with more
than one unit. If the HOME funds are only used to assist a low-income homebuyer to acquire one unit in single-family housing containing more than one unit and the assisted unit will be the principal residence of the homebuyer, the affordability requirements of this section apply only
to the assisted unit. If HOME funds are also used to assist the low- income homebuyer to acquire one or more of the rental units in the single-family housing, the affordability requirements of

Sec. **92.252** apply to assisted rental units, except that the participating jurisdiction may impose resale or recapture restrictions on all assisted units (owner-occupied and rental units) in the single family housing. If resale restrictions are used, the affordability requirements on all assisted units continue for the period of affordability. If recapture restrictions are used, the affordability requirements on the assisted rental units may be terminated, at the discretion of the participating jurisdiction, upon recapture of the HOME investment. (If HOME funds are used to assist only the rental units in such a property then the requirements of Sec. **92.252** would apply and the owner-occupied unit would not be subject to the income targeting or affordability provisions of Sec. **92.254**.)

7. Lease-purchase. HOME funds may be used to assist homebuyers through lease-purchase programs. The housing must be purchased by a homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease-purchase agreement is signed and at the time the housing is transferred if more than six months have elapsed since the participating jurisdiction determined that the family was income eligible. If HOME funds are used to acquire housing that will be resold to a homebuyer through a lease-purchase program, the HOME affordability requirements for rental housing in Sec. **92.252** shall apply if the housing is not transferred to a homebuyer within forty-two months after project completion.

4.

b. Rehabilitation not involving acquisition. Housing that is currently owned by a family qualifies as affordable housing only if:

1. The estimated value of the property, after rehabilitation, does not exceed 95 percent of the median purchase price for the area, described in paragraph (a)(2)(iii) of this section; and

2. The housing is the principal residence of an owner whose family qualifies as a low-income family at the time HOME funds are committed to the housing.

c. Ownership interest. The ownership in the housing assisted under

this section must meet the definition of ``homeownership'' in Sec. 92.2.

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d. New construction without acquisition. Newly constructed housing that is built on property currently owned by a family which will occupy the housing upon completion, qualifies as affordable housing if it meets the requirements under paragraph (a) of this section.

92.255 Converting Rental Units to Homeownership Units for Existing Tenants

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.255]

The participating jurisdiction may permit the owner of HOME-assisted rental units to convert the rental units to homeownership units by selling, donating, or otherwise conveying the units to the existing tenants to enable the tenants to become homeowners in accordance with the requirements of 92.254. If no additional HOME funds are used to enable the tenants to become homeowners, the homeownership units are subject to a minimum period of affordability equal to the remaining affordable period if the units continued as rental units. If additional HOME funds are used to directly assist the tenants to become homeowners, the minimum period of affordability is the affordability period under 92.254(a)(4), based on the amount of direct homeownership assistance provided.

92.256

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.256]

92.256 Reserved

92.257 Religious Organizations

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.257]

HOME funds may not be provided to primarily religious organizations, such as churches, for any activity including secular activities. In addition, HOME funds may not be used to rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing. However, HOME funds may be used by a secular entity to acquire housing from a primarily religious organization, and a primarily religious entity may transfer title to its property to a wholly secular entity and the entity may participate in the HOME program in accordance with the requirements of this part. The entity may be an existing or newly established entity, which may be an entity established by the religious organization. The completed housing project must be used exclusively by the owner entity for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the property.

92.258 Elder Cottage Housing Opportunity (ECHO) Units

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.258]

a. General. HOME funds may be used for the initial purchase and initial placement costs of elder cottage housing opportunity (ECHO) units that meet the requirements of this section, and that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings.

b. Eligible owners. The owner of a HOME-assisted ECHO unit may be:
    1. The owner-occupant of the single-family host property on which the ECHO unit will be located;

    2. A participating jurisdiction; or

    3. A non-profit organization.

c. Eligible tenants. During the affordability period, the tenant of a HOME-assisted ECHO unit must be an elderly or disabled family as defined in 24 CFR **5.403** and must also be a low-income family.

d. Applicable requirements. The requirements of **92.252** of this part apply to HOME-assisted ECHO units, with the following modifications:
    1. Only one ECHO unit may be provided per host property.

2. The ECHO unit owner may choose whether or not to charge the tenant of the ECHO unit rent, but if a rent is charged, it must meet the requirements of **92.252**.

3. The ECHO housing must remain affordable for the period specified in **92.252**(e). If within the affordability period the original occupant no longer occupies the unit, the ECHO unit owner must:
   i. Rent the unit to another eligible occupant on site;

   ii. Move the ECHO unit to another site for occupancy by an eligible occupant; or

   iii. If the owner of the ECHO unit is the host property owner-occupant, the owner may repay the HOME funds in accordance with the recapture provisions imposed by the participating jurisdiction consistent with **92.254**(a)(5)(ii). The participating jurisdiction must use the recaptured HOME funds for additional HOME activities.

4. The participating jurisdiction has the responsibility to enforce the project requirements applicable to ECHO units.

SUBPART G - COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

92.300 Set-Aside for Community Housing Development Organizations (CHDO)

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.300]

a.

1. Within 24 months after HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnerships Agreement, the participating jurisdiction must reserve not less than 15 percent of the HOME allocation for investment only in housing to be developed, sponsored, or owned by community housing development organizations. For a State, the HOME allocation includes funds reallocated under § 92.451(c)(2)(i) and, for a unit of general local government, funds transferred from a State under 92.102(b). The funds are reserved when a participating jurisdiction enters into a written agreement with the community housing development organization. The funds must be provided to a community housing development organization, its subsidiary or a partnership of which it or its subsidiary is the managing general partner. If a CHDO owns the project in partnership, it or its wholly owned for-profit or non-profit subsidiary must be the managing general partner. In acting in any of the capacities specified, the community housing development organization must have effective project control. In addition, a community housing development organization, in connection with housing it develops, sponsors or owns with HOME funds provided under this section, may provide direct homeownership assistance (e.g. downpayment assistance) and not be considered a subrecipient.

2. The participating jurisdiction determines the form of assistance, e.g., grant or loan, that the community housing development organization receives and whether any proceeds must be returned to the participating jurisdiction or may be retained by the community housing development organization. While the proceeds the participating jurisdiction permits the community housing development organization to retain are not subject to the requirements of this part, the participating jurisdiction must specify in the written agreement with the community housing development organization whether they are to be used for HOME-eligible or other housing activities to benefit low-income families. However, funds recaptured because housing no longer meets the affordability requirements under 92.254(a)(5)(ii) are subject to the requirements of this part in accordance with 92.503.

b. Each participating jurisdiction must make reasonable efforts to identify community housing development organizations that are capable, or can reasonably be expected to become capable, of carrying out elements of the jurisdiction's approved consolidated plan and to encourage such community housing development organizations to do so. If during the first 24 months of its participation in the HOME Program a participating jurisdiction cannot identify a sufficient number of capable community housing development organizations, up to 20 percent of the minimum community housing development organization setaside of 15 percent specified in paragraph (a) of this section, above, (but not more than $150,000 during the 24 month period) may be committed to develop the capacity of community housing development organizations in the jurisdiction.

c. Up to 10 percent of the HOME funds reserved under this section may be used for activities specified under 92.301.

d. HOME funds required to be reserved under this section are subject to reduction, as provided in 92.500(d).

e. If funds for operating expenses are provided under 92.208 to a community housing development organization that is not also receiving funds under paragraph (a) of this section for housing to be developed, sponsored or owned by the community housing development organization, the participating jurisdiction must enter into a written agreement with the community housing development organization that provides that the community housing development organization is expected to receive funds under paragraph (a) of this section within 24 months of receiving the funds for operating expenses, and specifies the terms and conditions upon which this expectation is based.

f. Limitation on community housing development organization operating funds. A community housing development organization may not receive HOME funding for any fiscal year in an amount that provides more than 50 percent or $50,000, whichever is greater, of the community housing development organization's total operating expenses in that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1), (2), and (6) of the Act, as well as funds for operating expenses provided under 92.208.

92.301 Project-Specific Assistance to Community Housing Development Organizations

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.301]

a. Project-specific technical assistance and site control loans.
    1. General. Within the percentage specified in **92.300**(c), HOME funds may be used by a participating jurisdiction to provide technical assistance and site control loans to community housing development organizations in the early stages of site development for an eligible

project. These loans may not exceed amounts that the participating jurisdiction determines to be customary and reasonable project preparation costs allowable under paragraph (a)(2) of this section. All costs must be related to a specific eligible project or projects.

2. Allowable costs. A loan may be provided to cover project costs necessary to determine project feasibility (including costs of an initial feasibility study), consulting fees, costs of preliminary financial applications, legal fees, architectural fees, engineering fees, engagement of a development team, option to acquire property, site control and title clearance. General operational expenses of the community housing development organization are not allowable costs.

3. Repayment. The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in part or in whole, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the borrower.

b. Project-specific seed money loans.

1. General. Within the percentage specified in 92.300(c), HOME funds may be used to provide loans to community housing development organizations to cover preconstruction project costs that the participating jurisdiction determines to be customary and reasonable, including, but not limited to the costs of obtaining firm construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies, and legal fees.

2. Eligible sponsors. A loan may be provided only to a community housing development organization that has, with respect to the project concerned, site control (evidenced by a deed, a sales contract, or an option contract to acquire the property), a preliminary financial commitment, and a capable development team.

3. Repayment. The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in whole or in part, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the community housing development organization.

92.302 Housing Education and Organizational Support

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.302]

HUD is authorized to provide education and organizational support assistance, in conjunction with HOME funds made available to community housing development organizations in accordance with section 233 of the Act. HUD will publish a notice in the Federal Register announcing the availability of funding under this section, as appropriate. The notice need not include funding for each of the eligible activities, but may target funding from among the eligible activities.

92.303 Tenant Participation Plan

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.303]

A community housing development organization that receives assistance under this part must adhere to a fair lease and grievance procedure approved by the participating jurisdiction and provide a plan for and follow a program of tenant participation in management decisions.

SUBPART H -OTHER FEDERAL REQUIREMENTS

92.350 Other Federal Requirements

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.350]

a. The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME program. The requirements of this subpart include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.

b. The nondiscrimination requirements at section 282 of the Act are applicable. These requirements are waived in connection with the use of HOME funds on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).

92.351 Affirmative Marketing; Minority Outreach Program

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.351]

a. Affirmative marketing.
    1. Each participating jurisdiction must adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing 5 or more HOME-assisted housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. (The affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance or families with tenant-based rental assistance provided with HOME funds.)

    2. The affirmative marketing requirements and procedures adopted must include:
        i. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the participating jurisdiction's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups);

        ii. Requirements and practices each owner must adhere to in order to carry out the participating jurisdiction's affirmative

marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster);

iii. Procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);

iv. Records that will be kept describing actions taken by the participating jurisdiction and by owners to affirmatively market units and records to assess the results of these actions; and

v. A description of how the participating jurisdiction will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

3. A State that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.

b. Minority outreach. A participating jurisdiction must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 85.36(e) of this title describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

92.352 Environmental Review

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.352]

a. General. The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

b. Responsibility for review.
    1. The jurisdiction (e.g., the participating jurisdiction or State recipient) or insular area must assume responsibility for environmental review, decisionmaking, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.

    2. A State participating jurisdiction must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.

    3. HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.

92.353 Displacement, Relocation, and Acquisition

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.353]

a. Minimizing displacement. Consistent with the other goals and objectives of this part, the participating jurisdiction must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.

b. Temporary relocation. The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:
    1. Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.

    2. Appropriate advisory services, including reasonable advance written notice of:
        i. The date and approximate duration of the temporary relocation;

ii. The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;

iii. The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and

iv. The provisions of paragraph (b)(1) of this section.

c. Relocation assistance for displaced persons.

1. General. A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. A "displaced person" must be advised of his or her rights under the Fair Housing Act and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.

2. Displaced Person.

i. For purposes of paragraph (c) of this section, the term displaced person means a person (family individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

A. After notice by the owner to move permanently from the property, if the move occurs on or after:

1. The date of the submission of an application to the participating jurisdiction or HUD, if the applicant has site control and the application is later approved; or

2. The date the jurisdiction approves the applicable site, if the applicant does not have site control at the time of the application; or

B. Before the date described in paragraph (c)(2)(i)(A) of this section, if the jurisdiction or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or

C. By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:

1. The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average monthly utility costs that do not exceed the greater of:
    i. The tenant's monthly rent before such agreement and estimated average monthly utility costs; or

    ii. The total tenant payment, as determined under 24 CFR 5.613, if the tenant is low-income, or 30 percent of gross household income, if the tenant is not low-income; or

2. The tenant is required to relocate temporarily, does not return to the building/complex, and either
    i. The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or

    ii. Other conditions of the temporary relocation are not reasonable; or

3. The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.

ii. Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a displaced person if:

A. The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good

cause, and the participating jurisdiction determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.

B. The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the project;

C. The person is ineligible under 49 CFR 24.2(g)(2); or

D. HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

iii. The jurisdiction may, at any time, ask HUD to determine whether a displacement is or would be covered by this rule.

3. Initiation of negotiations. For purposes of determining the formula for computing replacement housing assistance to be provided under paragraph (c) of this section to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or acquisition of the real property, the term initiation of negotiations means the execution of the agreement covering the acquisition, rehabilitation, or demolition.

d. Optional relocation assistance. The participating jurisdiction may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations, and farms displaced by a project assisted with HOME funds where the displacement is not subject to paragraph (c) of this section. The jurisdiction may also provide relocation assistance to persons covered under paragraph (c) of this section beyond that required. For any such assistance that is not required by State or local law, the jurisdiction must adopt a written policy available to the public that describes the optional relocation assistance that it has elected to furnish and provides for equal relocation assistance within each class of displaced persons.

e. Residential antidisplacement and relocation assistance plan. The participating jurisdiction shall comply with the requirements of 24 CFR part 42, subpart B.

f. Real property acquisition requirements. The acquisition of real property for a project is subject to the URA and the requirements of 49 CFR part 24, subpart B.

g. Appeals. A person who disagrees with the participating jurisdiction's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the jurisdiction. A low-income person who is dissatisfied with the jurisdiction's determination on his or her appeal may submit a written request for review of that determination to the HUD Field Office.

92.354 Labor

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.354]

a. General.
   1. Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a - 276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 - 332).

   2. The contract for construction must contain these wage provisions if HOME funds are used for any project costs in **92.206**, including construction or nonconstruction costs, of housing with 12 or more HOME-assisted units. When HOME funds are only used to assist homebuyers to acquire single-family housing, and not for any other project costs, the wage provisions apply to the construction of the housing if there is a written agreement with the owner or developer of the housing that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more housing units to be purchased with HOME assistance. The wage provisions apply to any construction contract that includes a total of 12 or more HOME-assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted.

   3. Participating jurisdictions, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in

Housing and Community Development Programs), as applicable. Participating jurisdictions must require certification as to compliance with the provisions of this section before making any payment under such contract.

b. Volunteers. The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.

c. Sweat equity. The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

92.355 Lead-Based Paint

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.355]

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.) and 24 CFR part 35. The lead-based paint provisions of 24 CFR 982.401(j), except 24 CFR 982.401(j)(1)(i), also apply, irrespective of the applicable property standard under **92.251**. In a project in which not all units are assisted with HOME funds, the lead-based paint requirements apply to all units and common areas in the project. Unless otherwise provided, the participating jurisdiction is responsible for testing and abatement activities.

92.356 Conflict of Interest

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.356]

a. Applicability. In the procurement of property and services by participating jurisdictions, State recipients, and subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

b. Conflicts prohibited. No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted

activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

c. Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

d. Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:
    1. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

    2. An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

e. Factors to be considered for exceptions. In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:
    1. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

    2. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

    3. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

    4. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;

    5. Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

    6. Any other relevant considerations.

f. Owners and Developers.

1. No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent or consultant of the owner, developer or sponsor) whether private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

2. Exceptions. Upon written request of a housing owner or developer, the participating jurisdiction (or State recipient, if authorized by the State participating jurisdiction) may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the participating jurisdiction shall consider the following factors:

   i. Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

   ii. Whether the person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted housing in question;

   iii. Whether the tenant protection requirements of 92.253 are being observed;

   iv. Whether the affirmative marketing requirements of 92.351 are being observed and followed; and

   v. Any other factor relevant to the participating jurisdiction's determination, including the timing of the requested exception.

92.357 Executive Order 12372

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.357]

a. General. Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

b. Applicability. Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

92.358 Consultant Activities

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.358]

No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub. L. 104-204 (September 26, 1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

SUBPART I - TECHNICAL ASSISTANCE

92.400 Coordinated Federal Support for Housing Strategies

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.400]

a. General. HUD will provide assistance in accordance with Subtitle C of the Act.

b. Notice of funding. HUD will publish a notice in the Federal Register announcing the availability of funding under this section as appropriate.

SUBPART J- REALLOCATIONS

92.450 General

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.450]

a. This subpart J sets out the conditions under which HUD reallocates HOME funds that have been allocated, reserved, or placed in a HOME Investment Trust Fund.

b. A jurisdiction that is not a participating jurisdiction but is meeting the requirements of **92.102**, **92.103**, and **92.104**, (participation threshold, notice of intent, and submission of consolidated plan) is treated as a participating jurisdiction for purposes of receiving a reallocation under subpart J of this part

92.451 Reallocation of HOME Funds from a Jurisdiction that is not Designated a Participating Jurisdiction or has its Designation Revoked

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.451]

a. Failure to be designated a participating jurisdiction. HUD will reallocate, under this section, any HOME funds allocated to or reserved for a jurisdiction that is not a participating jurisdiction if:
    1. HUD determines that the jurisdiction has failed to:
        i. Meet the participation threshold amount in Sec. 92.102;

        ii. Provide notice of its intent to become a participating jurisdiction in accordance with Sec. 92.103; or

        iii. Submit its consolidated plan, in accordance with 24 CFR part 91; or

    2. HUD after providing for amendments and resubmissions in accordance with 24 CFR part 91 disapproves the jurisdiction's consolidated plan.

b. Designation revoked. HUD will reallocate, under this section, any funds remaining in a jurisdiction's HOME Investment Trust Fund after HUD has revoked the jurisdiction's designation as a participating jurisdiction under Sec. 92.107.

c. Manner of reallocation. HUD will reallocate funds that are subject to reallocation under this section in the following manner:
   1. If the funds to be reallocated under this section are from a State, HUD will:
      i. Make the funds available by competition in accordance with criteria in Sec. 92.453 among applications submitted by units of general local government within the State and with preference being given to applications from units of general local government that are not participating jurisdictions, and

      ii. Reallocate the remainder by formula in accordance with Sec. 92.454.

   2. If the funds to be reallocated are from a unit of general local government:
      i. Located in a State that is participating jurisdiction, HUD will reallocate the funds to that State. The State, in distributing these funds, must give preference to the provision of affordable housing within the unit of general local government; or

      ii. Located in a State that is not a participating jurisdiction, HUD will reallocate the funds by competition among units of general local government and community housing development organizations within the State, with priority going to applications for affordable housing within the unit of general local government; and reallocate the remainder by formula in accordance with Sec. 92.454.

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92.452 Reallocation of Community Housing Development Organization Set-Aside

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.452]

HUD will reallocate, under this section, any HOME funds reduced or recaptured by HUD from a participating jurisdiction's HOME Investment Trust Fund under Sec. **92.300**(d). HUD will reallocate these funds by competition in accordance with

criteria in Sec. **92.453** to other participating jurisdictions for affordable housing developed, sponsored, or owned by community housing development organizations.

92.453 Criteria for Competitive Reallocations

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.453]

a. HUD will invite applications through FEDERAL REGISTER publication of a Notice of Funding Availability (NOFA), in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545) and the requirements of sec. 217(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(c)), for HOME funds that become available for competitive reallocation under **92.451** or **92.452**, or both. The NOFA will describe the application requirements and procedures, including the total funding available for the competition and any maximum amount of individual awards. The NOFA will also describe the selection criteria and any special factors to be evaluated in awarding points under the selection criteria.

b. The NOFA will include the selection criteria at sec. 217(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(c)), with the following maximum number of points awarded for each category of criteria:
    1. Commitment. Up to 25 points for the criteria at sec. 217(c)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(c)(1));

    2. Actions. Up to 50 points for the criteria at sec. 217(c)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(c)(2)); and

    3. Policies. Up to 25 points for the criteria at sec. 217(c)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(c)(3)).

92.454 Reallocations by Formula

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.454]

a. HUD will reallocate under this section:
    1. Any HOME funds remaining available for reallocation after HUD has made competitive reallocations under **92.451** and **92.452**;

2. Any HOME funds available for reallocation because HUD reduced or recaptured funds from participating jurisdiction under § 92.500(d) for failure to commit the funds within the time specified;

3. Any HOME funds withdrawn by HUD from a participating jurisdiction under 24 CFR 91.520(f) for failure to submit in a timely manner a performance report required by 24 CFR 91.520 that is satisfactory to HUD; and

4. Any HOME funds remitted to HUD under **92.503**(b) when a jurisdiction ceases to be a participating jurisdiction.

    b. Any reallocation of funds from a State must be made only among all participating States, and any reallocation of funds from units of general local government must be made only among all participating units of general local government, except those participating jurisdictions that HUD has removed from participating in reallocations under **92.552**.

    c. A local participating jurisdiction's share of a reallocation is calculated by multiplying the amount available for reallocation to units of general local government by a factor that is that ratio of the participating jurisdiction's formula allocation provided under § 92.50 to the total of the formula allocations provided for all local participating jurisdictions sharing in the reallocation. A State participating jurisdiction's share is comparably determined using the amount available for reallocation to States.

    d. HUD will make reallocations under this section quarterly, unless the amount available for such reallocation is insufficient to warrant making a reallocation. In any event, HUD will make a reallocation under this section at least once a year. The minimum amount of a reallocation is $1000.

SUBPART K - PROGRAM ADMINISTRATION

92.500 The Home Investment Trust Fund

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.500]

a. General. A HOME Investment Trust Fund consists of the accounts described in this section solely for investment in accordance with the provisions of this part. HUD will establish a HOME Investment Trust Fund United States Treasury account for each participating jurisdiction. Each participating jurisdiction may use either a separate local HOME Investment Trust Fund account or, a subsidiary account within its general fund (or other appropriate fund) as the local HOME Investment Trust Fund account.

b. Treasury Account. The United States Treasury account of the HOME Investment Trust Fund includes funds allocated to the participating jurisdiction under § 92.50 (including for a local participating jurisdiction, any transfer of the State's allocation pursuant to § 92.102(b)(2)) and funds reallocated to the participating jurisdiction, either by formula or by competition, under subpart J of this part; and

c. Local Account.
   1. The local account of the HOME Investment Trust Fund includes deposits of HOME funds disbursed from the Treasury account; the deposit of any State funds (other than HOME funds transferred pursuant to § 92.102(b)(2)) or local funds that enable the jurisdiction to meet the participating threshold amount in § 92.102; any program income (from both the allocated funds and matching contributions in accordance with the definition of program income); and any repayments or recaptured funds as required by §92.503.

   2. The participating jurisdiction may establish a second local account of the HOME Investment Trust Funds if:
      i. The participating jurisdiction has its own affordable housing trust fund that the participating jurisdiction will use for matching contributions to the HOME program;

      ii. The statute or local ordinance requires repayments from its own trust fund to be made to the trust fund;

      iii. The participating jurisdiction establishes a separate account within its own trust fund for repayments of the matching contributions; and

      iv. The funds in the account are used solely for investment in eligible activities within the participating jurisdiction's boundaries in accordance with the provisions of this part, except as provided under § 92.201(a)(2).

   3. The funds in the local account cannot be used for the matching contribution and do not need to be matched.

d.
   1. Reductions. HUD will reduce or recapture HOME funds in the HOME Investment Trust Fund by the amount of:

A. Any funds in the United States Treasury account that are required to be reserved (i.e., 15 percent of the funds) by a participating jurisdiction under § 92.300 that are not reserved for a community housing development organization pursuant to a written agreement within 24 months after the last day of the month in which HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnership Agreement;

B. Any funds in the United States Treasury account that are not committed within 24 months after the last day of the month in which HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnership Agreement;

C. Any funds in the United States Treasury account that are not expended within five years after the last day of the month in which HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnership Agreement; and

D. Any penalties assessed by HUD under § 92.552 of this part.

2. For purposes of determining the amount by which the HOME Investment Trust Fund will be reduced or recaptured under paragraphs (d)(1)(A), (B) and (C), HUD will consider the sum of commitments to CHDOs, commitments, or expenditures, as applicable, from the fiscal year allocation being examined from and from subsequent allocations. This sum must be equal to or greater than the amount of the fiscal year allocation being examined, or in the case of commitments to CHDOs, 15 percent of that fiscal year allocation.

92.501 Home Investment Partnership Agreement

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.501]

Allocated and reallocated funds will be made available pursuant to a HOME Investment Partnership Agreement. The agreement ensures that HOME funds invested in affordable housing are repayable if the housing ceases to qualify as affordable housing before the period of affordability expires.

92.502 Program Disbursement and Information System

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.502]

a. General. The Home Investment Trust Fund account established in the United States Treasury is managed through a computerized disbursement and

information system established by HUD. The system disburses HOME funds that are allocated or reallocated, and collects and reports information on the use of HOME funds in the United States Treasury account. [For purposes of reporting in the Integrated Disbursement and Information System, a HOME project is an activity.]

b. Project set-up.

1. After the participating jurisdiction executes the HOME Investment Partnership Agreement, submits the applicable banking and security documents, complies with the environmental requirements under 24 CFR part 58 for release of funds and commits funds to a specific local project, the participating jurisdiction may identify (set up) specific investments in the disbursement and information system. Investments that require the set-up of projects in the system are the acquisition, new construction, or rehabilitation of housing, and the provision of tenant-based rental assistance. The participating jurisdiction is required to enter complete project set-up information at the time of project set-up.

2. If the project set-up information is not completed within 20 days of the project set-up call, the project may be canceled by the system. In addition, a project which has been committed in the system for 12 months without an initial disbursement of funds may be canceled by the system.

c. Disbursement of HOME funds.

1. After complete project set-up information is entered into the disbursement and information system, HOME funds for the project may be drawn down from the United States Treasury account by the participating jurisdiction by electronic funds transfer. The funds will be deposited in the local account of the HOME Investment Trust Fund of the participating jurisdiction within 48 to 72 hours of the disbursement request. Any drawdown of HOME funds from the United States Treasury account is conditioned upon the provision of satisfactory information by the participating jurisdiction about the project or tenant-based rental assistance and compliance with other procedures, as specified by HUD.

2. HOME funds drawn from the United States Treasury account must be expended for eligible costs within 15 days. Any interest earned within the 15 day period may be retained by the participating jurisdiction as HOME funds. Any funds that are drawn down and not expended for eligible costs within 15 days of the disbursement must be returned to HUD for deposit in the participating jurisdiction's United States Treasury account of the HOME Investment Trust Fund. Interest earned after 15 days belongs to the United States and must be remitted promptly, but at least quarterly, to HUD, except that a local participating jurisdiction may retain interest amounts up to $100 per year for administrative expenses and States are subject to the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.).

3. HOME funds in the local account of the HOME Investment Trust Fund must be disbursed before requests are made for HOME funds in the United States Treasury account.

4. A participating jurisdiction will be paid on an advance basis provided it complies with the requirements of this part.

d. Project completion.
   1. Complete project completion information must be entered into the disbursement and information system, or otherwise provided, within 120 days of the final project drawdown. If satisfactory project completion information is not provided, HUD may suspend further project set-ups or take other corrective actions.

   2. Additional HOME funds may be committed to a project up to one year after project completion, but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under **92.250**.

e. Access by other participants. Access to the disbursement and information system by other entities participating in the HOME program (e.g., State recipients) will be governed by procedures established by HUD.

92.503 Program Income, Repayments, and Recaptured Funds

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.503]

a. Program income.
   1. Program income must be used in accordance with the requirements of this part. Program income must be deposited in the participating jurisdiction's HOME Investment Trust Fund local account unless the participating jurisdiction permits the State recipient or subrecipient to retain the program income for additional HOME projects pursuant to the written agreement required by **92.504**.

   2. If the jurisdiction is not a participating jurisdiction when the program income is received, the funds are not subject to the requirements of this part.

   3. Program income derived from consortium activities undertaken by or within a member unit of general local government which thereafter

terminates its participation in the consortium continues to be program income of the consortium.

b. Repayments.
   1. Any HOME funds invested in housing that does not meet the affordability requirements for the period specified in **92.252** or **92.254**, as applicable, must be repaid by the participating jurisdiction in accordance with paragraph (b)(3) of this section.

   2. Any HOME funds invested in a project that is terminated before completion, either voluntarily or otherwise, must be repaid by the participating jurisdiction in accordance with paragraph (b)(3) of this section except for repayments of project specific community housing development organization loans which are waived in accordance with §§ **92.301**(a)(3) and 92.301(b)(3).

   3. If the HOME funds were disbursed from the participating jurisdiction's HOME Investment Trust Fund Treasury account, they must be repaid to the Treasury account. If the HOME funds were disbursed from the participating jurisdiction's HOME Investment Trust Fund local account, they must be repaid to the local account. If the jurisdiction is not a participating jurisdiction when the repayment is made, the funds must be remitted to HUD and reallocated in accordance with **92.454**.

c. Recaptures. HOME funds recaptured in accordance with 92.254(a)(5)(ii) must be used in accordance with the requirements of this part. Recaptured funds must be deposited in the participating jurisdiction's HOME Investment Trust Fund local account unless the participating jurisdiction permits the State recipient, subrecipient, or community housing development organization to retain the recaptured funds for additional HOME projects pursuant to the written agreement required by 92.504. If the jurisdiction is not a participating jurisdiction when the recaptured funds are received, the funds must be remitted to HUD and reallocated in accordance with 92.454.

92.504 Participating Jurisdiction Responsibilities; Written Agreements; On-Site Inspection

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.504]

a. Responsibilities. The participating jurisdiction is responsible for managing the day to day operations of its HOME program, ensuring that HOME funds are used in accordance with all program requirements and written agreements,

and taking appropriate action when performance problems arise. The use of State recipients, subrecipients, or contractors does not relieve the participating jurisdiction of this responsibility. The performance of each contractor and subrecipient must be reviewed at least annually.

b. Executing a written agreement. Before disbursing any HOME funds to any entity, the participating jurisdiction must enter into a written agreement with that entity. Before disbursing any HOME funds to any entity, a State recipient, subrecipient, or contractor which is administering all or a part of the HOME program on behalf of the participating jurisdiction, must also enter into a written agreement with that entity. The written agreement must ensure compliance with the requirements of this part.

c. Provisions in written agreements. The contents of the agreement may vary depending upon the role the entity is asked to assume or the type of project undertaken. This section details basic requirements by role and the minimum provisions that must be included in a written agreement.

1. State recipient. The provisions in the written agreement between the State and a State recipient will depend on the program functions that the State specifies the State recipient will carry out in accordance with **92.201**(b).

i. Use of the HOME funds. The agreement must describe the use of the HOME funds, including the tasks to be performed, a schedule for completing the tasks, and a budget. These items must be in sufficient detail to provide a sound basis for the State to effectively monitor performance under the agreement.

ii. Affordability. The agreement must require housing assisted with HOME funds to meet the affordability requirements of **92.252** or **92.254**, as applicable, and must require repayment of the funds if the housing does not meet the affordability requirements for the specified time period.

iii. Program income. The agreement must state if program income is to be remitted to the State or to be retained by the State recipient for additional eligible activities.

iv. Uniform administrative requirements. The agreement must require the State recipient to comply with applicable uniform administrative requirements, as described in 92.505.

v. Project requirement. The agreement must require compliance with project requirements in subpart F of this part, as applicable in accordance with the type of project assisted.

vi. Other program requirements. The agreement must require the State recipient to carry out each activity in compliance with all Federal laws and regulations described in subpart H of this part, except that the State recipient does not assume the State's responsibilities for release of funds under § 92.352 and the intergovernmental review process in 92.357 does not apply to the State recipient.

vii. Affirmative marketing. The agreement must specify the State recipient's affirmative marketing responsibilities in accordance with 92.351, if the HOME funds received by the State recipient will be used for housing containing five or more assisted units.

viii. Requests for disbursement of funds. The agreement must specify that the State recipient may not request disbursement of HOME funds under this agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be disbursed before the State recipient requests funds from the State.

ix. Records and reports. The agreement must specify the particular records that must be maintained and the information or reports that must be submitted in order to assist the State in meeting its recordkeeping and reporting requirements.

x. Enforcement of the agreement. The agreement must provide for a means of enforcement of affordable housing requirements by the State or the intended beneficiaries, if the State recipient will be the owner at project completion of the affordable housing. The means of enforcement may include liens on real property, deed restrictions, or covenants running with the land. The affordability requirements in 92.252 must be enforced by deed restriction. In addition, the agreement must specify remedies for breach of the HOME requirements. The agreement must specify that, in accordance with 24 CFR 85.43, suspension or termination may occur if the State recipient materially fails to comply with any term of the agreement. The State may permit the agreement to be terminated for convenience in accordance with 24 CFR 85.44.

xi. If the State recipient provides funds to for-profit owners or developers, nonprofit owners or developers, subrecipients, homeowners, homebuyers, tenants receiving tenant-based rental assistance, or contractors who are providing services to the State recipient, the State recipient must have a written agreement with such entities which meets the requirements of this section.

xii. Duration of the agreement. The duration of the agreement will depend on which functions the State recipient performs (e.g., whether the State recipient or the State has responsibility for monitoring rental projects for the period of affordability) and which activities are funded under the agreement.

2. Subrecipient. A subrecipient is a public agency or nonprofit selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME Program. The agreement between the participating jurisdiction and the subrecipient must include:

i. Use of the HOME funds. The agreement must describe the use of the HOME funds, including the tasks to be performed, a schedule for completing the tasks, a budget, and the period of the agreement. These items must be in sufficient detail to provide a sound basis for the participating jurisdiction effectively to monitor performance under the agreement.

ii. Program income. The agreement must state if program income is to be remitted to the participating jurisdiction or to be retained by the subrecipient for additional eligible activities.

iii. Uniform administrative requirements. The agreement must require the subrecipient to comply with applicable uniform administrative requirements, as described in 92.505.

iv. Other program requirements. The agreement must require the subrecipient to carry out each activity in compliance with all Federal laws and regulations described in subpart H of this part, except that the subrecipient does not assume the participating jurisdiction's responsibilities for environmental review under 92.352 and the intergovernmental review process in 92.357 does not apply.

v. Affirmative marketing. The agreement must specify the subrecipient's affirmative marketing responsibilities in accordance with 92.351, if the HOME funds administered by the subrecipient will be used for housing containing five or more assisted units.

vi. Requests for disbursement of funds. The agreement must specify that the subrecipient may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be disbursed before the subrecipient requests funds from the participating jurisdiction.

vii. Reversion of assets. The agreement must specify that upon expiration of the agreement, the subrecipient must transfer to the participating jurisdiction any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds.

viii. Records and reports. The agreement must specify the particular records that must be maintained and the information or reports that must be submitted in order to assist the participating jurisdiction in meeting its recordkeeping and reporting requirements.

ix. Enforcement of the agreement. The agreement must specify remedies for breach of the provisions of the agreement. The agreement must specify that, in accordance with 24 CFR 85.43, suspension or termination may occur if the subrecipient

materially fails to comply with any term of the agreement. The participating jurisdiction may permit the agreement to be terminated for convenience in accordance with 24 CFR 85.44.

x. If the subrecipient provides HOME funds to for-profit owners or developers, nonprofit owners or developers, subrecipients, homeowners, homebuyers, tenants receiving tenant-based rental assistance, or contractors, the subrecipient must have a written agreement which meets the requirements of this section.

3. For-profit or nonprofit housing owner, sponsor or developer (other than single-family owner-occupant).

   i. Use of the HOME funds. The agreement between the participating jurisdiction and a for-profit or non-profit housing owner, sponsor or developer must describe the use of the HOME funds, including the tasks to be performed, a schedule for completing the tasks, and a budget. These items must be in sufficient detail to provide a sound basis for the participating jurisdiction to effectively monitor performance under the agreement.

   ii. Affordability. The agreement must require housing assisted with HOME funds to meet the affordability requirements of 92.252 or 92.254, as applicable, and must require repayment of the funds if the housing does not meet the affordability requirements for the specified time period. If the owner or developer is undertaking rental projects, the agreement must establish the initial rents and the procedures for rent increases. If the owner or developer is undertaking homeownership projects for sale to homebuyers in accordance with § 92.254(a), the agreement must set forth the resale or recapture requirements which must be imposed on the housing.

   iii. Project requirements. The agreement must require compliance with project requirements in subpart F of this part, as applicable in accordance with the type of project assisted.

   iv. Property standards. The agreement must require the housing to meet the property standards in 92.251 and the lead-based paint requirements in § 92.355 upon project completion. The agreement must also require owners of rental housing assisted with HOME funds to maintain the housing in compliance with § 92.251 for the duration of the affordability period.

   v. Affirmative marketing. If the project contains 5 or more HOME-assisted units, the agreement must specify the owner or developer's affirmative marketing responsibilities as enumerated by the participating jurisdiction in accordance with 92.351.

vi. Records and reports. The agreement must specify the particular records that must be maintained and the information or reports that must be submitted in order to assist the participating jurisdiction in meeting its recordkeeping and reporting requirements.

vii. Enforcement of the agreement. The agreement must provide for a means of enforcement of the affordable housing requirements by the participating jurisdiction or the intended beneficiaries. This means of enforcement may include liens on real property, deed restrictions or covenants running with the land. The affordability requirements in 92.252 must be enforced by deed restriction. In addition, the agreement must specify remedies for breach of the provisions of the agreement.

viii. Requests for disbursement of funds. The agreement must specify that the developer may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.

ix. Duration of the agreement. The agreement must specify the duration of the agreement. If the housing assisted under this agreement is rental housing, the agreement must be in effect through the affordability period required by the participating jurisdiction under 92.252. If the housing assisted under this agreement is homeownership housing, the agreement must be in effect at least until completion of the project and ownership by the low-income family.

x. Conditions for religious organizations. Where applicable, the agreement must include the conditions prescribed in 92.257 for the use of HOME funds by religious organizations.

xi. Community housing development organization provisions. If the nonprofit owner or developer is a community housing development organization and is using set-aside funds under 92.300, the agreement must include the appropriate provisions under 92.300 and 92.301.

4. Contractor. The participating jurisdiction selects a contractor through applicable procurement procedures and requirements. The contractor provides goods or services in accordance with a written agreement (the contract). For contractors who are administering all or a portion of the HOME program, the contract must include at a minimum the following provisions:

   i. Use of the HOME funds. The agreement must describe the use of the HOME funds, including the tasks to be performed, a schedule for completing the tasks, a budget, and the length of the agreement.

   ii. Program requirements. The agreement must provide that the contractor is subject to the requirements in Part 92 that are

applicable to the participating jurisdiction, except 92.505 and 92.506 do not apply, and the contractor cannot assume the participating jurisdiction responsibilities for environmental review, decisionmaking, and action under 92.352. Where the contractor is administering only a portion of the program, the agreement must list the requirements applicable to the activities the contractor is administering.

iii. Duration of agreement. The agreement must specify the duration of the contract. Generally, the duration of a contract should not exceed two years.

5. Homebuyer, homeowner or tenant receiving tenant-based rental or security deposit assistance. When a participating jurisdiction provides assistance to a homebuyer, homeowner or tenant the written agreement may take many forms depending upon the nature of assistance. As appropriate, it must include as a minimum:
   i. For homebuyers, the agreement must conform to the requirements in § 92.254(a), the value of the property, principal residence, lease-purchase, if applicable, and the resale or recapture provisions. The agreement must specify the amount of HOME funds, the form of assistance, e.g., grant, amortizing loan, deferred payment loan, the use of the funds (e.g., down-payment, closing costs, rehabilitation) and the time by which the housing must be acquired.

   ii. For homeowners, the agreement must conform to the requirements in § 92.254(b) and specify the amount and form of HOME assistance, rehabilitation work to be undertaken, date for completion, and property standards to be met.

   iii. For tenants, the rental assistance contract or the security deposit contract must conform to **92.209** and **92.253**.

d. On site inspections.
   1. HOME assisted rental housing. During the period of affordability, the participating jurisdiction must perform on-site inspections of HOME-assisted rental housing to determine compliance with the property standards of 92.251 and to verify the information submitted by the owners in accordance with the requirements of **92.252** no less than: every three years for projects containing 1 to 4 units; every two years for projects containing 5 to 25 units; and every year for projects containing 26 or more units. Inspections must be based on a sufficient sample of units.

   2. Tenant-based rental assistance. The participating jurisdiction must perform annual on-site inspections of rental housing occupied by

tenants receiving HOME-assisted TBRA to determine compliance with the property standards of **92.251**.

92.505 Applicability of Uniform Administrative Requirements

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.505]

a. Governmental entities. The requirements of OMB Circular No. A-87 and the following requirements of 24 CFR part 85 apply to the participating jurisdiction, State recipients, and any governmental subrecipient receiving HOME funds: 85.6, 85.12, 85.20, 85.22, 85.26, 85.32 - 85.34, 85.36, 85.44, 85.51, and 85.52.
b. Non-profit organizations. The requirements of OMB Circular No. A-122 and the following requirements of 24 CFR part 84 apply to subrecipients receiving HOME funds that are nonprofit organizations that are not governmental subrecipients: 84.2, 84.5, 84.13 - 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72, and 84.73.

c. OMB Circulars referenced in this part may be obtained from: Executive Office of the President, Publication Service, 725 17th Street, N.W.,
Suite G-2200, Washington, DC 20503; telephone: (202) 395-7332.

92.506 Audit

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.506]

Audits of the participating jurisdiction, State recipients, and subrecipients must be conducted in accordance with 24 CFR parts 44 and 45, as applicable.

92.507 Closeout

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.507]

HOME funds will be closed out in accordance with procedures established by HUD.

92.508 Recordkeeping

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.508]

a. General. Each participating jurisdiction must establish and maintain sufficient records to enable HUD to determine whether the participating jurisdiction has met the requirements of this part. At a minimum, the following records are needed:
   1. Records concerning designation as a participating jurisdiction.
      i. For a consortium, the consortium agreement among the participating member units of general local government as required by **92.101**.

      ii. For a unit of general local government receiving a formula allocation of less than $750,000 (or less than $500,000 in fiscal years in which Congress appropriates less than $1.5 billion for this part), records demonstrating that funds have been made available (either by the State or the unit of general local government, or both) equal to or greater than the difference between its formula allocation and $750,000 (or $500,000 in fiscal years in which Congress appropriates less than $1.5 billion) as required by **92.102**(b).

   2. Program records.
      i. Records of the efforts to maximize participation by the private sector as required by **92.200**.

      ii. The forms of HOME assistance used in the program, including any forms of investment described in the Consolidated Plan under 24 CFR part 91 which are not identified in **92.205**(b).

      iii. The subsidy layering guidelines adopted in accordance with **92.250** which support the participating jurisdiction's Consolidated Plan certification.

      iv. If existing debt is refinanced for multi-family rehabilitation projects, the refinancing guidelines established in accordance with **92.206**(b), described in the Consolidated Plan.

      v. If HOME funds are used for tenant-based rental assistance, records supporting the participating jurisdiction's Consolidated Plan certification in accordance with **92.209**(b), including documentation of the local market conditions that led to the choice of this option; written selection policies and criteria; supporting documentation for preferences for specific categories of individuals with disabilities; and records supporting the rent standard and minimum tenant contribution established in accordance with 92.209(h).

vi. If HOME funds are used for tenant-based rental assistance or rental housing, records evidencing that not less than 90 percent of the families receiving such rental assistance meet the income requirements of **92.216**.

vii. If HOME funds are used for homeownership housing, the procedures used for establishing 95 percent of the median purchase price for the area in accordance with **92.254**(a)(2), in the Consolidated Plan.

viii. If HOME funds are used for acquisition of housing for homeownership, the resale or recapture guidelines established in accordance with 92.254(a)(5), in the Consolidated Plan.

ix. Records demonstrating compliance with the matching requirements of **92.218** through **92.222** including a running log and project records documenting the type and amount of match contributions by project.

x. Records documenting compliance with the 24 month commitment deadline of **92.500**(d).

xi. Records demonstrating compliance with the fifteen percent CHDO set-aside requirement of **92.300**(a).

xii. Records documenting compliance with the ten percent limitation on administrative and planning costs in accordance with **92.207**.

3. Project records.

i. A full description of each project assisted with HOME funds, including the location, form of HOME assistance, and the units or tenants assisted with HOME funds.

ii. The source and application of funds for each project, including supporting documentation in accordance with 24 CFR 85.20.

iii. Records demonstrating that each rental housing or homeownership project meets the minimum per-unit subsidy amount of **92.205**(c), the maximum per-unit subsidy amount of **92.250**(a) and the subsidy layering guidelines adopted in accordance with 92.250(b)

iv. Records demonstrating that each project meets the property standards of 92.251 and the lead based paint requirements of **92.355**.

v. Records demonstrating that each family is income eligible in accordance with 92.203.

vi. Records demonstrating that each tenant-based rental assistance project meets the written tenant selection policies and criteria of § **92.209**(c), including the tenant preference requirements, the rent reasonableness requirements of 92.209(f), the maximum subsidy provisions of 92.209(h), HQS inspection reports, and calculation of the HOME subsidy.

vii. Records demonstrating that each rental housing project meets the affordability and income targeting requirements of **92.252** for the required period. Records must be kept for each family assisted.

viii. Records demonstrating that each multifamily rental housing project involving rehabilitation with refinancing complies with the refinancing guidelines established in accordance with 92.206(b).

ix. Records demonstrating that each lease for a tenant receiving tenant-based rental assistance and for an assisted rental housing unit complies with the tenant and participant protections of 92.253. Records must be kept for each family.

x. Records demonstrating that the purchase price or estimated value after rehabilitation for each homeownership housing project does not exceed 95 percent of the median purchase price for the area in accordance with 92.254(a)(2). The records must demonstrate how the estimated value was determined.

xi. Records demonstrating that each homeownership project meets the affordability requirements of 92.254 for the required period.

xii. Records demonstrating that any pre-award costs charged to the HOME allocation meet the requirements of 92.212.

4. Community Housing Development Organizations (CHDOs) Records.

i. Written agreements reserving HOME funds to CHDOs in accordance with 92.300(a).

ii. Records setting forth the efforts made to identify and encourage CHDOs, as required by 92.300(b).

iii. The name and qualifications of each CHDO and amount of HOME CHDO set-aside funds reserved and committed.

iv. Records demonstrating that each CHDO complies with the written agreements required by 92.504.

v. Records concerning the use of CHDO setaside funds, including funds used to develop CHDO capacity pursuant to 92.300(b).

vi. Records concerning the use of funds for CHDO operating expenses and demonstrating compliance with the requirements of 92.208,
92.300(e) and 92.300(f).

vii. Records concerning the tenant participation plan required by 92.303.

viii. Records concerning project-specific assistance to CHDOs pursuant to 92.301, including the impediments to repayment, if repayment is waived.

5. Financial records.
   i. Records identifying the source and application of funds for each fiscal year, including the formula allocation, any reallocation (identified by federal fiscal year appropriation), and any State or local funds provided under 92.102(b).

   ii. Records concerning the HOME Investment Trust Fund Treasury account and local account required to be established and maintained by 92.500, including deposits, disbursements, balances, supporting documentation and any other information required by the program disbursement and information system established by HUD.

   iii. Records identifying the source and application of program income, repayments and recaptured funds.

   iv. Records demonstrating adequate budget control, in accordance with 24 CFR 85.20, including evidence of periodic account reconcilliations.

6. Program administration records.
   i. Records demonstrating compliance with the written agreements required by 92.504.

   ii. Records demonstrating compliance with the applicable uniform administrative requirements required by 92.505.

   iii. Records documenting required inspections, monitoring reviews and audits, and the resolution of any findings or concerns.

7. Records concerning other Federal requirements.
   i. Equal opportunity and fair housing records.
      A. Data on the extent to which each racial and ethnic group and single-headed households (by gender of household

head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME funds.

B. Documentation of actions undertaken to meet the requirements of 24 CFR Part 135 which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701u).

C. Documentation of the actions the participating jurisdiction has taken to affirmatively further fair housing.

ii. Affirmative marketing and MBE/WBE records.

A. Records demonstrating compliance with the affirmative marketing procedures and requirements of 92.351.

B. Documentation and data on the steps taken to implement the jurisdiction's outreach programs to minority-owned (MBE) and female-owned (WBE) businesses including data indicating the racial/ethnic or gender character of each business entity receiving a contract or subcontract of $25,000 or more paid, or to be paid, with HOME funds; the amount of the contract or subcontract, and documentation of participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services.

iii. Records demonstrating compliance with the environmental review requirements of 92.352 and 24 CFR part 58, including flood insurance requirements.

iv. Records demonstrating compliance with the requirements of 92.353 regarding displacement, relocation, and real property acquisition, including project occupancy lists identifying the name and address of all persons occupying the real property on the date described in 92.353(c)(2)(i)(A), moving into the property on or after the date described in 92.353(c)(2)(i)(A), and occupying the property upon completion of the project.

v. Records demonstrating compliance with the labor requirements of 92.354, including contract provisions and payroll records.

vi. Records demonstrating compliance with the lead-based paint requirements of 92.355.

vii. Records supporting exceptions to the conflict of interest prohibition pursuant to 92.356.

viii. Debarment and suspension certifications required by 24 CFR parts 24 and 91.

ix. Records concerning intergovernmental review, as required by 92.357.

b. States with State Recipients. A State that distributes HOME funds to State recipients must require State recipients to keep the records required by paragraphs (a)(2), (a)(3), (a)(5), (a)(6) and (a)(7) of this section, and such other records as the State determines to be necessary to enable the State to carry out its responsibilities under this part. The State need not duplicate the records kept by the State recipients. The State must keep records concerning its review of State recipients required under 92.201(b)(3).

c. Period of record retention. All records pertaining to each fiscal year of HOME funds must be retained for the most recent five year period, except as provided below.

1. For rental housing projects, records may be retained for five years after the project completion date; except that records of individual tenant income verifications, project rents and project inspections must be retained for the most recent five year period, until five years after the affordability period terminates.

2. For homeownership housing projects, records may be retained for five years after the project completion date, except for documents imposing recapture/resale restrictions which must be retained for five years after the affordability period terminates.

3. For tenant-based rental assistance projects, records must be retained for five years after the period of rental assistance terminates.

4. Written agreements must be retained for five years after the agreement terminates.

5. Records covering displacements and acquisition must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 92.353.

6. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

d. Access to records.

1. The participating jurisdiction must provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws regarding privacy and obligations of confidentiality.

2. HUD and the Comptroller General of the United States, any of their representatives, have the right of access to any pertinent books, documents, papers or other records of the participating jurisdiction, state recipients, and subrecipients, in order to make audits, examinations, excerpts, and transcripts.

92.509 Performance Reports

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.509]

a. Management reports. Each participating jurisdiction must submit management reports on its HOME Investment Partnerships Program in such format and at such time as HUD may prescribe.

b. Annual performance report. For annual performance report requirements, see 24 CFR part 91.

SUBPART L– PERFORMANCE REVIEWS AND SANCTIONS

92.550 Performance Reviews

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.550]

a. General. HUD will review the performance of each participating jurisdiction in carrying out its responsibilities under this part whenever determined necessary by HUD, but at least annually. In conducting performance reviews, HUD will rely primarily on information obtained from the participating jurisdiction's and, as appropriate, the State recipient's records and reports, findings from on-site monitoring, audit reports, and information generated from the disbursement and information system established by HUD. Where applicable, HUD may also consider relevant information pertaining to a participating jurisdiction's or State recipient's performance gained from other sources, including citizen comments, complaint determinations, and litigation. Reviews to determine compliance with specific requirements of this part will be conducted as necessary, with or without prior notice to the participating jurisdiction or State recipient. Comprehensive performance reviews under the standards in paragraph (b) of this section will be conducted after prior notice to the participating jurisdiction.

b. Standards for comprehensive performance review. A participating jurisdiction's performance will be comprehensively reviewed periodically, as prescribed by HUD, to determine:
    1. For local participating jurisdictions and State participating jurisdictions administering their own HOME programs, whether the participating jurisdiction has committed the HOME funds in the United States Treasury account as required by 92.500 and expended the funds in the United States Treasury account as required by 92.500, and has met the requirements of this part, particularly eligible activities, income targeting, affordability, and matching requirements; or

    2. For State participating jurisdictions distributing HOME funds to State recipients, whether the State has met the matching contribution and other requirements of this part; has distributed the funds in accordance with the requirements of this part; and has made such reviews and audits of its State recipients as may be appropriate to determine whether they have satisfied the requirements of paragraph (b)(1) of this section.

92.551 Corrective and Remedial Actions

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.551]

a. General. HUD will use the procedures in this section in conducting the performance review as provided in 92.550 and in taking corrective and remedial actions.

b. Performance review.
   1. If HUD determines preliminarily that the participating jurisdiction has not met a requirement of this part, the participating jurisdiction will be given notice of this determination and an opportunity to demonstrate, within the time prescribed by HUD (not to exceed 30 days) and on the basis of substantial facts and data, that it has done so.

   2. If the participating jurisdiction fails to demonstrate to HUD's satisfaction that it has met the requirement, HUD will take corrective or remedial action in accordance with this section or 92.552.

c. Corrective and remedial actions. Corrective or remedial actions for a performance deficiency (failure to meet a provision of this part) will be designed to prevent a continuation of the deficiency; mitigate, to the extent possible, its adverse effects or consequences; and prevent its recurrence.
   1. HUD may instruct the participating jurisdiction to submit and comply with proposals for action to correct, mitigate and prevent a performance deficiency, including:
      i. Preparing and following a schedule of actions for carrying out the affected activities, consisting of schedules, timetables, and milestones necessary to implement the affected activities;

      ii. Establishing and following a management plan that assigns responsibilities for carrying out the remedial actions;

      iii. Canceling or revising activities likely to be affected by the performance deficiency, before expending HOME funds for the activities;

      iv. Reprogramming HOME funds that have not yet been expended from affected activities to other eligible activities;

      v. Reimbursing its HOME Investment Trust Fund in any amount not used in accordance with the requirements of this part;

      vi. Suspending disbursement of HOME funds for affected activities; and

      vii. Making matching contributions as draws are made from the participating jurisdiction's HOME Investment Trust Fund United States Treasury Account.

2. HUD may also change the method of payment from an advance to reimbursement basis; and take other remedies that may be legally available.

92.552 Notice and Opportunity For Hearing; Sanctions

[Code of Federal Regulations]
[Title 24, Volume 1]
[Revised as of April 1, 2001]
From the U.S. Government Printing Office via GPO Access
[CITE: 24CFR92.552]

a. If HUD finds after reasonable notice and opportunity for hearing that a participating jurisdiction has failed to comply with any provision of this part and until HUD is satisfied that there is no longer any such failure to comply:
   1. HUD shall reduce the funds in the participating jurisdiction's HOME Investment Trust Fund by the amount of any expenditures that were not in accordance with the requirements of this part; and

   2. HUD may do one or more of the following:
      i. Prevent withdrawals from the participating jurisdiction's HOME Investment Trust Fund for activities affected by the failure to comply;

      ii. Restrict the participating jurisdiction's activities under this part to activities that conform to one or more model programs which HUD has developed in accordance with section 213 of the Act;

      iii. Remove the participating jurisdiction from participation in allocations or reallocations of funds made available under subpart B or J of this part;

      iv. Require the participating jurisdiction to make matching contributions in amounts required by **92.218**(a) as HOME funds are drawn from the participating jurisdiction's HOME Investment Trust Fund United States Treasury Account. Provided, however, that HUD may on due notice suspend payments at any time after the issuance of a notice of opportunity for hearing pursuant to paragraph (b)(1) of this section, pending such hearing and a final decision, to the extent HUD determines such action necessary to preclude the further expenditure of funds for activities affected by the failure to comply.

b. Proceedings. When HUD proposes to take action pursuant to this section, the respondent in the proceedings will be the participating jurisdiction or, at HUD's option, the State recipient. Proceedings will be conducted in accordance with 24 CFR part 26, subpart B.