

Chapter 10: Housing

Introduction

Like all other aspects of the KCDBG Program, there are a variety of ways that grantees may use KCDBG funds for housing activities that serve low- and moderate-income households (LMI). However, the majority of grantees in Kentucky will administer housing programs as discussed in this chapter.

This chapter is presented in two parts. Part I provides information pertaining to the implementation of voluntary homeowner rehabilitation programs. Part II reviews involuntary programs, which are programs that involve the acquisition of property through the use of eminent domain in neighborhood revitalization areas. Involuntary programs may also involve other activities such as demolition, rehabilitation, homebuyer assistance, rental housing, etc.

Part I: Housing Rehabilitation (Voluntary) Programs

This part of the Housing Chapter reviews traditional housing rehabilitation activities (also called Voluntary Programs) and provides a step-by-step process for implementing housing rehabilitation programs in compliance with applicable rules and requirements.

Section 10-A. Eligible Activities and National Objectives

The most common type of single-family housing activity undertaken with KCDBG funds is the homeowner rehabilitation program. CDBG-funded homeowner rehab programs assist low- and moderate-income persons that voluntarily apply to the program and are determined to be eligible to bring their homes up to, at a minimum, the International Code Council (ICC) Property Maintenance Code. If the activity is a reconstruction project (due to the condition of the home), the unit must meet the Kentucky Residential Code (KRC).

Guide to National Objectives and Eligible Activities for State CDBG Program may be downloaded from the HUD website at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/community_development/library/deskguid

Housing units are typically owner-occupied single family structures. However, there are some variations to traditional rehabilitation that involve other CDBG-eligible activities, including:

- ✓ **Demolition and Reconstruction (Rehabilitation).** KCDBG funds may be used for demolition and reconstruction. Reconstruction is the rebuilding of a structure on the same site in substantially the same manner, and is considered a rehabilitation activity. Deviations from the original design (such as the addition of another room) may be permitted for reasons of safety, occupancy, zoning, etc (Note: However, that adding rooms may constitute new construction). Contact DLG for specific questions if reconstruction is anticipated. Reconstruction of residential structures would also permit replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing, or a “stick built” structure if manufactured housing is not allowed under existing zoning.
- ✓ **Conversion.** The cost of converting an existing non-residential structure to residential use by an eligible household or for eligible households is allowed as a rehabilitation activity. KCDBG funds may also be used to rehabilitate rental housing under certain conditions.

(Refer to page 20 of this Chapter for guidance that is specific to rental housing rehabilitation.)

- ✓ **Connections to water/sewer lines and septic systems.** The costs of connecting existing residential structures to water distribution lines or local sewer lines and payment of connection fees are eligible costs. The upgrading or replacement of an existing substandard septic system is also an eligible cost as part of a rehabilitation project, if providing a service lateral is cost prohibitive. Grantees should work with the local health department to determine the criteria for a substandard septic system. Connections to water/sewer lines and replacement or upgrading of septic systems cannot be stand-alone activities. These activities must be completed in conjunction with the rehabilitation of the unit and the unit must be brought up to the International Code Council (ICC) Property Maintenance Code or, if reconstruction, the Kentucky Residential Code (KRC).

- ✓ **Homeowner Maintenance/Life Skills Education.** Providing education courses to homeowners on various topics such as home maintenance, budget counseling and other life skills is eligible if provided to assisted households as part of a KCDBG funded housing rehabilitation or homebuyer program. If counseling services are provided, DLG requires the grantee to complete the Counseling Report-Homeowner Maintenance/Life Skills Education form (Attachment 10-1).

Attachment 10-1:
Counseling Report-Homeowner
Maintenance/Life Skills
Education Form

Grantees are responsible for publicly announcing housing rehabilitation programs, including funding availability and that the power of eminent domain will not be used under the program.

The grantee should also develop and publicize its rating and ranking criteria for beneficiary selection. It is up to the unit of local government to determine what their community's priorities will be based on their community's needs which should then result in the establishment of the rating and ranking criteria and the points that will be associated with each. (A sample rating and ranking criteria is provided as Attachment 2 to this chapter.) Grantees should make such announcements by placing an advertisement in a newspaper or periodical of general circulation for their citizens and by undertaking additional actions to reach LMI persons (e.g., distribution at a grocery store, church, etc.).

Attachment 10-2: Sample Rating
and Ranking Advertisement and
Criteria for Voluntary Programs

Ineligible Activities

The general rule is that any activity not specifically authorized under the CDBG regulations is ineligible to be assisted with KCDBG funds. The regulations stipulate that the following activities may not be assisted with CDBG funds:

- ✓ **New housing construction except under certain conditions.** Certain types of nonprofit organizations that are undertaking certain kinds of activities may be allowed to utilize CDBG funds for new construction. The conditions under which this may occur are discussed in Section 10-E of this Chapter.
- ✓ **Income payments, which are defined as grants to an individual or family that are used to provide basic levels of food, shelter (i.e., payment for rent, mortgage and/or utilities) or clothing;**
- ✓ **Luxury or non-standard items, such as swimming pools, Jacuzzis, high-end appliances, window air conditioners, washers and dryers, etc.; and**

24 CFR 570.204(c)

- ✓ Labor time for sweat equity may not be paid out to recipients of rehabilitation assistance.

Meeting a National Objective

All CDBG-funded activities must not only be eligible, but also meet a national objective. Housing rehabilitation activities must result in permanent, residential housing which will be occupied by low-and moderate-income (LMI) households upon completion.

24 CFR 570.483(b)(3)

Occupancy of housing shall be based on the household income of all household members over 18 years of age using the following rules:

- ✓ Each single-family unit rehabilitated with KCDBG funds must be occupied by a LMI household.
- ✓ If the structure contains two dwelling units, at least one unit must be occupied by a LMI household.
- ✓ For properties with more than two units, at least 51% of the units must be occupied by LMI households.

Guide to National Objectives and Eligible Activities for State CDBG Program
http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/library/deskaid

For more information on documenting households as LMI, grantees should refer to the section regarding applicant eligibility later in this Chapter.

If a grantee is undertaking a housing activity that does not benefit LMI households, see Part II Involuntary Programs to determine if it is an eligible activity and how to document compliance with another national objective.

Section 10-B. Program Guidelines

KCDBG funded housing rehabilitation programs must be consistent with the grant agreement requirements. Any significant variation requires approval from DLG. The grantee must develop program guidelines covering the procedural requirements of its rehabilitation program and administer the guidelines uniformly.

These guidelines should be specific to the project and well defined as to what the grantee requires of the property owner in return for providing the assistance. Guidelines should generally contain the following key elements:

- ✓ Types of financial assistance,
- ✓ Applicant eligibility,
- ✓ Property eligibility,
- ✓ Property standards,
- ✓ Contracting requirements,
- ✓ Relocation requirements,
- ✓ Grievance procedures, and
- ✓ Maintenance agreements.

Each of these topics is discussed in more detail below. In addition, sample Program Guidelines are provided as Attachment 10-3.

Attachment 10-3:
Sample Program Guidelines

The program guidelines should be developed by local agency staff. Guidelines should be written in plain language and made available to all potential applicants to the rehabilitation program.

The guidelines should be adopted by the local governing body in order to meet KRS Chapter 99 (for establishing public purpose to use KCDBG funds for private use). The guidelines should always include a clause describing the process by which they can be changed. If the local governing body passes special policies that change the adopted guidelines, these changes must also be approved by the governing body as an addendum to the guidelines. Each page of the adopted guidelines and addendum must be initialed by eligible participants and kept in their file.

All applicants initially selected to participate in the project are potential applicants until re-verification of income can prove they are low and moderate-income based on the applicable HUD income limits. This re-verification should not be done until KCDBG funds are made available. Once income re-verification identifies the eligible applicants, the program guidelines should be presented to the applicant household prior to commencing work on their properties. The grantee should ensure that the property owner has initialed each page and signed the last page of the guidelines for potential issues/complaints that may occur while providing them with assistance.

Applicants who choose not to comply with the grantee's guidelines can choose not to participate in the "voluntary" rehabilitation project.

Types of Financial Assistance

There are two types of financial assistance that can be provided in housing rehabilitation programs – grants and loans -- and within each category there are numerous variations. DLG allows grantees the flexibility to determine which type of financial assistance to use depending upon local program design.

- ✓ **Grants.** Grantees can use KCDBG funds to make outright grants to eligible households to cover the cost of rehabilitation of homes. Grants do not have to be paid back and normally come with no restrictions or further obligations by the recipient to the grantee. Many grantees will provide grants for the cost of temporary relocation or lead hazard removal. (NOTE that grants are the only allowed form of assistance under involuntary programs. Refer to Part II of this chapter for more information.)
- ✓ **Loans.** A loan is a sum of money lent to a borrower. The use of loans to rehabilitation recipients may enable the grantee to recover all or a portion of the original financial assistance for use in accomplishing additional housing rehabilitation. Loans also provide the recipient with security on the property that is not possible when funds are provided as a grant.
 - Loan programs are self-perpetuating when loan proceeds are used to provide other loans. Repayments from housing rehabilitation loans made with KCDBG funds are considered program income and are to be expended according to DLG requirements. (See Chapter 3: Financial Management for more information.)

Chapter 3 Financial Management

There are three basic types of loan programs that may be established:

- ✓ **Forgivable loans.** A forgivable loan resembles a grant in that if the present owner retains the property for a certain period (usually a minimum period of five years), no repayment is required. The forgivable loan is instituted through the use of a mortgage and often accompanied by a promissory note (See Attachments 10-4 and 10-5). Each year the owner retains ownership and resides in the home a certain percentage of the loan amount is forgiven as if it were a grant. Should the owner continue as owner-occupant of the home until the term of the note expires, the owner pays nothing and has no conditions on the disposition of the property. Should the property be sold, vacated or its use changed prior to the expiration of the note, the owner owes the grantee whatever balance remains on the note. Mortgages and promissory notes must be recorded at the County Clerk's Office.
- Attachment 10-4: Sample Real Estate Mortgage

Attachment 10-5: Sample Promissory Note
- ✓ **Deferred loans.** A deferred loan is a loan made to an eligible homeowner that does not require repayment for a specified number of years or until the property is sold, at which time the remaining prorated balance would become due. This prorated value may be due to the depreciation of the rehabilitation work. DLG recommends a deferment period of five years. Grantees often use deferred loans to provide assistance to households that are currently unable to afford loan repayments. Funds received by the grantee for repayment of a deferred loan may be recycled for additional housing rehabilitation when repaid. This must be in accordance with the Grantee's revolving loan fund policy. (Refer to Chapter 3: Financial Management for additional guidance on revolving loan funds.) The deferred loan is instituted through the use of a mortgage and often accompanied by a promissory note.
 - ✓ **Amortizing loans.** Amortizing loans are loans that require payment and that have a set interest rate and term. Grantees may provide loans at a single interest rate, or establish a sliding scale in which the interest rate is related to a household's income or ability to pay. The term of the loan is also at the discretion of the grantee. All loans may be made for the same term or terms may be adjusted depending upon the size of the loan and the borrowers ability to pay (e.g., larger loans having longer terms). The amortizing loan is instituted through the use of a mortgage and often accompanied by a promissory note.

There are several techniques or practices that can be used by grantees in loan programs to leverage funds:

- ✓ **Write downs or principal interest subsidy.** A write down, also commonly referred to as a principal or interest subsidy, is a mechanism in which rehabilitation is financed by a loan from another source such as a private lender, but the amount repaid by the property owner is partially subsidized, or offset by the inclusion of grant funds. The amount of write down is predicated on the owner's ability to pay. KCDBG funds may be used to pay the write down either as a grant or forgivable loan. The remaining amount is loaned to the owner and is amortized by monthly payments. The loan portion of the write down may be provided by a bank or other private or public funding sources.
- ✓ **Loan leveraging.** Loan leveraging is the practice of using KCDBG funds along with funds from private lending institutions. Having other entities involved in the financing of a project will leverage KCDBG dollars. Loan leveraging programs often require staff with financial background and lending experience.

Tip: It is important for grantees to be aware that for voluntary rehabilitation programs, DLG requires a minimum of a five-year primary residency requirement for all recipients. Therefore the grantee should use a mechanism such as a covenant or lien recorded on the property to ensure that this requirement is enforceable.

A grantee should design its programs so that financial assistance is affordable to recipients. It is generally assumed that a household can afford to pay up to 25 to 30 percent of their gross monthly income for housing costs. The guidelines should clearly explain how ability to pay will be calculated (specifically what percent of household income will be used). If a household's ability to pay is zero, a forgivable payment loan may be the most appropriate option. Regardless of the percentage amount chosen, the determination must be used consistently across the program for all recipients.

Applicant Eligibility

Program guidelines should specify who is eligible for the program, the types of assistance for which they are eligible, and the amount of assistance available. The types and amounts of assistance available should be based on household and tenure characteristics and ability to pay and should be consistent across a grantee's program.

Determining Household Income

DLG requires that applicants conduct an initial threshold determination of household income prior to grant application to DLG. The income determination must be conducted using the current fiscal year Section 8 Median Income Limits for the applicants' county. These limits are posted on DLG's website. However, once funds have been awarded, but before providing any assistance, the grantee must conduct a detailed income verification of all applicants. DLG requires all grantees to follow the Part 5 (Section 8) method of calculating annual household income.

The Part 5 (Section 8) definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period. This income definition is used by a variety of Federal affordable housing programs including Section 8, Home Investment Partnerships Program (HOME), Public Housing and the Low Income Housing Tax Credit (LIHTC) Program.

24 CFR Part 5

24 CFR Part 5 provides a comprehensive list of the types of income that are included and excluded from the calculation of annual gross income. Income from assets is also recognized as part of annual income under the Section 8 definition. The following steps should be taken to determine household income for the purpose of determining eligibility for KCDBG housing assistance:

- ✓ Step 1: Ask questions of the household regarding annual income and income from assets. Follow the rules pertaining to what types of income to include and exclude.
- ✓ Step 2: Gather appropriate documentation such as wage statements, interest statements, third-party verifications, etc. (Grantees should use Attachment 10-6: Sample Applicant Release to Obtain Verification of Income form.) Note: While verification from other agencies and employers is considered appropriate, self-certification of income by the household is not sufficient for housing activities.

- ✓ Step 3: Calculate total household income by adding up the information obtained. Use Attachment 10-7: Sample Part 5 (Section 8) Annual Household Income Calculation Form.
- ✓ Step 4: Compare the total household income to the HUD income limits for that household's size. Income limits are provided by DLG and can be found on HUD's or DLG's website. Determine if eligible for assistance.
- ✓ Step 5: Place the income calculation, determination and back-up documentation in the appropriate files.

Attachment 10-6: Sample Applicant Release to Obtain Verification of Income

Attachment 10-7: Sample Part 5 (Section 8) Annual Household Income Calculation Form

Details and forms used for calculating household income for rehabilitation projects are provided in the “Technical Guide for Determining Income and Allowances” and an Income Calculator for CDBG is available for use on HUD’s Community Planning and Development Resource Exchange: <https://www.onecpd.info/>.

Grantees should consult Chapter 1: Project Administration “Conflict of Interest and Disclosure” and complete Attachment 1-4 “Section 102 Disclosure Report” to disclose any conflict of interest associated with the project.

Property Eligibility

Eligible units for rehabilitation must be substandard and occupied by LMI households (households whose income is below 80 percent of the area median income as provided by HUD annually). Grantees must identify and document the major deficiencies that qualify the unit as substandard. The unit must be owned by the applicant and be the primary residence of the applicant. The grantee must receive and document proof of ownership from the recipient. A family or individual owns the property if that family or person:

- ✓ Has fee simple title to the property;
- ✓ Maintains a 99-year leasehold interest in the property;
- ✓ Has a recorded life estate agreement; or
- ✓ Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law.

DLG requires the grantee to conduct a title-search to determine the applicant is the rightful owner of the property. The title search will also allow grantees to learn if there are any outstanding liens on the property. All tax liens must be cleared before assistance can be provided to the applicant.

Since DLG has a minimum five-year residency requirement for all recipients, it is recommended that grantees have recipients sign a certification that the property is and will remain their primary residence. This five-year residency requirement should also be clearly stated in the agreement between the recipient and the grantee and recorded in a lien or covenant.

Homeowners must also have current insurance and maintain insurance over the period of CDBG assistance for a property to be eligible for rehabilitation with KCDBG funds. The grantee should be listed on the policy as an additional party or loss payee to obtain notification of insurance coverage or changes to the policy.

Conflict of Interest

KCDBG grantees and subrecipients must comply with procurement requirements found at 24 CFR 570.489, 24 CFR 85.36 (for local governments) and 84.42 (for non-profit organizations) and with other state and local applicable conflict-of-interest provisions.

24 CFR 570.489
24 CFR 85.36
24 CFR 84.42

If a grantee believes there may be a potential conflict of interest with a property or applicant, the grantee should refer to Chapter 1: Project Administration and/or contact DLG for further guidance.

Chapter 1: Project Administration

Property Standards

The rehabilitation program guidelines should specify the property standard that units must meet after rehabilitation is complete. Grantees must meet all local housing codes and occupancy standards for their rehabilitation program. At a minimum, the grantee must adopt the International Code Council (ICC) Property Maintenance Code. All new construction and reconstruction projects must meet Kentucky Residential Code.

Information regarding the International Code Council (ICC) Property Maintenance Code may be found at www.intlcode.org/

The guidelines should clearly state both the eligible and ineligible improvements. Key rules in this area include:

The Kentucky Residential Code may be found at www.ohbc.ky.gov/bce/formspublications.htm

- ✓ Any improvement needed to bring the unit to code or which will result in energy conservation should be specified as an eligible improvement.
- ✓ Exterior painting or siding should also be eligible, depending on local weather conditions.
- ✓ General property improvements – carports, window air conditioning, den additions, etc., are generally ineligible.

24 CFR 570.487(c)

To comply with HUD’s Lead Safe Housing Rule (LSHR), rehabilitation to all units built prior to 1978 must follow prescribed rehabilitation practices and pass final clearance before approval of payment to the contractor. Tenants may be required to vacate the unit and not allowed to re-occupancy unit until an acceptable clearance test is achieved. See Section 10-C of this Chapter for more information on compliance with LSHR.

Contracting Requirements

The contract for homeowner rehabilitation recipients must always be between the property owner and contractor. The grantee or subrecipient may act on the homeowner’s behalf if the owner voluntarily delegates this authority to them and signs an authorization form (Attachment 10-8). The grantee remains responsible for monitoring contractor compliance with payments and all other program requirements.

Attachment 10-8:
Sample Homeowner Authorization
for Agency to Act as Agent for
Homeowner

Grantees are required to ensure that contractors receiving work funded by KCDBG have not been excluded from participation in Federal programs before contracts are awarded. To do this, the

GSA's List of Parties Excluded from Federal Procurement or Nonprocurement Programs
<http://epls.arnet.gov/>

grantee must check the website at General Services Administration’s (GSA) list of parties excluded from Federal Procurement or Nonprocurement Programs at <http://epls.arnet.gov/>. The search of the excluded party’s website must be completed prior to signing the construction contract and a print out documenting the search should be placed in the file documentation.

The guidelines should also specify contracting procedures which govern the conduct of work, such as those relating to change orders, dispute resolution, and acceptance of work. The grantee should assume final authority for sign-off on completion of work in the event of a dispute between the owner and contractor. See Chapter 5: Contracting for more information.

Chapter 5: Contracting

Relocation Requirements

As described in Chapter 8: Relocation, Displacement and One-for-One Replacement, Federal relocation requirements generally do not apply to homeowner rehabilitation programs since participation is voluntary and usually does not involve permanent displacement. However, if the owner's home is a two- to four-unit structure with rental units, the tenants are covered by the Uniform Relocation Act (URA) and possibly by Section 104(d) of the Housing and Community Development Act. 24 CFR Part 42 are the regulations that implement Section 104(d) of the Housing and Community Development Act. See Chapter 8: Relocation, Displacement and One-for-One Replacement for more information.

Chapter 8:
Relocation, Displacement and
One-for- One Replacement

24 CFR Part 42

In addition, the LSHR states that temporary relocation may be required if lead hazard reduction work is performed. The grantee is not obligated to provide financial assistance for an owner occupant; however, it must ensure the family is relocated to a suitable, decent, safe and similarly accessible dwelling unit that does not have lead-based paint hazards. See Chapter 8 and 24 CFR 35.1345 for more information.

Chapter 8:
Relocation, Displacement and
One-for- One Replacement
24 CFR 35.1345

For all other situations, grantees are permitted (but not required) to relocate homeowner households temporarily while work is being completed. (For example, if rehabilitation work requires shutting off heat or plumbing for some period of time, temporary relocation may be appropriate.) In these cases, the grantees must meet several requirements:

- ✓ Grantees must have a written policy on eligibility and level of relocation benefits, known as an Optional Relocation Policy, so that benefits are distributed in a fair, nondiscriminatory manner.
- ✓ Residents who are relocated temporarily must be offered a dwelling that is suitable, safe, sanitary and lead safe. However, the unit does not have to be comparable. All other conditions of the move must be reasonable.

Grievance Procedures

Grievances are a part of every rehabilitation program. The best prevention is to conduct frequent on-site inspections of the work, and stop work when there are problems until the problems are corrected. Also grantees should make efforts to ensure recipients are well informed about the contract work, have

Chapter 1:
Project Administration

Attachment 10-9:
Sample Grievance procedures

initialed and signed-off on the work write-up, and have a copy of the program guidelines that include the grantee's grievance procedure. Refer to Chapter 1: Project Administration for more information on grievances. A sample Grievance Procedures is provided as Attachment 10-9.

Maintenance Agreements

Each recipient under a voluntary program is required to agree to maintain their property for the term of the financial assistance. Maintenance of the property should be examined by the grantee throughout the term of financial assistance.

The grantee should reserve the right to take any appropriate action necessary to ensure that the rehabilitated property is maintained, which may include requiring an early payback of financial assistance. Therefore, the rehabilitation guidelines should detail the maintenance standards and procedures for enforcement.

Tip: The maintenance provisions apply only to Voluntary Programs. Grantees implementing Involuntary Programs may not place maintenance restrictions on assisted properties. (Refer to Part II of this chapter for more information on Involuntary Programs.)

Section 10-C. Implementing Housing Rehabilitation

Determining Staffing

In staffing a rehabilitation program, it is helpful to understand the specific skills and duties which will be needed. Some of the key elements include:

- ✓ **Finance Staff.** Staff is required for marketing the program, processing applications, completing income verifications and ensuring that all KCDBG requirements are met for the project. General knowledge of mortgage lending is also helpful.
- ✓ **Rehabilitation Staff.** Staff is required for performing work write-ups and inspections. Qualifications may include a certification and considerable knowledge and/or experience in various aspects of housing construction, considerable inspection experience in government funded rehabilitation programs or in residential construction management, or certified in the completion of recognized building codes and/or rehabilitation standards training programs. These skills are found in experienced contractors, building inspectors, architects, etc., familiar with rehabilitation.

Marketing

In order to ensure a sufficient pool of qualified applicants, program staff should develop marketing procedures and materials (e.g., ads, flyers, etc).

- ✓ Marketing procedures should assure that the program is marketed and available to the full range of potential applicants, including those least likely to apply. These procedures should address the following:
 - ✓ Use of equal opportunity language in advertisements and literature;
 - ✓ Grantee waiver of eminent domain in advertisements and literature;
 - ✓ Literature that is understandable to applicants, including key information available in other languages;

- ✓ A schedule and plans to ensure that advertising or other outreach efforts reach potential applicants at places they frequent;
- ✓ Lists of the places and/or personal contacts where program information is distributed such as churches, laundry mats, service providers, parks, etc.; and
- ✓ Accessible facilities such as the ability to accommodate people with disabilities and the completion of an accessibility self-assessment.

Screening Applicants

Applicants must be screened to determine income, property ownership and any other applicable criteria, as may be specified in the guidelines.

- ✓ The screening process is initially done through using DLG’s Rehabilitation Household Survey. Re-verification of income using the Part 5 (Section 8) definition of income is required before providing direct benefit if the household is receiving more than \$1,000. A sample CDBG Rehabilitation Assistance Application (Attachment 10-10) or another application format, at a minimum, must contain the following information:

Attachment 10-10:
Sample CDBG Rehabilitation
Assistance Application

- Name of the owner and address of the property.
- Signature of the owner and the date.
- Number of persons (adults and children) in the occupant household and their ages.
- Sufficient information concerning the occupant’s household income.
- The grantee should also verify that property taxes are current and in the case of an existing mortgage, that principle and interest payments are current and the mortgage is not in a delinquent or fail status.
- Sufficient information to show that the occupant meets the grantee’s program eligibility criteria, including household income.
- Verification of the above-referenced information.

- ✓ The interview is also a good time to give the applicant a copy of the pamphlet “Protect Your Family from Lead in Your Home” (Attachment 10-11). The grantee must document using a Verification of Receiving the Lead-Based Paint Pamphlet form (Attachment 10-12) that the pamphlet was provided to the applicant before any work may begin. The pamphlet can also be downloaded from DLG’s website. If the house is reconstructed, it is not required that the applicants be given the Lead Based Paint Pamphlet. The file should, however, be documented that the project is exempt from the Lead Safe Housing Rule since it is a reconstructed property.

Attachment 10-11:
Protect Your Family from Lead in
Your Home

Attachment 10-12: Verification of
Receiving the Lead-Based Paint
Pamphlet form

The information collected is confidential and should be treated as such. Applicant’s permission to obtain and verify any personal information must always be granted.

Tip: Detailed income documentation must be performed. See Section 10-B: Determining Household Income in this Chapter for more guidance.

Performing Work Write-Ups and Cost Estimates

A very thorough inspection of the property must be conducted to determine the type and cost of work necessary to bring the property into compliance with International Code Council (ICC) Property Maintenance Code (for rehabilitation) or the Kentucky Residential Code (for reconstruction). After the inspection, the work to be done should be written down. This is termed a work write-up. At this stage, the items must be estimated in terms of cost, a process to produce a cost estimate. These write-ups are usually done on a room-by-room basis. Some grantees with experienced staff have blank forms the housing inspector completes. If the staff is inexperienced, they may need detailed check-off forms which list virtually every possible deficiency. The housing inspector checks for each one and specifies action needed to remedy the problem. It is better to err on the side of caution. A Sample Work-Write up and Cost Estimate Form are provided as Attachment 10-13.

Attachment 10-13:
Sample Work-Write Up and Cost
Estimate Form

For reconstruction, DLG requires the use of Kentucky Housing Corporation's (KHC) Specifications for New Homes (incorporating Minimum Design Standards and Universal Design Standards, if applicable). These specifications are available on the KHC website.

Kentucky Housing Corporation's
(KHC) Specifications for New
Homes
www.kyhousing.org

If a home was constructed prior to 1978, the Lead Safe Housing Rule (LSHR) applies. Therefore, there will need to be two work write-ups -- one initial and a final work write-up. The initial work write-up must specify all the work to be done to bring the building to standard. The final write-up should include all work necessary to comply with applicable lead hazard reduction requirements (see the following sub-section of this chapter, Pre-1978 Properties and Lead Hazard Reduction, for guidance).

In addition, historic properties (those more than 50 years old and/or listed or eligible for inclusion on a national, state or local historic register) are required to follow the Secretary of Interior's Standards for Rehabilitation (also referred to as the Section 106 requirements). During the environmental review process, grantees must consult the State Historic Preservation Officer (SHPO) for guidance for historic properties, which may require a Memorandum of Agreement or documentation approved by the SHPO. Grantees must then ensure the requirements stipulated by the SHPO be incorporated into the work write-up and cost estimate. Release of KCDBG funds cannot be obtained until the grantee receives SHPO concurrence. Refer to Chapter 2: Environmental Review for detailed guidance.

Kentucky Heritage Council State
Historic Preservation Officer
<http://heritage.ky.gov/>

Pre-1978 Properties and Lead Hazard Reduction

All units in a project assisted with KCDBG funds must comply with 24 CFR Part 35 which implements Title X of the Housing and Community Development Act of 1992, also referred to as the Lead Safe Housing Rule (LSHR). This regulation has been in effect since September 15, 2000, and Subpart J applies to rehabilitation projects. A briefing packet that explains more about HUD's Lead Safe Housing Rule is provided as Attachment 10-14.

Chapter 2 Environmental Review

24 CFR Part 35

Attachment 10-14: Lead Safe
Housing Rule Briefing Packet

The applicability of the requirements for Subpart J depends on the level of assistance provided for a project. This level of assistance is determined by taking the lower of:

- ✓ The per unit rehabilitation hard costs (regardless of source of funds), or
- ✓ The per unit amount of Federal assistance (regardless of the use of the funds).

Some rehabilitation work performed in pre-1978 units may be exempt from following the lead safe housing rule such as:

- ✓ Properties found not to have lead-based paint during current testing and earlier testing that meets the requirements of prior evaluations.
- ✓ Properties where all lead-based paint has been identified and removed using approved methods; and
- ✓ Rehabilitation that does not disturb paint.

Grantees should refer to the Lead Safe Housing Requirements Screening Worksheet Parts 1-4 (Attachment 10-15) and 24 CFR 35.115 and 35.165 for more information regarding exemptions.

Attachment 10-15: Sample Lead Safe Housing Requirements Screening Worksheet Parts 1-4
24 CFR 35.115 and 35.165

Evaluation Method

After the initial work write-up is complete, the rehabilitation specialist must determine which lead evaluation activity must be followed. The evaluation activity required depends on the level of assistance (see above for the definition of the level of assistance):

- ✓ < \$5,000. Paint testing of surfaces to be disturbed must be completed. Paint testing must be conducted by a certified paint inspector or risk assessor.
- ✓ \$5,000-\$25,000. A risk assessment must be performed of the entire unit. A risk assessment must be conducted by a certified risk assessor.
- ✓ > \$25,000. A risk assessment must be performed of the entire unit. A risk assessment must be conducted by a certified risk assessor.

Grantees should be aware that there are additional rules for the type of work that is performed depending on the intent of the work. See the combined HUD-EPA Notice and Guidance (Attachment 10-16 to this Chapter) for more information.

Attachment 10-16: HUD-EPA Notice and Guidance
<http://www.hud.gov/offices/cpd/affordablehousing/training/web/leadsafe/rehabprograms/abateguidelines.pdf>

Notification

Results of the paint test and risk assessment must be provided in a Notice of Lead Hazard Evaluation to the homeowner within 15 days of the grantee receiving them. The person performing the evaluation may be able to assist the grantee in completing the form. It is important for the homeowner to know that, under the LSHR, they must disclose any knowledge of lead in the home to any future buyers of the property. A sample Notice of Lead Hazard Evaluation is provided as Attachment 10-17.

Attachment 10-17: Sample Notice of Lead Hazard Evaluation

Grantees also have the option to presume there is lead in the unit rather than paint testing or risk assessments. If the grantee utilizes the presumption of lead option, the scope of work must address all painted surfaces. Grantees should note that this approach may raise the cost of the work as non-lead surfaces will be required to be treated as if they contained lead. Also, if the presumption method is followed, a "Notice of Presumption"

Attachment 10-18:
Sample Notice of Presumption

must be provided to the homeowner within 15 days of performing the initial inspection. A sample Notice of Presumption is provided as Attachment 10-18.

Finalizing the Work Write-Up

If the paint testing or risk assessment shows there are no lead hazards, then traditional rehabilitation practices may be followed.

If there are lead hazards found in the home then the following lead hazard reduction activities must be followed based on the amount of assistance and incorporated into the work write-up.

- ✓ < \$5,000. Repair surfaces to be disturbed using safe work practices and trained workers.
- ✓ \$5,000-\$25,000. Perform interim controls using safe work practices and trained workers. If presumption occurred, perform standard treatments using safe work practices and trained workers.
- ✓ > \$25,000. Perform abatement using safe work practices and certified abatement supervisor and certified workers.

For more information about repair, interim controls, standard treatments, abatement and the types of training or certification required for personnel performing the work, please see the Briefing Packet on the LSHR (Attachment 10-14).

Attachment 10-14: Lead Safe Housing Rule Briefing Packet

The work write-up must be revised to incorporate the appropriate lead hazard reduction work and methods required to perform the work. Once the work write-up has been finalized, the cost estimate tells whether or not the work can be done within the average loan limits and the owner's ability to repay.

The person preparing cost estimates should be familiar with the current rates for materials and labor and be able to estimate accurately the time required to complete each task. Good, reliable cost estimates are critical. Since costs change rapidly, it is important that cost estimates be used as soon as possible.

Executing Agreements with Beneficiaries

The grantee must enter into a formal written agreement with the applicant for the amount of the assistance made available (regardless of whether the assistance is in the form of a grant or loan). A Sample Rehabilitation Granting Agreement is provided as Attachment 10-19.

Attachment 10-19: Sample Rehabilitation Granting Agreement

- ✓ This agreement needs to be signed by the homeowner, prior to the start of work, and represents the official financial obligating instrument between the homeowner and the grantee.
- ✓ At a minimum, this agreement shall certify the legal owner of the property, the type of assistance (i.e., whether a grant or loan or combination), as well as outline all conditions associated with the assistance.
- ✓ Conditions of the agreement may include a monthly payment schedule if applicable, a minimum five year primary residency requirement, hazard insurance and property maintenance requirements, death of the applicant, conversion, transfer or sale of the property rehabilitated, and any other conditions that, if violated, may result in a reimbursement of funds by the applicant.

If assistance takes the form of a loan, the grantee must also utilize a recorded mortgage to secure the amount of the Federal investment. A sample Real Estate Mortgage is provided as Attachment 10-4.

Attachment 10-4: Sample Real Estate Mortgage

Following approval, grantees should meet with the applicant to review the proposed scope of work to be undertaken. DLG requires the applicant to initial each page and sign the last page of work items, thereby attesting to the fact that the applicant was made aware of the improvements to be made to the property. The homeowner should also receive all proper notices and information about lead-based paint. It is also important to finalize any temporary relocation plans and set a schedule for the work.

Contracting for Rehabilitation

Developing and implementing effective contracting procedures is one of the most critical tasks in a housing rehabilitation program. Four key elements involved in the contracting process are covered in the following discussion: recruiting contractors, bidding procedures, preparing the contract, and contract award and monitoring.

Recruiting Contractors

It is often difficult to recruit contractors if there are only relatively small jobs for repairing homes in poor condition. The grantee should identify possible contractors and attempt to interest them in program participation. The yellow pages of the telephone book, the Chamber of Commerce, the Small and Minority Business Division of the Kentucky Cabinet for Economic Development, conversations with construction materials suppliers, and word of mouth are all information resources to aid in developing a contractors list. Certified lead-based paint contractors may also be found on the State of Kentucky's Health Department website at http://publichealth.state.ky.us/lead_poisoning-issues.htm.

Small and Minority Business
Division of the Kentucky Cabinet for
Economic Development
www.thinkkentucky.com/kybusinessfinder/btbsearch.aspx

Kentucky Health Department's
website:
www.chfs.ky.gov/dph/lead.htm

To promote the participation of small contractors, the grantee may attempt to eliminate procedural barriers and provide technical assistance. Some grantees have:

- ✓ Waived bonding requirements and developed alternative ways to protect property owners (i.e., requiring a letter of credit from a financial institution).
- ✓ Provided technical assistance such as:
 - Financial management assistance;
 - Talking to local suppliers about credit extension to rehabilitation contractors;
 - Asking local financial institutions to extend lines of credit; and
 - Allowing progress payments after completion and inspection of a certain percentage of work.

In addition, grantees must ensure that they are using trained and certified workers to perform work in compliance with the lead safe housing rule.

Bidding Procedures

Bidding procedures need to be developed by grantees. Grantees must demonstrate that bids were let in a fair, unbiased manner and that efforts were made to solicit bids from small, minority and woman owned businesses. Below are some guidelines to include in bidding procedures.

- ✓ Bids may be advertised in the newspaper, through public notice or radio and by contacting an already approved list of contractors.
- ✓ Advertising at the start of the program and establishing a list of contractors interested in bidding for jobs throughout the duration of the program is acceptable.
- ✓ At least three contractors should be encouraged to bid on each job.
- ✓ Grantees are required to check GSA's List of Parties Excluded from Federal Procurement before awarding a bid and must check this list when bids are received.
- ✓ Each contractor must provide proof of liability insurance in an amount deemed reasonable by the grantee. (DLG strongly recommends a minimum of \$100,000.) The liability insurance shall be maintained during the life of the contract.
- ✓ Each contractor must provide evidence of workers compensation insurance at a level in conformance with state law for all employees at the job site and shall require subcontractors to provide evidence of the same.
- ✓ Contractors must submit documentation that shows they are qualified to perform lead work such as:
 - Proof they attended a safe work practices training session (for jobs involving safe work practices).
 - Copies of the Kentucky certification for abatement supervisor and workers (for jobs involving abatement).

List of Parties Excluded from Federal Procurement can be found at www.sam.gov

Any solicitation for bids by the grantee should include:

- ✓ Location for bid document pick up and submission;
- ✓ Address of unit to be rehabilitated;
- ✓ Time the unit is open for inspection; and
- ✓ Time and place for bid opening.

DLG requires that minutes from the bid opening be taken. The minutes should include names of all present at the meeting, a list of all bids received and the amounts bid for the work.

Bids need to be reviewed for cost reasonableness. Grantees should be wary of bids above or below 15 percent of the cost estimate. Grantees should not award to the low bidder if the contractor has a backlog of incomplete rehabilitation jobs or a history of poor performance. Grantees are advised to impose a cap of two rehabilitation jobs per contractor at any given time, unless the contractor can clearly demonstrate capacity to handle more than that. This cap should be clearly outlined in the policies and procedures.

Tip: Housing contracts are executed between the Homeowner and Contractor, the main purpose for bidding is to establish a reasonable low-bid price. The homeowner makes the final decision for selection of the contractor.

Preparing the Contract

The contract for rehabilitation must be a two-party contract between the homeowner and the contractor. The grantee or subrecipient may act on behalf of the homeowner if the homeowner delegates this responsibility (Attachment 10-8). The grantee remains responsible for monitoring contractor compliance with payments and all other program requirements.

Attachment 10-8:
Sample Homeowner Authorization
for Agency to Act as Agent for
Homeowner

- ✓ Key Federal provisions which apply to all rehabilitation contracts are:
 - Lead Based Paint clause, and
 - Conflict of Interest clause.

Davis-Bacon and other labor standard provisions do not apply unless the rehabilitation involves a structure with eight or more units.

Within the contract, the grantee should require the contractor to:

- ✓ Obtain and pay for all necessary permits and licenses;
- ✓ Perform all work in conformance with the International Code Council (ICC) Property Maintenance Code whether or not covered by the specifications and drawings;
- ✓ Keep the premises clean and orderly during repairs and remove all debris at the completion of work;
- ✓ Obtain written consent from the grantee and the homeowner for changes to specifications;
- ✓ Comply with all required rehabilitation practices for the lead safe housing rule;
- ✓ Obtain written consent prior to sub-contracting;
- ✓ Provisions for termination and for non-performance;
- ✓ Pay for all lead-based paint clearance tests of the unit and continue work until the unit passes clearance; and provide each of the required notices to owners and tenants;
- ✓ Warrant the work for one year from final acceptance.

Chapter 5: Contracting

Attachment 10-20:
Sample Contract Package for
Rehabilitation

DLG requires that grantees attach a copy of the work write-up to the contract. A Sample Contract Package for Rehabilitation is provided as Attachment 10-20.

Contract Award and Monitoring

Following award of the contract, the contract package must be executed by all parties. The homeowner must sign the contract and initial each page and sign the last page of the work write-up. A Notice to Proceed should be issued promptly to the contractor, specifying the time period within which the work should begin and when the work should be completed. A sample Notice to Proceed is provided as Attachment 10-21.

Attachment 10-21:
Sample Notice to Proceed

Attachment 10-22: Sample Pre-Construction Conference Checklist

It is good practice to hold a pre-construction conference to clarify the responsibilities of all parties. A sample Pre-Construction Conference Checklist that can be used at such a conference is provided as Attachment 10-22.

Inspections

Systematic thorough inspections by the rehabilitation inspector are critical to successful housing rehabilitation. (DLG strongly recommends the grantee contract with a certified building inspector to provide quality inspections.)

- ✓ Inspections should be conducted frequently and should be formally documented in the files.
- ✓ Periodic interim inspections of the rehabilitation construction will be made by the grantee throughout the contract period.
 - These inspections will be conducted to assure compliance with the contract standards for workmanship and materials, to detect any unauthorized deviations and to identify necessary changes to the contract work in its early stages.
 - Interim inspection reports must be prepared and signed by the grantee representative, rehabilitation inspector, contractor and owner.

Attachment 10-23: Sample Notice of Acceptance of Work

- ✓ Inspection and approval of completed work must be conducted by the grantee prior to the contractor's request for partial or final payment. The owner's approval of the work is also required when payment is requested. A sample copy of the Notice of Acceptance of Work is provided as Attachment 10-23.
 - The grantee has the authorization to override an owner's decision and accept the work in accordance with grievance procedures if an owner makes unreasonable requests/demands and the contractor has satisfied all the requirements of the grantee.

Attachment 10-24: Sample Certification of Inspection

- ✓ A final inspection of the work must be performed prior to final payment to the contractor in order for the project to be considered complete. A sample copy of Certification of Inspection is provided as Attachment 10-24. It is important for grantees to realize that this final inspection of the work is not the last inspection of the project. DLG requires a follow-up inspection be performed 60 days after project completion as referenced in follow-up inspection listed at the end of this section.

Change Orders

Any additions to, deletions from, or changes in the rehabilitation contract work, time, or price must be approved in a written change order request before the additional work is started. (Refer to Attachment 10-25 for a sample.)

Attachment 10-25: Sample Change Order Request

- ✓ The change order must be executed by the owner and the contractor and approved by the rehabilitation inspector and the grantee. Change orders may be used to add items of work that are essential to complete the original work and were not evident until after the work started.
- ✓ The contractor shall not be authorized to perform any work outside the scope of the original contract without a written and properly executed change order.

Clearance

If the rehabilitation job had any lead hazard reduction work performed, a clearance of the unit must be passed before re-occupancy.

- ✓ A clearance examination involves a visual assessment and dust testing to determine if the unit or worksite is safe for occupancy.
- ✓ Clearance must be performed by a certified risk assessor, certified lead-based paint inspector or certified lead sampling technician.
- ✓ Clearance cannot be performed by the same contractor who performed the work. It must be a separate party.

The clearance test cannot be performed until one hour after the final cleaning of the unit. Results of the clearance test must be incorporated into a “Notice of Lead Hazard Reduction Activities” by the grantee. This notice must be provided to the homeowner within 15 days of the clearance test. A sample Notice of Lead Hazard Reduction Activities is provided as Attachment 10-26.

Attachment 10-26:
Sample Notice of Lead Hazard
Reduction Activities

Grantees must be aware that if the unit fails the clearance test the unit cannot be reoccupied. The contractor will need to re-clean and another clearance test must be performed.

Once the unit has passed the clearance test the final invoice may be processed.

Final Documentation

Grantees should have the contractor sign an affidavit for Contract Termination and Release of Lien Form (Attachment 10-27) and provide warranty documents, and subcontractors release of lien waivers before final payout. After which, the Notice of Acceptance of Work (Attachment 10-23) may be issued to the contractor. A Project Benefit Profile by Person and by Household must also be completed (Attachment 10-28).

Attachment 10-27:
Sample Contract Termination and
Release of Lien Form

Attachment 10-23:
Sample Notice of Acceptance of
Work

Attachment 10-28:
Project Benefit Profile by Person
and by Household

Follow-Up Inspection

It is DLG’s policy that the grantee performs a follow-up inspection of the property 60 days after job completion (Attachment 10-29). This inspection allows the grantee to see if there are any problems with the job. If problems have occurred, the grantee should assist the property owner to obtain corrective action according to the warranty.

Attachment 10-29:
Sample Certification of 60 Day
Follow-up Inspection

Section 10-D. Record Keeping

It is important for the grantee to maintain complete files and record keeping of the work they are performing and the units being rehabilitated. A Rehabilitation Program File Checklist (Attachment 10-30) should be in the front of each project file. In addition to the items listed in the rehabilitation program checklist, general files including the following should also be set up and maintained:

Attachment 10-30:
Sample Rehabilitation Program
File Checklist

- ✓ Local rehabilitation policies and procedures;

- ✓ Documentation of marketing and outreach efforts;
- ✓ Pending applications;
- ✓ Disqualified applicants; and
- ✓ Evidence of contractor participation.

Part II: Involuntary Programs

Sometimes a grantee may decide to exercise its right of eminent domain to acquire property to help revitalize an area. When this occurs, these projects are referred to as involuntary projects. These projects are primarily carried out in neighborhood revitalization areas.

Neighborhood revitalization areas should be concentrated enough that the KCDBG assistance will result in a resolution of all or most of the housing needs in the targeted area and a significant visual and physical impact. The revitalization areas must also be designated as a slum and/or blighted area under the Kentucky Urban Renewal and Redevelopment Law (KRS Chapter 99). There are a number of different activities that may be undertaken within these areas; however, certain program and other Federal requirements (such as the Uniform Relocation Act (URA)) will apply to involuntary activities.

KRS Chapter 99

Tip: If the grantee chooses the project area(s) with the intent to use eminent domain, the project is considered involuntary even if a recipient agrees to be a part of the project and fully cooperates. Therefore, all URA requirements must be followed.

Section 10-E. Eligible Activities and National Objectives

There are several activities eligible under KCDBG that help to support the revitalization of slum or blighted areas and the development of affordable housing. These activities include:

- ✓ **Acquisition.** Acquisition of property is generally eligible under CDBG (provided the rules detailed in *Chapter 7: Acquisition* are adhered to).
 - Grantees may use KCDBG funds to assist private individuals and non-profits with the acquisition of property for the purpose of rehabilitation. After rehabilitation to applicable standards, the property may be used or sold for low- and moderate-income residential purposes.
 - Grantees may also use KCDBG funds to acquire housing units, as long as the units are not newly constructed, and sell them for residential purposes. The CDBG regulations do not limit the amount of write-down to the buyer. The amount of write-down should be appropriate for the level of needed assistance and reasonable in relationship to the level of participation. Acquired property may be donated to purchasers; however, grantees should analyze the situation to avoid giving windfall profits to purchasers. If buyers are not LMI, prior approval from DLG is required.
 - Grantees may acquire property to be used for LMI housing and donate or resell it at a lower price to nonprofit housing organizations to be used for LMI housing.

Chapter 7: Acquisition

Tip: The number of units eventually constructed or rehabilitated on CDBG-assisted property may trigger the Davis Bacon labor standards requirements (see Chapter 6: Labor Standards and

Chapter 6: Labor Standards and Construction Management

Construction Management or contact DLG for more information).

- ✓ **Conversion.** The cost of converting an existing non-residential structure to residential use by eligible households is allowed as a rehabilitation activity.
 - ✓ **Demolition and Reconstruction (Rehabilitation).** KCDBG funds may be used for demolition and reconstruction. Reconstruction is the rebuilding of a structure on the same site in substantially the same manner. Reconstruction is considered a rehabilitation activity. Deviations from the original design (such as the addition of another room) may be permitted for reasons of safety or for practicality. A reconstructed unit need not contain the same number of rooms as the unit it replaces. (Note, however, that adding rooms may constitute new construction. Contact DLG for specific questions.) Reconstruction of residential structures also permits replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing or a “stick built” structure if manufactured housing is not allowed under existing zoning in the community.
 - ✓ **Demolition and Clearance of Sites.** Grantees may clear a site to be used for housing. Clearance of toxic contaminants from property to be used for new construction of housing is also eligible. For all demolition and clearance activities, grantees must propose a plan with the end use lasting for at least five years.
 - ✓ **Disposition Costs.** The costs of disposition of real property, acquired with CDBG funds, which will be used for new construction of housing is an eligible activity to support new housing.
 - ✓ **Multifamily Rehabilitation.** Rehabilitation of multifamily rental units is an eligible activity under the KCDBG Program. At least 51 percent of units must be occupied by LMI households at affordable rents.
 - ✓ **New Housing Construction.** Generally, new construction of housing is not eligible under the KCDBG program. 24 CFR 570.204(c) However, the regulations allow for certain “eligible subrecipients” to carry out this activity on behalf of the grantee.
 - **Eligible nonprofits and groups.** The eligible subrecipients include neighborhood-based nonprofit organizations (NBOs), nonprofit organizations serving the development needs of communities in non-entitlement areas, section 301(d) Small Business Investment Companies (SBICs), and local development corporations (LDCs).
 - **Regulatory Documentation.** These nonprofit development organizations must meet the definition outlined in Section 5305(a)(15) of the Housing and Community Development Act and comply with conditions outlined in the Grant Agreement to be considered to undertake such activities. HCDA Section 5305(a)(15)
 - **Activities to be performed:** These organizations must be undertaking a neighborhood revitalization, community economic development or energy conservation project in order to use CDBG for new construction. And, the grantee must determine that the project is necessary or appropriate to achieve its community development objectives.
- Tip:** New housing construction carried out by an eligible nonprofit must be part of a larger effort to revitalize the neighborhood (i.e., a plan for the community’s revitalization efforts based on a comprehensive plan, not just for the sake of the CDBG project).

- ✓ **Single Family Owner and Rental Rehabilitation.** Using KCDBG funds to assist low- and moderate-income persons to bring their homes up to, at a minimum, the International Code Council (ICC) Property Maintenance Code is an eligible activity. Rehabilitation of investor-owned, single-family rental units is also an eligible activity. Rents must be affordable for a period of five years. The maximum amount of rent charged may not exceed HUD's Fair Market Rent during the five-year period.

Access HUD Fair Market Rents from the HUD User website at: <http://www.huduser.org/datasets/fmr.html>.

Below are a number of activities that may be combined with the housing activities listed above to achieve neighborhood revitalization objectives.

- ✓ **Infrastructure Improvements.** The construction of publicly-owned water, sewer, streets and drainage facilities is eligible as a public facilities activity.
- ✓ **Site Improvements.** Grantees may improve publicly-owned sites for housing. Using KCDBG funds for improvements to a site after disposition to a private developer is eligible only if carried out by an eligible subrecipient (as discussed previously), in which case the activity must be for neighborhood revitalization, community economic development, or energy conservation, and the recipient must determine that it is necessary or appropriate to achieve community development objectives.

Ineligible Activities

The general rule is that any activity not specifically authorized under the CDBG regulations is ineligible to be assisted with KCDBG funds. The regulations stipulate that the following activities may not be assisted with CDBG funds:

- ✓ New housing construction except under certain conditions. Certain types of nonprofit organizations that are undertaking certain kinds of activities may be allowed to utilize CDBG funds for new construction. The conditions under which this may occur are discussed in Section 10-E of this Chapter. 24 CFR 570.204(c)
- ✓ Income payments, which are defined as grants to an individual or family that are used to provide basic levels of food, shelter (i.e., payment for rent, mortgage and/or utilities) or clothing;
- ✓ Luxury items, such as swimming pools, Jacuzzis, high-end appliances, window air conditioners, washers and dryers, etc.; and
- ✓ Labor time for sweat equity may not be paid out to recipients of rehabilitation assistance.

Meeting a National Objective

As discussed in Chapter 1: Project Administration, all funded projects must meet a national objective. At the time of funding, the grantee must document which national objective a project will meet.

Chapter 1: Project Administration

There are several different national objectives the grantee can use to satisfy this requirement. Housing is considered a direct benefit activity and each household in a single family unit must be LMI, while one of two units in a duplex must be LMI and 51% of three or more unit properties must be LMI. To document the housing national objective, see the section entitled Applicant Eligibility in Part 1 of this Chapter.

However, other housing related activities related to neighborhood revitalization may be eligible to receive KCDBG assistance if the area has been designated as a slum and/or blighted area. If a grantee is using the slum/blight national objective, it must complete an Order of Municipal Resolution that states the project is slum and/or blighted and follow the criteria in KRS Chapter 99.

KRS 99.340

Under the Kentucky Urban Renewal and Redevelopment Law (KRS Chapter 99) the following definitions apply:

- ✓ A slum area is an area in which at least one-fourth of all buildings or a predominance of improvements are:
 - Unsafe or unfit to occupy due to dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation/light/sanitation/open space, high density of population, overcrowding;
 - Conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime;
 - Injurious affect the entire area; or
 - Constitute a public menace to the public health, safety and welfare.

A slum area may include lands, structures, or improvements in which acquisition is necessary to assure the proper clearance and redevelopment of the entire area and to prevent the spread or recurrence of slum conditions thereby protecting the public health, safety and welfare.

- ✓ A blighted area is an area where, due to various reasons (predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, submergence of lots by water or other unsanitary or unsafe conditions, deterioration of site improvements, diversity of ownership, tax delinquency, defective or unusual conditions of title, improper subdivision or obsolete platting), the development of predominantly housing units is being prevented.

Where the activity being carried out with KCDBG funds in a slum and/or blighted area is housing, two additional criteria must be met:

- ✓ Each building must be considered substandard under local definition; and
- ✓ All deficiencies making the building substandard must be corrected before less critical work on the building may be undertaken.

If a grantee determines the project will meet the definition of a slum and/or blighted area, then it must complete a Development Plan to set a foundation for eminent domain and to establish the area's redevelopment plans (See Attachment 10-31 for a sample). This is a plan for acquisition of properties, demolition of removal, rehabilitation or historic preservation of structures and improvements, relocation of displaced, resale of improved land and designation of specific uses permitted in redevelopment of new sites. It must be prepared in accordance with KRS Chapter 99 and all Federal regulations in the Housing and Community Development Act of 1974.

Attachment 10-31: Sample Development Plan

Grantees will need to do a Development Plan if one of the following occurs:

- ✓ Public funds on private property (KRS 99.360) (i.e.: KCDBG funds used to rehabilitate an individual's home);
- ✓ Public purpose is required in order to condemn a property (KRS 99.420); or
- ✓ Grantee owns land and wants to sell surplus property (KRS 99.450).

KRS 99.360
KRS 99.420
KRS 99.450

Tip: If land will be sold at less than fair market value to promote affordable housing for LMI families, resale of property must be identified as a public purpose in the Development Plan (KRS 99.450). Refer to the sample Short Form Development Plan for Voluntary Rehabilitation/Reconstruction (Attachment 10-32) for guidance.

Attachment 10-32:
Sample Short Form Development
Plan for Voluntary
Rehabilitation/Reconstruction

While grantees may assist non LMI households under these conditions, only health and safety issues may be addressed for these properties. For example, roof problems, unsafe wiring and inadequate plumbing could be addressed with KCDBG funds. Rehabilitation activities for more cosmetic purposes such as painting or carpeting are not eligible KCDBG expenditures for over income residents.

Section 10-F. Implementing Involuntary Programs

In addition to the Development Plan and acquisition and relocation requirements under the URA, there are other administrative requirements that grantees administering involuntary programs must follow.

Most of these requirements are discussed in Part I: Housing Rehabilitation; therefore, they will not be repeated here. As a brief reference, grantees undertaking involuntary housing activities must comply with the following sections of Part I of this chapter:

- ✓ Section 10-B:
 - Program Guidelines
 - Applicant Eligibility (Note: income eligibility does not apply to URA. Knowledge of income is required to establish LMI status and relocation benefits.);
 - Property Eligibility;
 - Conflict of Interest;
 - Property Standards;
 - Contracting Requirements; and
 - Grievance Procedures (which must be provided to all residents in the designated Development target area.)
- ✓ Section 10-C:
 - Determining Staffing;
 - Pre-1978 Properties and Lead Hazard Reduction;
 - Lead-Based Paint Requirements;
 - Work Write-Ups and Cost Estimates;

- Recruiting Contractors;
 - Bidding Procedures;
 - Preparing the Contract; and
 - Contract Award and Monitoring.
- ✓ Section 10-D: Record keeping (Note: Individual case files are required for all activities benefiting a recipient, i.e. acquisition, relocation, clearance, etc.).

Grantees with specific questions or concerns about these or other requirements should contact DLG for assistance.

Additional Requirements for Rental Housing Rehabilitation Projects

In addition to the requirements discussed in the previous sections, there are a number of other requirements that must be met when administering a rental housing rehabilitation program.

Meeting a National Objective

- ✓ For rental properties that are single family, the tenant must be LMI.
- ✓ For rental properties with two units, at least one unit must be LMI.
- ✓ For properties with more than two units, at least 51 percent of the units must be occupied by LMI households.

Rental units must be occupied by LMI persons at affordable rents (as defined by DLG) for a period of five years. The maximum amount of rent charged may not exceed the HUD Fair Market Rent (FMR) during the five-year period. Fair market rents by area and bedroom size can be accessed from the HUD User web site at <http://www.huduser.org/datasets/fmr.html>

Access Fair Market Rents from the HUD User website at <http://www.huduser.org/datasets/fmr.html>.

Financial Assistance

Financial assistance may be provided as a grant or loan to the property owner for an eligible project (e.g., the rehabilitation of a multi-unit housing complex). The assistance must be conditioned upon the requirement to make 51% of the units available for five years at rents affordable to lower income tenants (as discussed above).

Davis Bacon Wage Determination

Davis Bacon wage determination applies if a grantee expects to rehabilitate a structure with eight or more units. Grantees are advised to contact DLG very early for guidance. There are a number of preplanning documents that must be completed and reviewed before going to bid and entering into a contract. See Chapter 5: Contracting for more information.

Chapter 5: Contracting

Relocation

The Uniform Relocation Act applies to all projects in which tenants are living in a multi-unit structure. Proper notices, services and payments must be provided to tenants as applicable. See Chapter 8: Relocation, Displacement and One-for-One Replacement for more information.

Chapter 8: Relocation,
Displacement and One-for-One
Replacement

Attachments

- ✓ Attachment 10-1: Counseling Report, Homeowner Maintenance/Life Skills Education
 - ✓ Attachment 10-2: Sample Rating and Ranking Criteria Advertisement and Sample Rating and Ranking Criteria for Voluntary Programs
 - ✓ Attachment 10-3: Sample Program Guidelines
 - ✓ Attachment 10-4: Sample Real Estate Mortgage
 - ✓ Attachment 10-5: Sample Promissory Note
 - ✓ Attachment 10-6: Sample Applicant Release to Obtain Verification of Income
 - ✓ Attachment 10-7: Part 5 (Section 8) Annual Household Income Calculation Form
 - ✓ Attachment 10-8: Sample Homeowner Authorization for Agency to Act as Agent for Homeowner
 - ✓ Attachment 10-9: Sample Grievance Procedures
 - ✓ Attachment 10-10: Sample CDBG Rehabilitation Assistance Application
 - ✓ Attachment 10-11: "Protect Your Family From Lead in Your Home" Pamphlet
 - ✓ Attachment 10-12: Verification of Receiving Lead-Based Paint Pamphlet
 - ✓ Attachment 10-13: Sample Work-Write Up and Cost Estimate Form
 - ✓ Attachment 10-14: Lead Safe Housing Rule Briefing Packet
 - ✓ Attachment 10-15: Lead Safe Housing Requirements Screening Worksheet Parts 1-4
 - ✓ Attachment 10-16: HUD EPA Notice and Guidance
 - ✓ Attachment 10-17: Sample Notice of Lead Hazard Evaluation
 - ✓ Attachment 10-18: Sample Notice of Presumption
 - ✓ Attachment 10-19: Sample Rehabilitation Granting Agreement
 - ✓ Attachment 10-20: Sample Contract Package for Rehabilitation
 - ✓ Attachment 10-21: Sample Notice to Proceed
 - ✓ Attachment 10-22: Sample Pre-Construction Conference Checklist
 - ✓ Attachment 10-23: Sample Notice of Acceptance of Work
 - ✓ Attachment 10-24: Sample Certification of Inspection
 - ✓ Attachment 10-25: Sample Change Order Request
 - ✓ Attachment 10-26: Sample Notice of Lead Hazard Reduction Activities
 - ✓ Attachment 10-27: Sample Contract Termination and Release of Lien Form
 - ✓ Attachment 10-28: Project Benefit Profile by Person and by Household
 - ✓ Attachment 10-29: Sample Certification of 60 Day Follow-up Inspection
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- ✓ Attachment 10-30: Sample Rehabilitation Program File Checklist
 - ✓ Attachment 10-31: Sample Development Plan
 - ✓ Attachment 10-32: Sample Short Form Development Plan for Voluntary Rehabilitation/Reconstruction

**Attachment 10-1: Counseling Report, Homeowner Maintenance/
Life Skills Education**

**COUNSELING REPORT
HOMEOWNER MAINTENANCE/LIFE SKILLS EDUCATION**

CLIENT INFORMATION:

Name: _____

Rehab Case # _____

Address _____

Telephone #1: _____

Telephone #2: _____

COUNSELING SESSION(S):

INITIAL _____ FOLLOW-UP # _____ FINAL _____

DATE: _____

STARTING TIME: _____ ENDING TIME: _____

TOPIC(S) OF DISCUSSION (i.e., Home Maintenance, Budget Counseling, etc):

DESCRIPTON OF DISCUSSION:

Signature of Homeowner

Date

Signature of Homeowner

Date

Signature of Counselor and Company Name

Date

**Attachment 10-2:
Sample Rating and Ranking Criteria Advertisement and Sample
Rating and Ranking Criteria for Voluntary Programs**

Sample Rating and Ranking Applicant Selection Criteria Advertisement
and
Sample Criteria and Point System

The ***(unit of local government)*** is applying for funds under the Community Development Block Grant (CDBG) Program to upgrade housing in the community. Rehabilitation Assistance offered through this federally funded program is in the form of a _____ year, forgivable mortgage. The goal of the CDBG Program is to improve the housing conditions for low-and moderate-income persons. The project will be offered on a voluntary basis, therefore the power of eminent domain will not be utilized for the purposes of this program.

If you are interested in applying for assistance and your household meets the following basic criteria, please ***(insert appropriate contact details)*** to apply. Representatives from ***(insert appropriate details)*** will contact you to obtain basic information and a certified housing inspector will perform a work write-up on your home.

Basic Criteria:

- Must be owner-occupied as principal place of residence
- Must be located in within the ***(unit of local government)*** limits
- Must have an annual income (for all persons over the age of 18 living in the household) at or below the following dollar amounts:

Household Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80% Median Income	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <i>INSERT THE APPLICABLE COUNTY'S SECTION 8 HUD MEDIAN INCOME LIMITS</i> </div>							

In the event that not all interested households can receive assistance, homeowner households with the greatest need will have top priority. Selection criteria of who could participate will be based upon structural conditions, occupancy, income, elderly, female head of household and taxes to be paid.

*Prioritization points are subject to change based upon re-verification of income and household familial status, which must be done for each household if the ***(unit of local government)*** receives CDBG funding approval. Ranking of Households are subject to change based on the change in prioritization points of if a top ranked applicant chooses not to participate in the “voluntary” project.*

Applications for assistance will be accepted from ***(date)*** until ***(date)***.

For more information contact...

Include Public Hearing details. Including clause indicating all persons are invited to attend.

The Kentucky Relay Service for the hearing and speech impaired:
 Phone: 800-648-6057 Voice; TTY/VCO/HCO/ASCII: 800-648-6056.

The ***(unit of local government)*** is an Equal Housing Opportunity Provider; and does not discriminate on the basis of handicap, race, color, national origin, religion, sex, familial status or age.



SAMPLE CRITERIA AND POINT SYSTEM

1. Structural conditions*
 - a. 4 or more structural items =20 pts.
 - b. 3 structural items =15 pts.
 - c. 2 structural items =10 pts.
 - d. 1 structural items = 5 pts.

*Based upon certified housing inspector's report. The certified housing inspector will also be responsible for determining which structures have the greatest health and safety concerns if applicants share same point scoring.

2. Income
 - a. Extremely Low =20 pts.
 - b. Very Low =10 pts.
 - c. Low = 5 pts.
 3. Elderly = 5 pts.
 4. Female Head of Household =5 pts.
 5. Taxes paid to date =5 pts.
- Total Points Possible =55 pts.

**Attachment 10-3:
Sample Program Guidelines**

**SAMPLE REHABILITATION/RECONSTRUCTION
PROGRAM GUIDELINES
DECLINE STREET REDEVELOPMENT PROJECT**

DEFINITIONS

Definitions of terms used in this document shall be the following:

Ability-to-Pay - The difference between 30% of a household's adjusted average monthly gross income and the average monthly housing cost, used to determine how much of the cost of rehabilitation the household can be expected to pay with its own resources.

Agency – The city or county implementing the program as an agent of Governor’s Office for Local Development, a grantee of the U.S. Department of Housing and Urban Development.

Annual Income - The gross amount of household income anticipated to be received during the 12 months following the effective date of examination as calculated by the current HUD Section 8 method.

Applicant - The "Applicant" shall include all persons having legal or equitable title to the structure for which rehabilitation assistance is requested, including nonresident owners.

Applicant's Family (Household) - The "Applicant's Family" shall include the applicant and other persons related by blood, marriage, or operation of law in addition to all non-related persons living in the dwelling unit.

Approving Officer - A representative of the Agency authorized to approve rehabilitation contractors and distribution of rehabilitation funds.

Critical Health and Safety Deficiencies - Those necessary elements of the structure which are lacking or are deteriorated to a point which poses a real threat to the continued well being of the occupants. For the purpose of this plan, these include wiring, heating and major structural problems and the lack of adequate plumbing and sanitary septic systems.

Forgivable Deferred Loan (FDL) - A direct payment for the purpose of bringing an eligible property up to Housing Code paid to the approved contractor on the Applicant's behalf. There is no requirement for repayment unless the property is sold or transferred within the first ***Insert Number*** years after rehabilitation is complete and/or the unit does not continue to be occupied by a low and moderate-income household. The amount of the FDL is forgiven/reduced at a rate of ***Insert Percent*** per year for ***Insert Number*** years.

Fixed Medical Expenses - Monthly recurring costs related to health care, not covered by medical insurance, as verified by a doctor and/or pharmacy.

Housing Code/Housing Standard - The International Code Council (ICC) Property Maintenance Code which is adopted by the Agency as the minimum standards to which all structures approved for rehabilitation assistance must comply.

Land Sales Contract - Any transaction, regardless of the arrangement, in which the purchaser-occupant obtains fee title, but only if a series of installment payments over a period of time have been completed. (It must be a “recorded land contract in order to prove ownership.)

Low and Moderate-Income - Level of income, when combined with family size, relates to eligibility for rehabilitation with a Forgivable Deferred Loan (FDL). These income levels have been established by the federal Department of Housing and Urban Development (HUD) and adopted by the Agency.

Monthly Housing Cost - Those expenses to the occupant incurred monthly for housing. This amount reflects property tax, mortgage or rent, basic utilities excluding phone (electricity, gas, water, sewer) and property insurance.

Owner-Occupied Structure - A residential structure occupied by the owner which is used entirely for residential purposes.

Rehabilitation - Repairs, reconstruction or additions to a structure necessary to improve it to the minimum standards as required by the Housing Code and/or HUD guidelines.

Rehabilitation Assistance - That amount of money available from the Agency to an Applicant on behalf of a specific structure for the purpose of correcting critical health and safety deficiencies in that structure and bringing the unit into full compliance with the Housing Code. For the purpose of this rehabilitation plan, the type of rehabilitation assistance offered is in the form of a Forgivable Deferred Loan (FDL).

Structure - For the purpose of this rehabilitation plan, a structure containing one to four residential units is considered to be real property.

FINANCING MECHANISMS – FORGIVABLE DEFERRED LOANS

A Forgivable Deferred Loan is one form of financial assistance provided to applicants who qualify for the CDBG program. The amount of those loans will vary from case to case. Further, the amount is directly related to the household income. Forgivable Deferred Loans will be available to property owners located within the targeted rehabilitation area and shall only be made for the rehabilitation of those dwelling units deemed substandard yet feasible for rehabilitation by the initial inspection.

The applicant must be considered low and moderate-income as determined by HUD Section 8 Income Limits. In no instance will the Forgivable Deferred Loan exceed the total cost of the rehabilitation expenses.

Every Forgivable Deferred Loan will be secured by a Mortgage and Promissory Note containing a **Insert Number of Years** reducing clause. At the end of the **Insert Number** year, the balance of the principal remaining (**Insert Percentage** of the original amount of the Forgivable Deferred Loan) will be satisfied and forgiven in full.

The schedule for Forgivable Deferred Loans will be as follows: **(Change according to number of years)**

<u>At End of Time Period</u>	<u>Percentage of Loan Forgiven</u>
1st Year	20%
2nd Year	40%
3rd Year	60%
4th Year	80%
5th Year	100%

The term of the Forgivable Deferred Loan begins with the date of the Certificate of Final Inspection and runs for **Insert Number** years. Reductions of the principal amount of the Forgivable Deferred Loans are subject to ownership and, in the case of owner-occupants, residency. Owner-occupants must own and occupy the property during the entire **Insert Number** years in order to qualify for the full reduction of the principal amount of the Forgivable Deferred Loan (this provision will not apply if the owner-occupant must temporarily or permanently enter a nursing home or similar care facility). Failure on the part of the owner-occupant to maintain ownership and residency during the **Insert Number** years will stop the reduction and require the repayment of the unreduced balance of the loan. For owner-occupants, the full amount of the FDL may be forgiven upon the death of the owner(s). Reductions for the investor-owners are subject to ownership. The owner-occupant must retain ownership and maintenance of the property during the entire **Insert Number** year reduction period in order to qualify for reductions.

ELIGIBILITY REQUIREMENTS

APPLICANTS ELIGIBLE FOR REHABILITATION ASSISTANCE

The following requirements shall determine the eligibility of persons applying for a Rehabilitation Forgivable Deferred Loan. It should be explicitly understood that no one (or combination) of these criteria qualifies or disqualifies an Applicant. Rather, these guidelines give the Agency and the Approving Officer the opportunity to evaluate each Applicant on various specific points prior to making a decision of eligibility. The items to be analyzed as a part of the eligibility criteria are as follows:

RESIDENCE

Eligible Applicants shall reside within the designated project area, or the structure upon which rehabilitation is to be performed must be within the designated project area.

OWNERSHIP

Eligible Applicants shall be owners of the structure upon which rehabilitation is to be performed. Owners shall hold title or deed to the structure or shall be buying the structure under a recorded Land Sales Contract.

MAINTENANCE

Each Applicant will be required to maintain the rehabilitated structure for the Insert Number year term of the financial assistance. Maintenance will be examined in relation to the rehabilitation work performed, as per the work write-up and applicable minimum property standards. An officer of the Agency will perform periodic inspections, inform the property owner of any items that have deteriorated and request correction. The Agency reserves the right to take any appropriate action necessary to ensure that the rehabilitated property is maintained and may include early payback of financial assistance. This action will only be taken if the applicant shows a total disregard for maintenance and the Agency's request for correction of deteriorated items is repeatedly ignored and is documented accordingly. The initial review will be in letter form and will take place approximately six to nine months after the date of the final inspection in order to detect any problems the owner may face during the contractor's one-year guarantee period and/or basic maintenance problems.

FINANCIAL ELIGIBILITY

Priority for rehabilitation assistance shall be given to Applicants whose adjusted annual incomes are below the HUD Section 8 definition of low and moderate income. This amount is based upon family size and currently includes the following income categories: **NOTE: Family Size is based on the number of persons living in the household. Maximum Gross Income is based on gross annual income for all household members over 18 years of age.**

FAMILY SIZE	50% of Median Very-Low Income Maximum Gross Income	80% of Median Low-Moderate Income Maximum Gross Income
1 Person	\$14,600	\$23,350
2 Persons	\$16,700	\$26,700
3 Persons	\$18,750	\$30,000
4 Persons	\$20,850	\$33,350
5 Persons	\$22,500	\$36,050
6 Persons	\$24,200	\$38,700
7 Persons	\$25,850	\$41,350
8 Persons	\$27,500	\$44,050

The Housing and Community Development Act of 1974, as amended, specifically stipulates that priority be given to low and moderate-income families, elderly persons, female-headed households, and the disabled. In order to comply with the requirements of the state and federal legislation, the Agency shall give priority to those applications meeting these guidelines.

The income of an Applicant includes the income of the Applicant and the Applicant's Family. If ownership of the property rests in more than one person, the Applicant is each owner and family. The Applicant's income, therefore, is the sum of the family income of all Applicants. The exception to these conditions follows:

If an applicant is part-owner of the property to be rehabilitated and other co-owner(s) are not contributing to the maintenance of the property, income shall be considered to be only that of the occupant, when all co-owners agree not to sell the property for a period of at least *Insert Number* years and the other co-owners agree to allow the applicant to remain in the unit without increasing the applicant's housing costs.

INELIGIBLE APPLICANTS

Ineligible Applicants shall be any Applicant not meeting all of the criteria above.

STRUCTURES ELIGIBLE FOR REHABILITATION

The following requirements shall determine the eligibility of a structure for rehabilitation assistance. Structures eligible for rehabilitation are identified in the CDBG application.

ELIGIBILITY OF RESIDENT APPLICANT

An eligible structure shall be owned and/or occupied by an eligible Applicant as defined above.

LOCATION

An eligible structure shall be located within the boundaries of the *Insert Name of Housing Project*.

MINIMUM STANDARDS

An eligible structure shall be one which is below the minimum requirements established by the Housing Code and which, at a minimum, will have critical health and safety problems corrected following rehabilitation assistance.

MULTI-UNIT STRUCTURES

An eligible structure shall contain no more than four (4) units, one (1) of which must be occupied by the owner/applicant.

ELIGIBLE REPAIRS

An eligible structure shall exhibit one or more of the deficiencies defined in Eligible Costs.

INELIGIBLE STRUCTURES

Certain structures shall not be eligible for rehabilitation assistance due to excessive deficiencies.

EXCESSIVE REHABILITATION NEEDS

For any structure determined by the Agency to require rehabilitation costs in excess of 75% of the value of the property, the Agency may deny approval of funds to rehabilitate the structure.

The Agency may approve funds for demolition of vacant properties with excessive rehabilitation needs. Occupied structures with excessive rehabilitation needs may, at the Agency's discretion, be acquired by the Agency and the occupants relocated.

DANGEROUS OR UNFIT STRUCTURES

By definition of the Housing Code, any structure determined by the Rehabilitation Inspection to be a dangerous or unfit structure shall not be eligible for rehabilitation assistance, unless rehabilitation financed with the rehabilitation funds and/or other funds shall result in the structure meeting the requirements of the Housing Code.

ELIGIBLE REHABILITATION COSTS

A rehabilitation *Insert Number* Forgivable Deferred Loan may be made only to cover the cost of rehabilitation necessary to make a low-income, owner-occupied one-to-four dwelling, mixed-use or tenant-occupied property conform to public standards for safe, decent and sanitary housing as required by the Housing Code and as identified in the work write-up and meeting the definition of "eligible costs" as provided in this section. As a result of the rehabilitation work financed, in whole or in part, by a rehabilitation deferred-payment loan, the property must, at a minimum, conform to the Housing Code. Rehabilitation funds shall be used to achieve economical and practical compliance with the Housing Code.

ELIGIBLE COSTS

Costs eligible for rehabilitation assistance are the costs of meeting the requirements of the Housing Code and correcting incipient violations, lead based paint testing and abatement, and providing off-street parking. Building permits may be included in the amount of rehabilitation assistance. Other costs deemed necessary to ensure rehabilitation may be approved, on a case-by-case basis, by the Agency Board to be included as part of the Applicant's FDL.

A. Requirement of the Housing Code. When necessary to meet a specific requirement of the Housing Code, a rehabilitation Forgivable Deferred Loan may be used to the extent necessary for:

- ◆ Rehabilitation, or removal and replacement of elements, of the dwelling structure, including basic equipment. The term "basic equipment" includes such items as heating furnace, hot water tank, electrical, sanitary fixtures and kitchen stove and refrigerator if deficient or damaged. It does not include other appliances.
- ◆ Provision of sanitary or other facilities, including the provision, expansion and finishing of space necessary to accommodate those fixtures.
- ◆ Provision of additional or enlarged bedrooms.
- ◆ Provision of off-street parking in compliance with local zoning requirements.
- ◆ Provision of utility service, including water and sewer

B. Incipient Violations. In order that a property may be brought up to and maintained at the Housing Code, rehabilitation assistance may be used for rehabilitation work necessary to correct incipient as well as existing violations of the Housing Code. An incipient violation exists if, at the time of inspection, it is thought that the physical conditions of an element in the structure will deteriorate into an actual violation during the term of the five-year FDL. The property inspection report should identify the incipient violations to establish the basis for providing for corrective work with the rehabilitation assistance. For enforcement purposes, it may be necessary for actual violations to be identified and

listed separately from incipient violations. However, the amount of the rehabilitation Forgivable Deferred Loan to be made may cover both actual and incipient violations.

C. Requirements Not Covered by Housing Code. Any rehabilitation, not specifically required by the Housing Code, found necessary for safety, health and general welfare of the occupants of any structure or general maintenance of the structure shall be determined by the Rehabilitation Inspector to be eligible. Homes constructed prior to 1978, will be tested for lead based paint and addressed in accordance with new HUD lead based paint regulations.

INELIGIBLE COSTS

Certain rehabilitation costs shall not be eligible for rehabilitation deferred payment loans including:

- A. Rehabilitation not required to bring the structure up to the standards of the Housing Code unless otherwise stated above;
- B. Landscaping and other yard or "nonstructure" property improvements except fences.
- C. Additional rooms, except as required to meet the Housing Code.
- D. Rehabilitation of accessory structures, unless specifically authorized by the Agency for health and safety reasons.
- E. Rehabilitation judged to be damaging to the historical character or value of a structure by the State Historic Preservation Officer of the Kentucky Heritage Commission.

REHABILITATION ASSISTANCE APPROVAL PROCESS

GENERAL

The following process shall be adhered to in soliciting, accepting and processing applicants for rehabilitation assistance in bidding and managing rehabilitation construction and in managing rehabilitation funds.

APPLICATIONS

The agency shall advertise the availability of rehabilitation assistance, the time, place and manner of filing applications, and general eligibility requirements through door-to-door solicitation, public hearings or other media as appropriate.

Each applicant shall file a standard application form. Assistance in preparing the form will be provided by the Agency if necessary.

Special arrangements shall be made to assist Applicants unable to file an application, especially for the elderly and disabled.

INTERVIEW

At the time of filing the application, an appointment for an interview shall be arranged between the Applicant, Owner and member(s) of the Agency staff for the purposes of explaining rehabilitation policies and procedures.

DETERMINATION OF FINANCIAL ELIGIBILITY

The Agency staff shall prepare a financial eligibility statement for the Applicant.

Upon verification and completion of the financial eligibility statement, the Agency staff shall determine and verify the Applicant's financial eligibility according to the eligibility requirements implemented in this plan.

If on the basis of income and ability-to-pay, an applicant is determined to be ineligible for a rehabilitation forgivable loan, the Applicant shall be notified in writing of such determination, the reasons for such determination, appeal procedures, other potential resources for assistance in rehabilitating his or her property for which the Applicant may be eligible and means of applying for such assistance. The Applicant's file shall be placed in an over-income file.

DETERMINATION OF ELIGIBLE REHABILITATION COSTS

A general Structural Condition Survey has been prepared in conjunction with the application and Development Plan.

The Structural Condition Survey identifies the condition of all items potentially eligible for rehabilitation. The ratings determined by the Inspector on the Structural Conditions Survey will be used to determine the eligible costs and repairs to be contracted. Items in acceptable condition (meeting the conditions established in the Housing Code), those requiring rehabilitation (not in accordance with Housing Code) and incipient violations of the Housing Code shall be documented.

The Agency staff shall determine the eligibility of the structures in accordance with requirements.

WORK WRITE-UP AND COST ESTIMATE

Upon determining that a structure is eligible for rehabilitation construction, the Agency staff shall prepare a specific work write-up and cost estimate for all rehabilitation, construction, labor and materials necessary to bring the structure into complete compliance with the Housing Code.

Based on a rehabilitation inspection, a work write-up and cost estimate is a statement prepared by the Agency which itemizes all the rehabilitation work to be done on the property and includes an estimate of the cost for each item. The cost estimate shall be reasonable and shall reflect actual costs prevailing in the locality for comparable work.

Each item of work and its estimated cost shall be identified in the work write-up as being either necessary to meet the Housing Code or for other purposes that may be eligible to be financed with rehabilitation assistance funds.

If the total estimated cost of the work exceeds the amount of rehabilitation assistance the applicant can receive, or exceeds the amount of financial assistance available to do all the work, the Agency shall eliminate or modify items in the work write-up as necessary to reduce estimated cost; however, items of work necessary to meet the Housing Code shall not be eliminated.

Preliminary work write-ups should not contain details that have no significant effect on cost, such as color, style or pattern. Decision on these details can be made when preparing the specifications for the construction contract documents. As appropriate, the term "to be selected by the owner" shall be used.

CONSULTATION WITH APPLICANT

As soon as possible after inspection of the property, the Agency shall consult with the applicant/owner on the specific work write-up and cost estimate.

The Agency shall advise the applicant/owner which items of work are required to meet the Housing Code and which are not required, but which may be financed with the rehabilitation forgivable deferred loan. The Agency should be prepared to eliminate or modify any item in the preliminary work write-up that is not required by the Housing Code. The owner must be consulted should any items be modified or eliminated from the original work write-up. Applicants receiving FDLs will use the Agency-established low bidder contractor for the rehabilitation work. Applicants may select another contractor provided that contractor is on the approved list and is paid no more than the amount of the low bid. This may be negotiated with the contractor and the owner may eliminate any work not required to meet the building code to reduce the work to the low bid price.

As a result of the consultation and agreement between the Agency and the Owner on the work to be done, the Agency shall prepare a final work write-up and cost estimate. The final work write-up shall be the basis for the specifications in the construction contract documents to be used to solicit bids and proposals from contractors.

SPECIFICATIONS AND DRAWINGS

Specifications based on the final work write-up and any necessary illustrative sketches shall be prepared by the Agency covering the specific rehabilitation work for the structure. Drawings shall be prepared (where necessary) to show the scope of the work involved so that a fair bid for the work can be obtained and so that misunderstanding with the bidder will be avoided. The specifications shall clearly establish the nature and location of the work to be done and the material and equipment to be installed. Known acceptable brands shall be identified by reference to manufacturer's or association specifications and provisions shall be made for the acceptance of equal substitutions. Master specifications will be prepared and given to each

contractor prior to performing any rehabilitation work and will be included in all contracts by reference.

CONTRACTING FOR REHABILITATION OR RECONSTRUCTION WORK

GENERAL

This section sets forth requirements and procedures with respect to rehabilitation contracts for work financed through the Rehabilitation Assistance Program.

REQUIRED CONTRACT

Rehabilitation activities financed through the Rehabilitation Assistance Program shall be undertaken through a written contract (a standard form prepared by the Agency) between the contractor and the property owner. The Agency staff shall assist the property owner in preparing a suitable written contract. The contract will not be valid unless approved in writing by the Agency and the property owner.

THE CONTRACT DOCUMENT

The contract will consist of a single document signed by the contractor and accepted by the property owner, only following approval of the rehabilitation assistance or reconstruction activities. It shall contain a bid and proposal by the contractor, the general conditions, the specifications for the work to be performed, the work write-up and, by any reference, Master Specifications.

GENERAL CONDITIONS

The Agency staff shall prepare minimum general conditions for use in all contracts for the rehabilitation of property or reconstruction activities.

OBTAINING CONTRACTOR'S BID AND PROPOSALS

The Agency will establish and, on the basis of its experience, maintain a current listing of contractors who are qualified to perform, who are verified on the HUD Web site as not being debarred, and who are interested in doing rehabilitation or reconstruction work. While the list, in a limited way, may serve the purpose of pre-qualifying bidders, it shall not be used as a means of excluding bidders who are not on the list at the time the submission of a bid and proposal is in order. Vigorous efforts will be maintained to encourage minority business participation in the execution of the administration and contract phase of the program.

INVITATION TO CONTRACTOR FOR BID AND PROPOSAL

Contractors on the "approved list" will be contacted with regard to homes that are ready for rehabilitation or where reconstruction activities are proposed. Several contractors will be asked to review the work write-up or house plans, specifications and the structure (if job is a rehab). After this review, the contractors will be asked to submit bids on the job. All bids will be reviewed and compared to the Agency's cost estimate. If the low bid is within the 15% above-below range, the bid will generally be acceptable. If the bid exceeds the 15%, the Agency will re-evaluate the Agency's cost estimate for accuracy and reserve the right to negotiate with the Contractor. If no agreement can be reached which is acceptable to both parties, the Agency will negotiate with the next lowest bidder. If no agreement can be reached through the above described negotiations, the proposed work may be rebid.

ELIGIBLE CONTRACTORS

In order for a Contractor to qualify for reconstruction or rehabilitation work, it will be necessary that the Contractor submit to the Agency an application to be placed on the eligible contractor's

list. The Agency shall verify information on the application, and the eligibility of the contractor must be approved by verifying their eligibility regarding exclusion from federal procurement, suspension and other responsibilities. All Contractors are required to carry and provide evidence of Worker's Compensation Insurance in accordance with statutory requirements for all employees at the job site and must ensure all subcontractors do the same. All contractors must provide proof of at least ***Insert \$ Amount*** in business liability insurance, which must be maintained during the life of the contract. All contractors performing rehabilitation activities must provide evidence they are qualified to perform lead work, such as proof of attendance at a safe work practices training session and a copy of the Kentucky certification for abatement supervisor and workers. The Contractor will be notified in writing of the Agency's decision if they are found to be ineligible.

REMOVAL OF CONTRACTORS FROM APPROVED LIST

Poor performance, quality of work, failure to uphold the one-year guarantee, failure to obtain/maintain required insurance or disapproval from HUD may cause a Contractor's name to be removed from the "approved contractors" list. The following list contains additional reasons for which the Agency may decide that a contractor's name may be deleted from the approved list. The list includes, but is not limited to:

- A. Continuous poor quality work as determined by the Agency.
- B. Failure to pay subcontractors or material suppliers.
- C. Contractor's insolvency, bankruptcy or other conduct or condition which has resulted in a monetary loss to a homeowner or to the Agency in connection with the contract work.
- D. Abandonment of a job or repeated failure to complete contract work within the specified time limit.
- E. Contractor's conviction of a crime in connection with contract work or in connection with payment or receipt of funds administered by the Agency.
- F. Failure to maintain a current business license and registration with the local building official.
- G. Failure to maintain worker's compensation insurance and general liability insurance.
- H. A history of job abandonment, bankruptcy, subcontractor or supplier payment problems, or similar problems with have resulted in financial losses to other federally funded housing programs.

AWARD OF REHABILITATION OR RECONSTRUCTION CONTRACT

The contract shall be awarded by the Agency on behalf of the owner after proper examination of the bid by the Owner and the Agency.

In award of a contract for the rehabilitation work or for reconstruction, the owner of the property shall execute the original contract documents. The executed contract documents shall be distributed as follows:

Executed original to contractor

Executed counterpart to Applicant and/or Owner

Executed copy retained by Agency

GUARANTEE TO COMPLETE REHABILITATION

In cases in which the Owner agrees to complete certain items of rehabilitation as required by the Housing Code (i.e., cases in which all Housing Code requirements are not included in a contract), the Owner shall sign a "Guarantee to Complete Rehabilitation." The award of the rehabilitation assistance shall be contingent upon the signing of such a guarantee.

ISSUANCE OF PROCEED ORDER

At the time the award is made, the Agency Staff shall remind the applicant/owner and the successful Contractor that the undertaking of the work covered by this contract is subject to issuance of an order to proceed within the number of days stated in the general conditions of the contract from the date of the award.

The order to proceed shall be prepared by the Project Manager, signed by the Project Manager, Contractor and Owner, and shall be distributed by the Agency as follows:

Original to Contractor

One copy to the Owner

One copy retained by the Agency

PRE-CONSTRUCTION CONFERENCE

A pre-construction conference will be held prior to issuing the notice to proceed for any reconstruction or rehabilitation activities. The homeowner, contractor, and project manager or duly authorized representative shall be present at the pre-construction conference to review specifications and/or work write-ups of the work to be performed by the contractor. All parties will be required to sign off on these items as well as a pre-construction conference checklist in order to ensure that each has a thorough understanding of the work to be done and the timeframe for completion.

SELECTION OF MATERIALS

Materials utilized by the Contractor for roofing, siding, cabinetry, flooring, and countertops must be provided to and approved by the Owner and Project Manager. In addition, all color selections for roofing, siding, shutters, exterior painting, flooring (carpet and vinyl), countertops, and cabinets will be selected by the Owner. A form containing the Owner's color selections and signature will be given to the Contractor to alleviate potential misunderstandings. Should materials be unavailable or the Owner wishes to modify his/her selection (prior to the ordering and installation of the materials by the contractor), the form should be modified and initialed by the Owner, Contractor, and Project Manager. Failure to modify the form in advance of these changes shall be done so to the liability of the Contractor. Installation of materials (by the Contractor) other than those approved by the Owner and Project Manager may result in the Contractor removing and replacing these materials at his/her own expense.

LIQUIDATED DAMAGES

As specified in the contractor's contract with a homeowner, liquidated damages will be assessed for any work not finished by the completion date or for any faulty workmanship or materials not remedied or replaced by the contractor.

ARBITRATION

Appropriate action mentioned above shall include arbitration to ensure the protection of both the Applicant and the Contractor. Arbitration will be provided by the Agency. The Agency will inspect the work and determine if it has been performed in accordance with the contract and in a competent manner. If the work has not been completed properly, the Contractor will be ordered to make the necessary corrections before receiving any further payment. If the Contractor fails to make the necessary corrections prior to the expiration of his or her contract, the Agency shall assist the Applicant in obtaining another contractor to make the corrections. When corrections are made to the satisfaction of the Agency, the Agency shall make the necessary arrangements to pay the new Contractor for the corrections from the Applicant's rehabilitation account. At this time, the Contractor who failed to perform shall be paid the balance of the funds remaining in the contract, if any. This payment shall only be made upon receipt of the appropriate release of lien documentation. If the Contractor does make the corrections as requested and the work is deemed satisfactory by the Agency, the final payment shall be disbursed to the Contractor.

CONSTRUCTION INSPECTIONS

GENERAL

Inspection of construction work funded with Agency rehabilitation assistance shall be performed by the Agency. To accomplish this, the Agency shall, as necessary, make:

Interim inspections to ensure that the construction work is being completed in accordance with the construction contract.

A final inspection to determine that the construction work is being completed in accordance with the construction contract.

A sixty (60) day follow-up inspection to ensure no problems have occurred as a result of completed work. If so, corrective action will be deemed necessary.

RECONSTRUCTION INSPECTIONS

The contractor is required to obtain a building permit on all reconstructed homes and to obtain a footer, framing, and final inspection from the local building inspector. Documentation from the building inspector showing that these inspections have been done and that the house is in compliance with the building code must be provided to the Agency. If the contractor fails to have a footer inspection done, the contractor (at his/her own expense) will be required to obtain a letter from a structural engineer certifying that the footer meets the building code and plans. This letter must contain the engineer's stamp and original signature. Prior to final payment, the contractor must also provide a copy of the termite certificate and certificate of occupancy (where issued) to the Agency. No house shall be occupied until the final electrical and plumbing inspections have been passed and a certificate of occupancy has been issued.

INTERIM INSPECTIONS

Interim inspections will be made by the Agency staff dependent upon the amount of work and period of construction. In any case, at least one interim inspection per month will be made. Interim inspections will be made before progress payments are made on a Contractor's invoice. Interim inspection reports will be prepared by the inspector.

PROGRESS PAYMENTS

Issuance of a progress payment, if authorized by the contract, will be dependent upon favorable interim inspection reports indicating that the work completed is in compliance with the construction contract. In the event that work completed is not in compliance, it shall be the duty of the Agency staff to obtain appropriate corrective action from the Contractor. The Contractor shall be notified verbally, at the time of the inspection for progress payment, of any necessary corrective action to enable the Agency to make a progress payment. Agency staff will document this notification in the case file. This verbal notification will be followed up by a written memorandum to the Contractor if the work is not completed as required by the verbal notification.

Interim inspections should ascertain that the work completed is valued at an amount equal to the progress payment requested. No payment will be made on a construction contract until the Contractor has satisfactorily completed the necessary corrective action.

RETAINAGE

Contractors performing rehabilitation work shall be subject to 10% retainage until the owner signs a completion of work form. On reconstruction, the contractor will be required to furnish and pay one of the following: 1) one-hundred percent performance or payment bond or bonds; 2) a 20% cash escrow; 3) a 25% irrevocable letter of credit; 4) a contractor may opt for 25% retainage on completed work; or 5) 10% retainage with contractors and subcontractors release of liens provided with every pay request.

CHANGE ORDERS

Change orders shall be issued on behalf of the Owner and executed by the Rehabilitation Inspector, Project Manager, Contractor, and homeowner when changes are required in the contract. Change orders may be used to add items of work which become evident after work is started. The Contractor shall not be authorized to perform any work outside the scope of the original contract without a written and properly executed change order. Unless formally approved as a change order by the Project Manager, any modifications to the contract, write-up or house plans, materials used, Owner color selection sheet, or specifications shall be done so at the risk of the Contractor and possibly to the cost of the homeowner if an unapproved verbal agreement was made between the Owner and Contractor.

FINAL INSPECTION

Upon completion of the rehabilitation work and receipt of the Contractor's invoice containing his or her certification of satisfactory completion of all the work in accordance with the contract and his or her warranty, the Agency shall obtain from the Contractor a Release of Liens, including releases from all subcontractors and suppliers and a copy of each warranty, before making the final payment.

If the Contractor cannot provide the Agency with a satisfactory Release of Liens, the Agency, may, with Owner's approval, pay the supplier and/or subcontractor directly. The Contractor will be notified in writing of the Agency's intent to pay the supplier or subcontractor directly seven (7) working days prior to the date the Agency will make these payments. The supplier or subcontractor will be required to sign a release of liens at the time of payment.

Final payment will be made within thirty (30) days of receipt of all necessary documents. In the case of an applicant performing his or her own rehabilitation, any incomplete rehabilitation work identified in the "Applicant's Guarantee to Complete Rehabilitation" shall be noted at the time of final inspection.

OWNER'S ACCEPTANCE OF WORK

The Owner will be asked to sign the Owner's Acceptance of Work. If there are any problems with workmanship, etc., these will be negotiated by the Agency between the Owner and the Contractor. In the instance that the Owner makes unreasonable request or demands and the Contractor has otherwise satisfied the requirements of the Agency, the Agency reserves the right to override the Owner's decision, accept the work, and begin closeout procedures. In the instance where the Agency's decision supersedes the non-acceptance of the Owner, the Agency will thoroughly document the reasons for the decision to close out the rehabilitation despite the homeowner's objections.

CERTIFICATION OF FINAL INSPECTION

After the Agency determines that the work, as indicated in the contract agreement with the Contractor has been fully and satisfactorily completed and the final inspection report obtained, the Agency shall prepare a "Certification of Final Inspection" which shall be signed by the Owner, Agency representative, and Contractor.

FOLLOW-UP INSPECTION

In some cases, defects and inadequacies in the construction work, not apparent at the time of final inspection, may show up after final payment for the work is made and the "Certification of Final Inspection" has been issued. Most of these are minor, such as floors and windows that stick after painting. However, others are serious, such as roof leaks not ascertainable until after a rain, defects in the heating systems installed during the non-heating season that were not revealed in the limited tests after inspection. All work performed by the contractor is covered by a one-year guarantee. Owners may require the Contractor to correct significant defects and inadequacies found in the construction work performed under this contract. After final inspection, the Agency shall make an additional call on the Owner to ascertain if there are any complaints about the work which has been done. This call shall be made within sixty 60 days after the issuance of the "Certification of Final Inspection." The Agency shall inspect the work to ascertain if the complaint is valid. If the complaint is valid, the Agency will assist the owner in obtaining prompt corrective action from the Contractor. Any problems that may occur after the sixty (60) days must be resolved between the Owner and the Contractor.

RELOCATION ASSISTANCE

GENERAL

Relocation will be in accordance with the Optional Relocation Policy adopted by *Insert Name of Agency's Governing Body*.

STORAGE

If rehabilitation work cannot be completed with the occupant's household goods in place, the Agency may provide insured storage space. The Agency may pay the cost of insurance and moving to and from storage.

RELOCATION AND ANTI-DISPLACEMENT PLAN

In the implementation of the *Insert Name of Housing Project*, it will be necessary to temporarily relocate family household occupant's living in deteriorated structures to safe, decent and sanitary housing. As this is a voluntary project, no permanent relocation is anticipated. However, if due to unforeseen circumstances, it is necessary to provide permanent relocation, such relocation will be done on a voluntary basis. Therefore, relocation will not be in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (URA or Uniform Act), as amended.

A. Administration

All relocation activities in the *Insert City or County Name* will be administered by the designated approving officer and in accordance with the agency's relocation procedures

B. Purpose

The purpose of this relocation function is to establish and provide assistance to persons and families who may be relocated as part of the rehabilitation, reconstruction/clearance activities and in obtaining suitable, safe, decent, and sanitary temporary housing.

C. Relocation Standards

1. Physical and Occupancy Standards

All units considered for replacement housing must meet Kentucky Residential Code for reconstructed houses and International Code Council (ICC) Property Maintenance Code for houses that are rehabilitated. Any housing used for relocation purposes must meet HUD Section 8 Housing Quality Standard, the appropriate building codes and have the appropriate number of bedrooms for the family size.

2. Ability to Pay

No individual or family should be expected to pay rent or mortgage payments and utilities that will exceed 30% of their gross monthly income.

3. Environmental Standards

A suitable temporary housing unit must be in a location free of adverse environmental conditions and the agency will make every effort to consider similar accessibility as the family's former residence to public services, utilities, employment, commercial facilities, churches, recreation, etc.

4. Non-Discrimination

All housing considered for this relocation activity are open to all persons regardless of race, color, religion, sex, disability, familial status, or national origin, in a manner consistent with Title VII of the Civil Rights Act of 1968.

5. Proposal for Assuring Availability of Replacement Housing

Since all structures included in this voluntary project will be assisted by

rehabilitation and/or reconstruction activities, it is anticipated that replacement housing will be rehabilitated or constructed on the family's existing lots. However, should this not be the case due to unforeseen circumstances, all persons being relocated will be assisted in purchasing or constructing replacement homes in other areas of the jurisdiction.

6. Relocation Assistance Advisory Services

At the earliest possible date, any person to be permanently displaced as part of the project will be informed of the relocation procedure, replacement housing referrals, financial assistance, and social services assistance available under the relocation activity. Eligible persons will be informed verbally and given written information statements about the relocation process and financial assistance to ensure their understanding of the program and a smooth relocation.

7. Housing Discrimination Complaint:

If a person displaced by this relocation activity is unable to purchase or rent a replacement dwelling because of alleged discriminating practices pertaining to race, color, creed, or national origin, a HUD Housing Discrimination Complaint Form shall be made available, completed, and filed for each family or individual so aggrieved.

8. Social Services

Persons being relocated will be provided with needed social services counseling prior and subsequent to their relocation. The Agency shall endeavor to assure the availability of counseling services related to job, financial, educational, health, and other social services. Referrals will be made to governmental, civil, and community agencies.

D. Equal Opportunity

1. The Agency shall take such actions as listed below to assure that any displaced persons are provided with the maximum opportunities to select replacement housing within the community's total housing supply; lessen racial, ethnic, and economic concentrations; and facilitate desegregation and racially inclusive patterns of occupancy and use of public and private facilities:
 - a. Make full use of HUD properties, multiple listing services, and normal real estate management and brokerage services.
 - b. Inform members of minority groups of housing opportunities in non-traditional neighborhoods and provide services to familiarize them with such neighborhoods.
 - c. Cooperate fully with fair housing groups, human relations bodies, and other social groups, civic and religious groups interested in facilitating freedom of residence.

E. Grievance Procedure

1. Each person receiving assistance will be informed both verbally and in writing about the grievance procedure. The grievance procedure will operate as follows:
 - a. A person may file a written appeal in any case in which the person believes that the Agency has failed to properly determine the person's eligibility for assistance or has failed to provide equal assistance based upon the Program Guidelines. A person may also request an appeal concerning a review of the quality and adequacy of housing rehabilitation activities offered.
 - b. A person is encouraged to first contact the Approving Officer for clarification prior to filing a formal written appeal to the Agency. If resolution is to no avail, the Approving Officer can assist the person in filing an appeal.
 - b. The first level of appeal is to the Agency. All appeals should be sent to the **Insert Mayor's or Judge's** office at the **Insert City or County Address**.
 - c. All appeals will be reviewed by the Agency within fifteen (15) days from the receipt and the person filing the appeal will be notified in writing of the Agency's decision, the basis for that decision, and notification of the right to appeal the decision to the Department of Local Government.
 - d. The Agency shall permit a person to inspect and copy all materials pertinent to his or her appeal except materials which are classified as confidential by the agency.
 - e. If the Agency disapproves an appeal, the appellant is entitled to a review by the Department of Local Government, Office of Federal Grants, 1024 Capital Center Drive, Suite 340, Frankfort, Kentucky 40601. A state review may be obtained by sending a written request to the Department of Local Government at the above address within thirty (30) days after receiving the review findings from the Agency.

F. Relocation Payments

Since all structures included in this voluntary project will be rehabilitated and/or reconstructed, relocation payments will not be offered. However, should this not be the case due to unforeseen circumstances, all persons being relocated will be assisted as part of the voluntary project. Therefore, relocation will not be subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (URA or Uniform Act), as amended.

G. Temporary Relocation

Temporary relocations must be approved by the Approving Officer and must be consistent with the Optional Relocation Policy adopted by **Insert Name of Agency's Governing Body**. A family that moves of their own accord without prior approval

for a temporary relocation will not be eligible for reimbursement of costs. Circumstances when temporary relocations may be approved include the following:

- 1) The family's house must be demolished in order for their replacement house to be constructed requiring them to temporarily re-locate to another house.
- 2) The rehabilitation activities are extensive or include the removal of lead based paint which makes it necessary for the family to temporarily re-locate to another house awaiting repairs.

All families will be encouraged to stay with friends or relatives especially when the temporary relocation is for a short period of time (30 days or less). Relatives and friends may charge the relocated family rent for providing shelter. However, the rent must be reasonable and not exceed one-half of the HUD published fair market rent for the size of the unit they are staying in.

For longer relocations, the temporarily relocated family will first be given the option of renting any available housing the Agency may have acquired that would be suitable for temporary housing. Next, the Agency will work with the local public housing authority to provide temporary housing. If these sources are not available, the family will be assisted in finding a local, moderately priced available rental property. Rents must be reasonable for the area and generally should not exceed the HUD fair market rent for the locality. The Agency will pay the monthly rent and any reasonable, documented direct out of pocket moving costs. **All rents must be documented by rental agreement or lease.** In general, the family will be responsible for utilities at the temporary site on the same basis as the house they were temporarily relocated from.

H. Anti-Displacement Plan

1. A total of **Insert Number** dilapidated structures included in the **Insert Name of Housing Project** are unsafe and need to be rehabilitated and/or require clearance. The Agency maintains a comprehensive listing with the addresses of all houses receiving assistance. As this is a housing rehabilitation program and each house demolished will be replaced, Section 104-D requirements for replacing the units lost do not apply. In general, the rehabilitated/reconstructed houses will have the same number of bedrooms as the existing house unless additional bedrooms are needed to meet HUD guidelines.
2. It is anticipated that the project will be completed by **Insert Grant Agreement Expiration Date**. This includes all rehabilitation and demolition/reconstruction activities.
3. **Insert Number** new replacement homes will be constructed as part of the project. It is anticipated, based on those families that have been preliminarily approved for the project that this includes **Insert Number** 3-bedroom houses, **Insert Number** 2-bedroom houses and **Insert Number** 4-bedroom house. These units with a total of **Insert Number** bedrooms will replace the **Insert Number** lost through demolition. The Agency maintains a comprehensive listing with the addresses listed for all houses receiving assistance which are the same addresses of the construction of replacement homes.
4. The source of funds for the construction of replacement homes will be CDBG

funds in the form of *Insert Number of Years* forgivable deferred loans. A total of *Insert \$ Amount* in CDBG funds and *Insert \$ Amount of Other Matching Funds* will be used toward project costs. It is anticipated that all replacement homes will be constructed by *Insert Date*.

5. The replacement homes will be constructed for owner occupants participating in the project. As 100% of the owners of the reconstructed homes are LMI, it is anticipated that this percentage of replacement homes will continue to be occupied by LMI families for the next ten years.

**Attachment 10-4:
Sample Real Estate Mortgage**

REAL ESTATE MORTGAGE

(SAMPLE ONLY: Please have Grantee Attorney prepare in accordance with local policy.)

THIS MORTGAGE, made and entered into this ____ day of _____, between _____ the owner(s) of the property located at _____ hereinafter called the Mortgagor, and the _____, acting on behalf of the Grantee, _____, hereinafter called the Mortgagee;

WITNESSETH

THAT for the purpose of securing the payment of the indebtedness herein mentioned and all renewals and extensions thereof and for the purpose of securing the fulfillment of all covenants and conditions hereafter contained, the Mortgagor hereby conveys to the Mortgagee with Covenant of General Warranty the fee simple estate to the property hereinafter described together with the buildings and improvements erected thereon, and all rights therein (hereinafter referred to as the "Property"), together with rents, issues and profits therefrom, except that the sole purpose of this conveyance is to secure the payment of Mortgagors' indebtedness to the Mortgagee, said debt being described below.

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns forever.

NOW, THEREFORE, the Mortgagor is justly indebted to the Mortgagee in the principal sum of _____ DOLLARS (\$ _____), as secured by an Promissory Note of even date herewith, with the stated principal and interest payments as shown therein, and the other provisions and obligations, all of which the Mortgagor hereby acknowledges. The Promissory Note bears a final maturity date of _____.

The Mortgagor warrants the title to the property and covenants that he has a good and right to mortgage and convey the same; that the same is free from all encumbrances, liens, claims or charges prior to or on par with this Mortgage; that the Mortgagor has a good and perfect title to the same and that this Mortgage is and shall be the first and/or best lien against the property.

In addition, the Mortgagor, in order to more fully protect the security of this Mortgage, covenants and agrees as follows:

1. To pay the Note and interest, if any, thereon as hereby secured according to the terms thereof.
2. To pay promptly all taxes or assessments, general and special, now or hereafter levied against the property.
3. To keep the improvements now existing or hereafter erected on the Property in good condition and repair and to, at his/her own expense, procure, deliver to and maintain for the benefit of the Mortgagee, policies of insurance upon the Property providing the following insurance coverage, with a company or companies acceptable to the Mortgagee, which shall not be cancelable, except upon not less than 30 days prior written notice to the Mortgagee:
 - (a) Property insurance consisting of fire, extended coverage, vandalism and malicious mischief, with waiver of subrogation and a standard form of mortgage clause payable to the Mortgagee, insuring to the full insurable value of the property on the basis of replacement cost, either without co-insurance requirements, or with coverage adequate to avoid co-insurance penalty.

- (b) Flood insurance with such coverage in such amounts as are satisfactory to the Mortgagee if the property is in an area currently identified or hereafter identified by the Secretary of Housing and Urban Development as having special flood or mud slide hazards.

The Mortgagor will pay the premiums on such policies when due and deliver to the Mortgagee, upon its request, the official receipt for such premium payments. Upon issue of such policies, Mortgagor will promptly deposit them with Mortgagee as additional security. The Mortgagor further covenants to deliver to the Mortgagee at least satisfactory evidence of the payment of premium and the reissuance of a policy continuing insurance in force as required by this Mortgage. All insurance proceeds shall be applied to the payment of any indebtedness hereby secured, or at the option of the Mortgagee to the repairing or replacement of the Property.

Should the Mortgagor fail to maintain such insurance, or to keep the policies deposited with the Mortgagee, or to promptly make repairs and replacements, or to pay the taxes and assessments referred to in paragraph #2 above, the Mortgagee may, at its option, procure and pay for such insurance, cause such repairs or replacements to be made, and/or pay such taxes or assessments, and the sums so paid shall be immediately due and payable and shall be a part of the indebtedness secured by this Mortgage (with the lien therefore deemed to be equal in dignity to the lien securing the other indebtedness secured hereby) and bear interest at the rate of 0% over the Federal Reserve Discount Rate or 00%, whichever is less.

In the event of any loss or damage, the Mortgagor will give immediate notice thereof to the Mortgagee, and Mortgagee may thereupon make proofs such loss or damage, if the same is not promptly made by the Mortgagor. All proceeds of insurance, in the event of such loss or damage, shall be payable to the Mortgagee and any affected insurance company is authorized and directed to make payment thereof directly to the Mortgagee. The Mortgagee is authorized and empowered to settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance. All such insurance proceeds may, at the sole discretion of the Mortgagee, be applied to the restoration, repair replacements, or rebuilding of the Property, or to and in reduction of any indebtedness secured by this Mortgage. The delivery to the Mortgagee of any policy or policies of insurance hereunder, or renewals thereof, shall constitute an assignment to the Mortgagee of all unearned premiums as further security for the payment of the indebtedness secured thereby. In the event of foreclosure of this Mortgage or other transfer of title to the Property in extinguishment of the indebtedness secured thereby, all right, title and interest of the Mortgage in and to any insurance policies then in force shall pass to the purchaser or Grantee.

4. The Mortgagor shall not commit, permit or suffer any waste, impairment of deterioration beyond normal wear and tear of the Property or any part thereof or the destruction or removal of any part of the Property.
5. Should the Mortgagor fail (a) to pay any installment on the said note or interest thereon when the same becomes due; or (b) to pay such taxes or assessments when they become due; or (c) to keep the Property insured against loss by fire and other hazards, casualties and contingencies or to pay the premiums for such insurance when due; or (d) to keep the Property in good condition and repair; or (e) to keep or perform any covenants or stipulations of this Mortgage or the underlying Promissory Note; or (f) should proceedings be instituted involving title to the Property or any part thereof, including the foreclosure of any other mortgage either superior or subordinate or any voluntary or involuntary proceedings; then in any such cases, the Mortgagee may declare the whole indebtedness secured hereby to be at once due and payable, and may forthwith proceed to collect the same and to enforce this Mortgage by suit or otherwise.
6. It is expressly agreed that failure by the Mortgagee to exercise any of its options to precipitate the debt secured because of violation of this Mortgage shall not constitute a waiver of the right to exercise such option. In the event of a waiver of any one of the obligations assumed by the Mortgagor hereunder, it shall not at any time thereafter be held to be a waiver of any of the terms or conditions hereof, except such as are expressly waived.

7. If all or any part of the property or any interest therein is sold or transferred by the Mortgagor without Mortgagee's prior written consent (including a contract for deed or any other conveyance, legal or equitable, of said property by operation of law or otherwise), excluding: (a) the creations of a lien or encumbrance subordinate to this mortgage; (b) the creation of a purchase money security interest for household appliances; (c) a transfer by devise, descent or by operation of law upon the death or a joint tenant; Mortgagee may, at the Mortgagee's option, declare all the sum secured by this Mortgage to be immediately due and payable, and may forthwith proceed to collect the same and to enforce this Mortgage by legal action or otherwise. The Mortgagee shall have waived such option to accelerate if, prior to the sale or transfer, the Mortgagee and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to the Mortgagee and that the interest payable on the sums secured by this Mortgage shall be at such as the Mortgagee shall request.
8. Regardless of whether or not the Mortgagee has consented or agreed under paragraph 9 to the sale of the Property, no sale of the Property and no forbearance on the part of the Mortgagee, nor extension of time for the payment of the debt secured, shall operate to release, discharge, modify, change or affect the original liability of the Mortgagor, or any subsequent persons who become obligated by reason of the assumption of the debt secured either in whole or in part.
9. In the event that Property or any part thereof, shall, during the term of this Mortgage, be condemned and taken for public use or damaged in any way, the Mortgagee shall have the right to demand that all damages awarded for the taking of or damages to the property shall be paid to the Mortgagee to the extent of the then unpaid sum secured hereby.
10. In the event of any change in the laws now in force for the taxation of the Mortgage or debts secured by the Mortgage, or the manner of the collection of any such taxes, so as to affect this Mortgage, the whole of the principal sum secured by this Mortgage, together with the interest due thereon, shall, at the option of the Mortgagee, without notice to any party, become immediately due and payable.
11. Should the Mortgagor pay the indebtedness and perform all the covenants and stipulations hereof, the Mortgagee shall cancel the Promissory Note hereby secured, and shall release this Mortgage on the request and at the cost of the Mortgagor.
12. Should the Mortgagor rent the rehabilitated structure at any time during the specified five (5) year period then the Mortgagee may declare the whole indebtedness secured hereby to be at once due and payable, and may forthwith proceed to collect the same and to enforce this Mortgage by suit or otherwise
13. There shall be no prepayment penalty.
14. This mortgage shall also secure any additional advances of funds for rehabilitation of the mortgaged premises, whether direct, indirect, existing, future, contingent otherwise, said additional indebtedness in no event to exceed the principal sum of \$00,000.00 in addition to the principal amount of the mortgage note set out on page one hereof.
15. If the indebtedness secured by this mortgage is collected by legal or equitable proceedings, or is paid after the institution of such proceedings, then the Mortgagor agrees to pay all expenses of collection, including reasonable attorney fees and commission incurred by the Mortgagee or its assigns, and which the Mortgagee, or its assigns, may have paid or be liable to pay on account of such legal or equitable proceedings. It is expressly stipulated and agreed that the lien of this Mortgage shall extend to and include such expenses, attorney fees and commissions, and that same shall be included in any judgment or decree rendered for a foreclosure of this Mortgage.

**Attachment 10-5:
Sample Promissory Note**

PROMISSORY NOTE

(Secured by Mortgage on Real Estate)

(SAMPLE ONLY: Please have Grantee Attorney prepare in accordance with local policy.)

DATE: _____ REFERENCE #: _____

MORTGAGOR: _____ SECURED ADDRESS: _____

FUNDING SOURCE: _____ AMOUNT SECURED: \$ _____

FOR VALUE RECEIVED, the undersigned, jointly and severally promises to pay the GRANTEE, _____, at such place as the holder of this note shall designate in writing, the principal sum of _____ DOLLARS (\$ _____) immediately and without notice, upon the occurrence of any of the following:

- (1) The sale, lease, transfer or abandonment by any one or all of the undersigned of all or part of his/her/their interest (legal or beneficial) in the real property described below, except as outlined in number 3 below.
- (2) The abandonment by all of the undersigned of the aforesaid real property, as determined by the holder of this note in its sole but reasonable discretion.
- (3) The death of all of the undersigned and resulting sale, lease, transfer, assignment or abandonment. (This provision shall not apply within the City/County of _____. The death of the undersigned will activate prompt forgiveness of the Note, by order of the City/County of _____, Kentucky.)
- (4) The failure by any one or all of the undersigned to comply with the terms and conditions of the Rehabilitation Granting Agreement of even date herewith, and made a part hereto as Exhibit 1, providing for a loan of _____ DOLLARS (\$ _____) between the undersigned and the Grantee. This Promissory Note is expressly subject to and will be bound by the terms and conditions set forth in such Rehabilitation Granting Agreement as if all of such terms and conditions were expressly set forth herein.

This Promissory Note is secured by and is the same Promissory Note referenced in a Real Estate Mortgage of even date herewith executed in favor of the Grantee by the undersigned. This Promissory Note is expressly made subject to and will be bound by the terms and conditions set forth in said Mortgage as if all such terms and conditions were expressly set forth herein. This Promissory Note shall bear no interest.

It is agreed that time is of the essence of this agreement. In case of default of any payment required by the Promissory Note and Mortgage, the holder of the Note and Mortgage may, at its option, declare all of the debt due and payable and enforce its mortgage lien. Any failure to exercise said option will not constitute a waiver of right to exercise the same at a later date.

It is hereby agreed that should said indebtedness or any part thereof be collected by legal or equitable proceedings, or be paid after the initiation of such proceedings, then said mortgagors agree to pay all expenses of collection. These expenses shall include but not be limited to reasonable attorney fees and commissions incurred by the mortgagee or its assigns, and which mortgagee or its assigns may have paid or be liable to pay on account of such legal or equitable proceedings.

**Attachment 10-6:
Sample Applicant Release to Obtain Verification of Income**

Applicant Release To Obtain Verification of Income

Organization requesting release of information (Grantee name, address, telephone, and date)

Purpose: Your signature on this CDBG Program Eligibility Release 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 (Grantee's program name).

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 CDBG Program and/or the amount of assistance necessary using CDBG funds. This information will be used to establish level of benefit on the CDBG 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 Title I of the Housing and Community Development Act of 1974.

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.

X

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

Information Covered: Inquiries may be made about items initialed by applicant/tenant.

	Verification Required	Initials
Income (all sources)		
Assets (all sources)		
Child Care Expense		
Handicap Assistance Expense (if applicable)		
Medical Expense (if applicable)		
Other (list) _____ _____		
Dependent Deduction ____ Full-Time Student ____ Handicap/Disabled ____ Family Member ____ Minor Children		

Authorization: I authorize the above-named CDBG grantee and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the CDBG 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 who are 18 years of age or older will sign this form and cooperate with the owner in this process.

X

Other Adult Member of the Household—Signature, Printed Name, and Date:
Family Member #2

X

Other Adult Member of the Household—Signature, Printed Name, and Date:
Family Member #4

**Attachment 10-7:
Part 5 (Section 8) Annual Household Income Calculation Form**

Section 8 (Part 5) Annual Income Calculation Form

1. Name		2. Identification			
ASSETS					
Family Member	Asset Description	Current Cash Value of Assets		Actual Income from Assets	
3. Net Cash Value of Assets.....		3.			
4. Total Actual Income from Assets.....				4.	
5. If line 3 is greater than \$5,000, multiply line by _____ (Passbook Rate) and enter results here; otherwise, leave blank				5.	
ANTICIPATED ANNUAL INCOME					
Household Members	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
					Enter the greater of lines 4 or 5 from above in e.
6. Totals	a.	b.	c.	d.	e.
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i>					7.

**Attachment 10-8:
Sample Homeowner Authorization for Agency
to Act as Agent for Homeowner**

**SAMPLE HOMEOWNER AUTHORIZATION
FOR AGENCY TO ACT AS AGENT FOR HOMEOWNER**

As recipient of the City/County of _____ CDBG Residential Rehabilitation Assistance Program, I do hereby request the City/County to act as agent on my behalf to provide rehabilitation services including contracting, issuance of the notice to proceed, inspections and approvals (excluding final approval of work).

Property Address: _____

Witness

Homeowner Signature

Homeowner Signature

Project Manager

Date

**Attachment 10-9:
Sample Grievance Procedures**

CITY/COUNTY REDEVELOPMENT PROJECT

SAMPLE GRIEVANCE PROCEDURES

Grounds

You have the right to appeal any decision of the Project Manager and/or the City/County concerning the implementation of the Rehabilitation Program.

Methods and Time Limits for Initiating an Appeal

A written complaint must be submitted to the City/County. The City/County has fifteen (15) calendar days from the receipt of the written complaint to provide a written response. If the complaint is legitimate given the federal regulations and Rehabilitation Policies and Procedures, the City/County will work to resolve the situation. All appeals should be submitted in writing to:

**Mayor or Judge/Executive
City/County
Street
P.O. Box
City/County, KY 40000**

Appeal to the State of Kentucky

If the grievance cannot be resolved by the City/County within 60 days of the initial written complaint, the Owner or Contractor may file a written complaint to the Department of Local Government, Community Development Division, 1024 Capital Center Drive, Frankfort, Kentucky 40601, within thirty (30) days after you receive the review findings from the City/County.

If, in the unlikely event, the grievance cannot be resolved at the state level, the Owner or Contractor may chose to file suit in Circuit Court.

If you have any questions concerning these procedures, do not hesitate to contact:

Project Manager

Name

Address

Phone

**Attachment 10-10:
Sample CDBG Rehabilitation Assistance Application**

SAMPLE CDBG REHABILITATION ASSISTANCE APPLICATION
NAME OF GRANTEE

 THE INFORMATION COLLECTED IN THIS APPLICATION WILL BE USED TO DETERMINE WHETHER YOU QUALIFY FOR THE REHABILITATION ASSISTANCE THROUGH THE KENTUCKY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM. THIS INFORMATION WILL NOT BE DISCLOSED OUTSIDE THE GRANTEE'S FILES WITHOUT YOUR CONSENT, EXCEPT TO YOUR EMPLOYER FOR VERIFICATION OF INCOME AND EMPLOYMENT AS REQUIRED AND PERMITTED BY LAW. YOU DO NOT HAVE TO PROVIDE THE INFORMATION, BUT IF YOU DO NOT, YOUR APPLICATION MAY BE DELAYED OR REJECTED.

PROPERTY TO BE ADDRESSED: _____
PARCEL NO.: _____

I. GENERAL INFORMATION ON OCCUPANTS

FEMALE HEADED HOUSEHOLD ____ YES ____ NO

HEAD OF HOUSEHOLD: _____
 ADDRESS: _____
 HOME PHONE NUMBER: _____ OTHER _____
 SOCIAL SECURITY NO.: _____ SEX: _____ MALE _____ FEMALE
 DATE OF BIRTH: _____ RACIAL CLASSIFICATION: _____
 PLACE OF EMPLOYMENT: _____
 WORK PHONE NUMBER: _____ SUPERVISOR: _____
 RATE/METHOD OF PAY: _____
 HANDICAP, IF ANY: _____

WILL YOUR HOME NEED TO ACCOMMODATE DISABLED PERSONS IN THE HOUSEHOLD: ____ YES ____ NO

CO-APPLICANT'S NAME: _____
 SOCIAL SECURITY NO.: _____ SEX: _____ MALE _____ FEMALE
 DATE OF BIRTH: _____ RACIAL CLASSIFICATION: _____
 PLACE OF EMPLOYMENT: _____
 WORK PHONE NUMBER: _____ SUPERVISOR: _____
 RATE/ METHOD OF PAY: _____
 HANDICAP, IF ANY: _____

NUMBER OF PERSONS IN HOUSEHOLD THAT ARE US CITIZENS _____ NATIONALIZED CITIZENS
 LAWFULLY PRESENT ALIENS _____.

* REQUEST A COPY OF DEED TO PROPERTY (*IF OWNER OCCUPIED). RECEIVED:

* REQUEST A COPY OF TAX RETURN RECEIVED:

* REQUEST A COPY OF PAY STUBS RECEIVED:

OTHER HOUSEHOLD MEMBERS	RELATIONSHIP TO HEAD OF HOUSE	SEX	DATE OF BIRTH	SOCIAL SECURITY #	PLACE OF EMPLOYMENT OR SOURCE OF INCOME	MONTHLY AMOUNT

--	--	--	--	--	--	--

II. UNIT INFORMATION

APPROX. YEAR BUILT: _____ YEAR YOU MOVED IN: _____
 TYPE OF UNIT: _____ HOUSE _____ MOBILE/MODULAR HOME _____ APT. _____ OTHER
 DESCRIPTION: _____ ONE STORY _____ MULTI-LEVEL _____ BASEMENT _____ BRICK _____ VINYL
 _____ WOOD _____ BLOCK _____ OTHER
 TYPE OF HEAT: _____ NATURAL GAS _____ LP GAS _____ COAL _____ ELEC. _____ WOOD _____ OTHER
 NAME OF COMPANY: _____
 TYPE OF SEWER: _____ CITY _____ SEPTIC _____ OTHER
 NAME OF COMPANY: _____
 TYPE OF WATER: _____ CITY _____ CISTERN _____ WELL _____ OTHER
 NAME OF COMPANY: _____
 NUMBER OF ROOMS: _____ KITCHEN _____ SEPARATE DINING ROOM _____ LIVING ROOM _____ DEN
 _____ BEDROOMS _____ BATHROOM _____ OTHER
 HAVE YOU RECEIVED FEDERAL ASSISTANCE IN THE PAST FOR REPAIRS ON YOUR HOME: _____ YES _____ NO
 IS PROPERTY USED FOR ANY PURPOSES OTHER THAN RESIDENTIAL: _____ YES _____ NO
 VISUAL DESCRIPTION
 OF UNIT: _____

III. HOUSING INFORMATION

OWNER

NAME OF OWNER/S: _____
 ADDRESS OF OWNER/S: _____
 PHONE NUMBER/S: _____
 TYPE OF OWNERSHIP: _____ DEED _____ LAND CONTRACT _____ OTHER
 DEED OF RECORD: DEED BOOK _____ PAGE _____, _____ COUNTY COURTHOUSE
 PURCHASED FROM: _____
 DATE OF PURCHASE: _____ AMOUNT: _____

FIRST MORTGAGE OR OTHER
 PAYMENTS MADE TO: _____
 RECORDED: MORTGAGE BOOK _____ PAGE _____, _____ COUNTY COURTHOUSE
 MORTGAGE DATE: _____ ORIGINAL AMOUNT: _____
 MONTHLY PAYMENT: _____ BALANCE OWED: _____

SECOND MORTGAGE OR OTHER
 PAYMENTS MADE TO: _____
 RECORDED: MORTGAGE BOOK _____ PAGE _____, _____ COUNTY COURTHOUSE
 MORTGAGE DATE: _____ ORIGINAL AMOUNT: _____
 MONTHLY PAYMENT: _____ BALANCE OWED: _____

HOMEOWNERS INS. CO.: _____
 ADDRESS: _____
 NEXT PAYMENT DUE: _____
 LIMITS OF COVERAGE: _____

APPLICABLE PROPERTY
 TAXES: \$ _____ CITY _____ DATE PAID _____ UNPAID AND DUE
 \$ _____ COUNTY _____ DATE PAID _____ UNPAID AND DUE
 EXEMPT FROM PAYING

PROPERTY TAXES: CITY: ___ YES ___ NO COUNTY: ___ YES ___ NO

RENTER

DATE MOVED INTO UNIT: _____

MONTHLY AMOUNT: \$ _____ DUE DATE: _____ CURRENT: ___ YES ___ NO

RENTAL INSURANCE: \$ _____ MONTHLY: _____ ANNUAL: _____

LEASE: ___ YES ___ NO IF YES, DATE EXPIRES: _____

INCLUDES UTILITIES: ___ YES ___ NO WHICH UTILITIES: ___ ELEC. ___ GAS ___ WATER ___ SEWER

ACCESSABILITY IN
MILES/BLOCKS TO:

- _____ SHOPPING
- _____ MEDICAL
- _____ PUBLIC TRANSIT
- _____ CHURCH
- _____ JOB
- _____ GRADE SCHOOL
- _____ HIGH SCHOOL
- _____ DAY CARE
- _____ OTHER

APPLICANT AUTHORIZATION AND CERTIFICATION

I CERTIFY THAT THE STATEMENTS MADE IN THIS APPLICATION ARE TRUE, COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND ARE MADE IN GOOD FAITH TO OBTAIN REHABILITATION/RELOCATION ASSISTANCE. I FURTHER UNDERSTAND THAT ANY WILLFUL MISSTATEMENT OF MATERIAL FACT WILL BE GROUNDS FOR DISQUALIFICATION.

I UNDERSTAND THAT ANY INFORMATION, INCLUDING INCOME, PROVIDED IN THIS APPLICATION MAY BE GIVEN TO OTHER STATE AND LOCAL AGENCIES IN ORDER TO COORDINATE REHABILITATION/RELOCATION AND FINANCIAL ASSISTANCE.

WARNING: SECTION 1001 OF TITLE 18, UNITED STATES CODE PROVIDES: WHOEVER, IN ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY OF THE UNITED STATES, KNOWINGLY AND WILLFULLY FALSIFIES, CONCEALS OR COVERS UP A MATERIAL FACT, OR MAKES ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENTS OR REPRESENTATIONS, OR MAKES OR USES ANY FALSE WRITING OR DOCUMENT KNOWING THE SAME TO CONTAIN ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENT OR ENTRY, SHALL BE FINED NO MORE THAN \$10,000.00 OR IMPRISONED NO MORE THAN FIVE (5) YEARS OR BOTH.≡

APPLICANT SIGNATURE DATE _____

WITNESS

CO-APPLICANT SIGNATURE DATE _____

WITNESS

NAME OF PERSON CONDUCTING INTERVIEW: _____

**Attachment 10-11:
Protect Your Family from Lead in Your Home Pamphlet**

Simple Steps To Protect Your Family From Lead Hazards

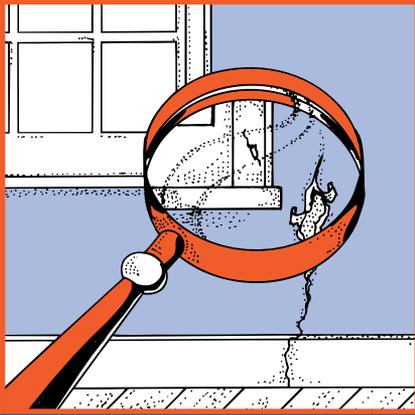
If you think your home has high levels of lead:

- ◆ 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, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.



Recycled/Recyclable

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



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

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.



OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

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 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 about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

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:

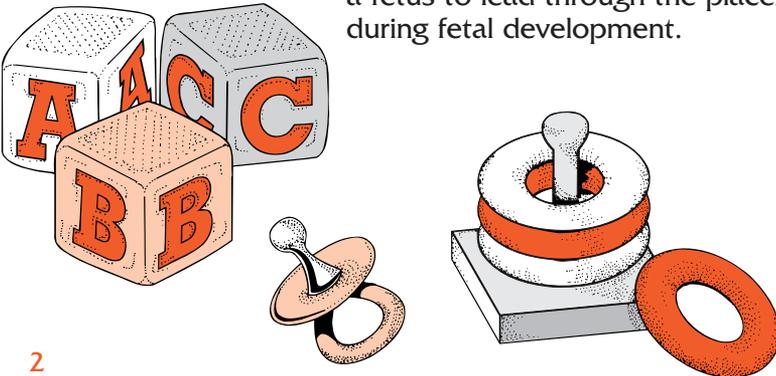
- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).
- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contains lead.

Lead is even more dangerous to children under the age of 6:

- ◆ At this age 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 is also dangerous to women of childbearing age:

- ◆ Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.



Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

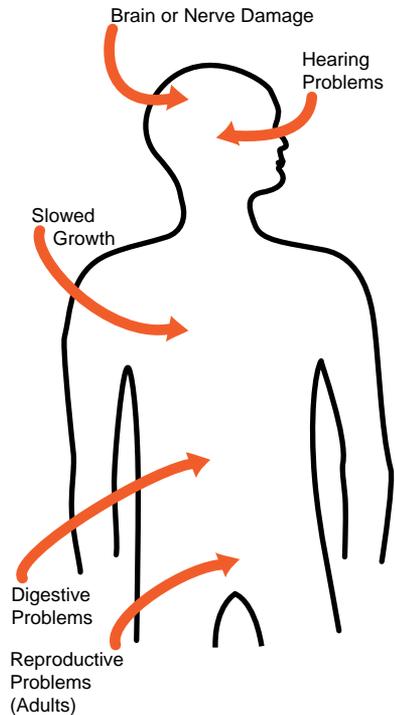
- ◆ Nervous system and kidney damage.
- ◆ Learning disabilities, attention deficit disorder, and decreased intelligence.
- ◆ Speech, language, and behavior problems.
- ◆ Poor muscle coordination.
- ◆ Decreased muscle and bone growth.
- ◆ Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- ◆ Increased chance of illness during pregnancy.
- ◆ Harm to a fetus, including brain damage or death.
- ◆ Fertility problems (in men and women).
- ◆ High blood pressure.
- ◆ Digestive problems.
- ◆ Nerve disorders.
- ◆ Memory and concentration problems.
- ◆ Muscle and joint pain.



**Lead affects
the body in
many ways.**

Where Lead-Based Paint Is Found

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

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

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

Checking Your Family for Lead

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

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

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

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

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

Identifying Lead Hazards

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

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

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

Lead dust can form when lead-based paint is scraped, 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 ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors.
- ◆ 250 $\mu\text{g}/\text{ft}^2$ 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.

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

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 tested for lead in several different ways:

- ◆ A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- ◆ A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- ◆ A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.

Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

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

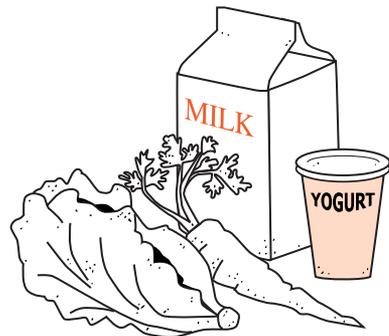
There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits 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 ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors;
- ◆ 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills; and
- ◆ 400 $\mu\text{g}/\text{ft}^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

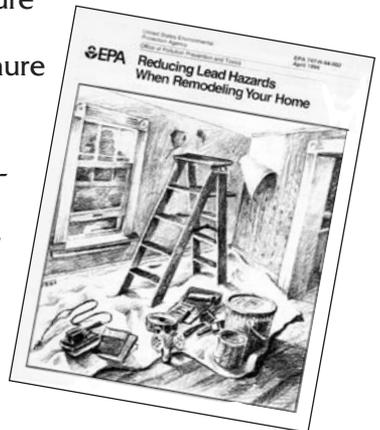
Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- ◆ **Have the area tested for lead-based paint.**
- ◆ **Do not use a belt-sander, propane torch, high temperature 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.

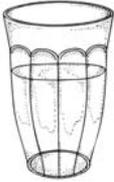
If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



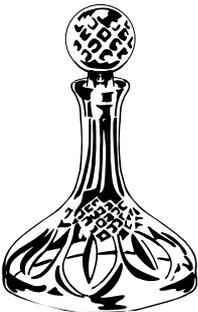
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.



Other Sources of Lead



While paint, dust, and soil are the most common sources of lead, 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/**.

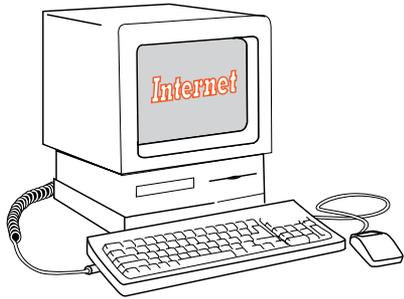


EPA's Safe Drinking Water Hotline

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 Web site 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**.

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

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

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

EPA747-K-99-001
June 2003

**Attachment 10-12:
Verification of Receiving Lead-Based Paint Pamphlet**

Sample Verification of Receiving Lead-Based Paint Pamphlet

I hereby certify that I have received and understand the EPA “Protect Your Family from Lead in Your Home” pamphlet.

Applicant’s Name

Address

Date

City/County Representative

**Attachment 10-13:
Sample Work-Write Up and Cost Estimate Form**

WORK WRITE-UP AND COST ESTIMATE FORMAT (SAMPLE)

Applicant: Mrs. Beasley
425 Fourth Street

Application: #129

Inspector: Orry Marrinoux

Date Inspected: _____

		Estimated <u>Cost</u>
<u>Living Room</u>	10' x 15'	
Floors	Remove existing sub floor (approximately 210 square feet) and replace with plywood sub floor at least 5/8".	\$ _____
	Install sheet vinyl over wood surface, "Armstrong Standard" or equal (approximately 210 square feet).	\$ _____
Walls	Patch holes and cracks in existing plaster (approximately 6 square feet). Include lathing on south and west walls.	\$ _____
	Paint walls (approximately 480 square feet) with two coats of interior latex paint, "Sherman Williams Good" or equal with roller.	\$ _____
<u>Bedroom #2</u>	9' x 11'	
Window	Install screen and lock (3' x 4")	\$ _____
Closet	Install 16" x 36" #2 pine shelf and 1-3/8" clothes pole.	\$ _____
Walls	Paint with 2 coats of interior latex "Sherman Williams Good" or equal with roller.	\$ _____
Doors and Woodwork	Paint using semi gloss "Sherman Williams Good" or equal using brush.	\$ _____
<u>Hall</u>	4' x 10'	
Floor	Remove existing sub floor (approximately 40 square feet) and replace with plywood sub floor at least 5/8".	\$ _____
	Install vinyl asbestos floor tile "Armstrong Standard" or equal (approximately 40 square feet).	\$ _____

		Estimated <u>Cost</u>
<u>Hall (cont'd.)</u>		
	Install shoe and baseboard (approximately 20 linear feet).	\$ _____
Ceiling	Install frame and cover on access hole (approximately 3' x 3').	\$ _____
Electric	Remove existing hanging light cord and replace with NL approved ceiling fixture and switch.	\$ _____
Closet	Rebuild existing closet 3'9" x 2'0"; door size 2068; install 12" #2 pine shelf and 1-3/8" clothes pole.	\$ _____
Walls	Apply 2 coats interior latex "Sherman Williams Good" or equal with roller (approximately 200 square feet).	\$ _____
	Apply semi gloss paint to doors, door jambs and base board. "Sherman Williams Good" or equal with brush.	\$ _____
<u>Kitchen</u>		
	11'6" x 14'5"	
	Install shoe and baseboard approximately 50 linear feet.	\$ _____
	Apply 2 coats interior latex, "Sherman Williams Good" or equal with roller approximately 250 square feet.	\$ _____
Ceiling	Install 12" x 12" celotex tile over existing wood ceiling (approximately 165 square feet) with adhesive.	\$ _____
Windows	Remove existing wood windows, reset and install new trim approximately 2' x 3'.	\$ _____
	Paint window trim using semi gloss "Sherman Williams Good" or equal with brush.	\$ _____
Cabinets	Remove 3 base kitchen cabinets and countertop.	\$ _____
	Install 36" door base cabinets with 2 drawers and 2 cabinets and Formica counter top and 4" backsplash (cost allowance \$ _____).	\$ _____
	Install 36" wall cabinets 24" high over base cabinet (cost allowance \$ _____).	\$ _____

		Estimated Cost
<u>Kitchen (cont'd.)</u>		
	Install stainless steel sink in top 32" x 21" (cost allowance \$_____).	\$ _____
Electric	Install 10" ventilating fan, vent fan through wall over stove.	\$ _____
	Remove existing electrical panel box and install a new panel box (100 amp. minimum with breaker switch) and place all wiring inside wall. Replace all hazardous wiring as per code.	\$ _____
	Install 2 new electrical outlets in kitchen, check wiring, replace as necessary.	\$ _____
<u>Bathroom</u>		
	6' x 8'0"	
Floor	Remove existing sub floor (approximately 54 square feet) replace with plywood sub floor at least 5/8".	\$ _____
	Install vinyl asbestos floor tile, "Armstrong Standard" or equal (approximately 48 square feet).	\$ _____
Ceiling	Remove water damaged plaster down to lathes, replace lathes if damaged, and replaster (approximately 48 square feet), and paint with 2 coats of interior latex "Sherman Williams Good" or equal.	\$ _____
Walls	Scrape, seal and repaint all walls with 2 coats of interior latex "Sherman Williams Good" or equal.	\$ _____
Toilet	Remove and replace existing toilet with new toilet. "Standard quality."	\$ _____
<u>Exterior</u>		
Joists	Remove 4 rear joists, size 2" x 10" x 14" and replace with same size joists.	\$ _____
Facia and Trim	Remove 2 deteriorated barge rafters size 2" x 6" x 12'. Replace with same size rafters.	\$ _____
Screen Doors	Replace 2 existing deteriorated screen doors 3' x 6'8" with new aluminum screen doors.	\$ _____

Exterior (cont'd.)

Estimated
Cost

Exterior
Windows

Weatherstrip 8 windows with spring bronze.

\$ _____

Roof

Remove existing asphalt roofing down to existing sheathing. Remove and replace sheathing if deteriorated.

\$ _____

Install new asphalt/shingles/300 lb. Flash all valleys.
Install new aluminum gutters and down spouts.

\$ _____

**Attachment 10-1(:
Lead Safe Housing Rule Briefing Packet**

Lead-Based Paint Regulations Changes

On September 15, 1999, HUD issued a new Federal lead-based paint regulation implementing Title X of the Housing and Community Development Act of 1992. This regulation makes many important changes in the lead-based paint requirements applicable to housing funded through HUD's Community Planning and Development (CPD) programs. State and local jurisdictions that receive funding from the Community Development Block Grant (CDBG) Program, HOME Program, McKinney Act homeless programs and other CPD programs.

Review the attached summary tables and documents that briefly explain the lead-based paint regulation requirements.

1. Summary of lead-based paint requirements by activity.
2. Four approaches to implementing lead hazard evaluation and reduction.
3. "Lead Speak"—A short glossary of commonly referred to lead-based paint terms.

)

SUMMARY OF LEAD-BASED PAINT REQUIREMENTS BY ACTIVITY

	Homeowner and Rental Rehabilitation (Subpart J)			TBRA (Subpart M)	Acquisition only and Homebuyer (Subpart K)
	<\$5,000	\$5,000 - \$25,000	>\$25,000		
Approach to Lead Hazard Evaluation and Reduction	1. Do no harm	3. Identify and control lead hazards	4. Identify and abate lead hazards	2. Identify and stabilize deteriorated paint	2. Identify and stabilize deteriorated paint
Notification	Yes	Yes	Yes	Yes	Yes
Lead Hazard Evaluation	Paint Testing	Paint Testing and Risk Assessment	Paint Testing and Risk Assessment	Visual Assessment	Visual Assessment
Lead Hazard Reduction	Repair surfaces disturbed during rehabilitation	Interim Controls	Abatement (Interim Controls on exterior surfaces not disturbed by rehabilitation)	Paint Stabilization	Paint Stabilization
	Safe work practices Clearance	Safe work practices Clearance	Safe work practices Clearance	Safe work practices Clearance	Safe work practices Clearance
Ongoing Maintenance	For HOME rental only	For HOME rental only	For HOME rental only	Yes	Yes (if ongoing relationship)
Response to poisoned children	No	No	No	Yes	No
Options	Presume lead-based paint Use safe work practices on all surfaces	Presume lead-based paint and/or hazards Use standard treatments	Presume lead-based paint and/or hazards Abate all applicable surfaces	Test deteriorated paint. Use safe work practices only on lead-based paint surfaces.	Test deteriorated paint. Use safe work practices only on lead-based paint surfaces.

**FOUR APPROACHES TO IMPLEMENTING
LEAD HAZARD EVALUATION AND REDUCTION**

APPROACH 1. DO NO HARM		
Lead Hazard Evaluation	Lead Hazard Reduction	Options
<p>Paint testing performed on surfaces to be disturbed.</p>	<p>Repair surfaces disturbed during work.</p> <p>Safe work practices used when working on areas identified as lead-based paint.</p> <p>Clearance performed</p>	<p>Presume lead-based paint is present and use safe work practices on all surfaces being disturbed.</p>
APPROACH 2. IDENTIFY AND STABILIZE DETERIORATED PAINT		
Lead Hazard Evaluation	Lead Hazard Reduction	Options
<p>Visual assessment performed to identify deteriorated paint.</p>	<p>Paint stabilization of identified deteriorated paint.</p> <p>Safe work practices used.</p> <p>Clearance performed.</p>	<p>Perform paint testing on deteriorated paint. Safe work practice requirements only apply to lead-based paint.</p>
APPROACH 3. IDENTIFY AND CONTROL LEAD HAZARDS		
Lead Hazard Evaluation	Lead Hazard Reduction	Options
<p>Paint testing performed on surfaces to be disturbed.</p> <p>Risk assessment performed on entire dwelling.</p>	<p>Interim controls performed on identified hazards.</p> <p>Safe work practices used.</p> <p>Clearance performed.</p>	<p>Presume lead based paint and/or lead based paint hazards are present and perform standard treatments.</p>
APPROACH 4. IDENTIFY AND ABATE LEAD HAZARDS		
Lead Hazard Evaluation	Lead Hazard Reduction	Options
<p>Paint testing performed on surfaces to be disturbed.</p> <p>Risk assessment performed on entire dwelling.</p>	<p>Abatement performed on identified hazards.</p> <p>Interim controls performed on identified hazards on the exterior that are not disturbed by rehabilitation.</p> <p>Safe work practices used.</p> <p>Clearance performed.</p>	<p>Presume lead-based paint and/or lead-based paint hazards are present and perform abatement on all applicable surfaces – deteriorated, impact, friction, chewable surfaces, and surfaces to be disturbed.</p>

“LEAD SPEAK” – A BRIEF GLOSSARY

COMMON LEAD-BASED PAINT TERMS

Lead-Based Paint: Paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight.

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.

Visual Assessment: A visual inspection of interior and exterior surfaces to identify specific conditions that may be lead-based paint hazards. A visual inspection does not identify lead-based paint. The assessment may be performed by a person trained in visual assessment. Training for visual assessment is available on HUD’s website at www.hud.gov/offices/lead.

LEAD HAZARD EVALUATION

Paint Testing: Testing of specific surfaces, by XRF (x-ray fluorescence) or lab analysis, to determine the lead content of these surfaces, performed by a certified lead-based paint inspector or certified risk assessor.

Lead-Based Paint Inspection: A surface-by-surface investigation to determine the presence of lead-based paint and the provision of a report explaining the results of the investigation. It is performed by a certified paint inspector or risk assessor.

Risk Assessment: A comprehensive evaluation for lead-based paint hazards that includes paint testing, dust and soil sampling, and a visual evaluation. The risk assessment report identifies lead hazards and appropriate lead hazard reduction methods. A certified risk assessor must conduct the assessment.

Lead Hazard Screen: A limited risk assessment activity that can be performed instead of a risk assessment in units that meet certain criteria (e.g. good condition). The screen must be performed by a certified risk assessor. If the unit fails the lead hazard screen, a full risk assessment must be performed.

Clearance Examination: Clearance is performed after hazard reduction, rehabilitation or maintenance activities to determine if a unit is safe for occupancy. It involves a visual assessment, analysis of dust samples, and preparation of report. The certified risk assessor, paint inspector, or lead sampling technician (called a clearance technician in the HUD regulation) performing clearance must be independent from the entity/individual conducting paint stabilization or hazard reduction.

LEAD HAZARD REDUCTION

Paint Stabilization: An interim control method that stabilizes painted surfaces and addressed the underlying cause of deterioration. Steps include repairing defective surfaces, removing loose paint and applying new paint.

Interim Controls: Set of measures to temporarily control lead-based paint hazards. Interim control methods must be completed by qualified workers using safe work practices. Follow-up monitoring is needed.

Standard Treatments: A complete set of interim control methods that when used together temporarily control all potential lead hazards in a unit. Because they address all conditions, a risk assessment or other

evaluation is not needed. Standard treatments must be completed by qualified workers using safe work practices. As with interim controls, follow-up monitoring is needed.

Abatement: Measures to permanently control (i.e., 20 years or more) lead-based paint or lead-based paint hazards. EPA regulations exclude from the definition of 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.” [40 CFR 745.223]

LEAD POISONING

Environmental Intervention Blood Lead Level: The level of lead in blood that requires intervention in a child under age six. This is defined as a blood lead level of 20 µg/dL (micrograms per deciliter) of whole blood or above for a single test, or blood lead levels of 15-19 µg/dL in two tests taken at least three months apart.

KEY UNITS OF MEASUREMENT

µg (Microgram): A microgram is 1/1000th of a milligram (or one millionth of a gram). To put this unit into perspective, a penny weighs 2 grams. To get a microgram, you would need to divide the penny into 2 million pieces. A microgram is one of those two million pieces.

ft² (Square foot): One square foot is equal to an area that has a length of one foot (12 inches) and a width of one foot (12 inches).

µg/dL: Micrograms per deciliter used to measure the level of lead in children’s blood to establish whether intervention is needed. A deciliter (1/10th of liter) is a little less than half a cup. As noted above, a microgram is the same weight as one penny divided into two million parts.

µg/gram: Micrograms per gram of sample, equivalent to parts per million (ppm) by weight. Used to measure lead in soil.

µg/ft²: Micrograms per square feet is the measurement used to measure levels of lead in dust samples. The clearance report should have the dust sampling results listed in µg/ft² (micrograms per square foot).

mg/cm²: Milligrams per square centimeter. Used to measure lead in paint.

percent: Percent by weight, used usually for lead-based paint (1 percent = 10,000 µg/gram)

ppm: Parts per million by weight, equivalent to µg/gram (10,000 ppm = 1 percent). Used to measure lead in paint and soil.

LEAD-BASED PAINT STANDARDS

Paint – Definition of Lead-Based Paint

Paint or other surface coatings that contain at least:

- 1 milligram per centimeters square (mg/cm²) of lead;
- 0.5 percent lead; or 5,000 parts per million lead by dry weight.

*In 1978 the Consumer Product Safety Commission banned the residential use of lead-based paint that contained greater than or equal to 0.06 percent or 600 ppm of lead.

Dust – Federal Thresholds for Lead-Contamination (Risk Assessment/Clearance)

- Floors 40 µg/ft²
- Interior window sills 250 µg/ft²
- Window troughs (Clearance only) 400 µg/ft²*

*Until EPA's final rule on lead-based paint hazards goes into effect, HUD's standards of 800µg/ft² for clearance of window troughs will remain in effect.

Soil – Federal Thresholds for Bare Soil Contamination

➤	Play areas used by children under age 6 µg/gram	400
➤	Other areas, if more than 9ft ² in total area of bare soil per property µg/gram*	2000
➤	Abatement required by HUD µg/gram	5,000

Attachment 10-1) :
Lead Safe Housing Requirements Screening Worksheet Parts 1-4

LEAD SAFE HOUSING REQUIREMENTS SCREENING WORKSHEET

This worksheet should be placed in the project file for any residential property that is assisted with Federal funds. Parts 1 and 2 should be completed for all projects. Parts 3 and 4 should be completed for rehabilitation projects.

Property Owner and Address: _____

Part 1: Exemptions from All Requirements of 24 CFR Part 35

If the answer to any of the following questions is yes, the property is exempt from the requirements of 24CFR Part 35. The regulatory citation of each exemption is cited as additional guidance.

- ❖ Was the property constructed after January 1, 1978? [35.115(a)(1)] YES NO
- ❖ Is this a zero-bedroom unit? (e.g. SRO, efficiency) [35.115(a)(2)] YES NO
- ❖ Is this dedicated elderlyⁱ housing? (i.e. over age 62) [35.115(a)(3)] YES NO
- ❖ Is this housing dedicated for the disabledⁱⁱ? [35.115(a)(3)] YES NO
- ❖ Has a paint inspection conducted in accordance with 35.1320(a) established that the property is free of lead-based paint? [35.115(a)(4)] YES NO
- The date of the original paint inspection was _____. An optional paint inspection conducted on_____ confirmed this prior finding.
- ❖ Has all lead-based paint in the property been identified and removed, and has clearance been achieved as cited below? [35.115(a)(5)] YES NO
- Clearance was achieved prior to September 15, 2000, and the work was done in accordance with 40CFR Part 745.227(b). YES NO
- Clearance was achieved after September 15, 2000, and the work was done in accordance with 24CFR Part 35.1320, 1325 and 1340. YES NO
- ❖ Will a currently vacant unit remain vacant until it is demolished? [35.115(a)(6)] YES NO
- ❖ Is the property used for non-residential purposes?ⁱⁱⁱ [35.115(a)(7)] YES NO
- ❖ Will any rehab **exclude** disturbing painted surfaces? [35.115(a)(8)] YES NO
- ❖ Are emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety, or, to protect the property from further structural damage? (e.g. after natural disaster or fire) [35.115(a)(9)] YES NO
- ❖ Will the unit be occupied for less than 100 days under emergency leasing assistance to an eligible household?^{iv} [35.115(a)(11)] YES NO

ⁱ Defined as retirement communities or similar types of housing reserved for households composed of one or more persons over age 62, or other age if recognized by a specific Federal housing assistance program. However, if a child under age 6 resides or is expected to reside in such a unit, the unit is not exempt.

ⁱⁱ The housing must be a residential property designated exclusively for persons with disabilities, defined as any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of impairment, or is regarded by others as having such an impairment. However, if a child under age 6 resides or is expected to reside in such a unit, the unit is not exempt.

ⁱⁱⁱ Except that spaces such as entryways, hallways, stairways, etc. serving both residential and non-residential uses in a mixed-use property are not exempt.

^{iv} When a household is provided short-term emergency leasing assistance and will occupy a unit for less than 100 days, the unit is exempt from lead paint regulations. This emergency leasing exemption is attached to the unit, not the family, and is a one-time exemption. After being assisted for a total of 100 consecutive days, the unit becomes subject to regular Subpart K requirements. Multiple families cannot be cycled through the same unit at intervals of less than 100 days under this exemption.

^v HUD Interpretive Guidance, April 16, 2001, question # J-24.

**Attachment 10-1* :
HUD EPA Notice and Guidance**

Applying the Policy in the HUD/EPA Abatement Letter

The following provides sample scenarios of the some of the decisions that program administrators will face when determining if the work being done in a rehabilitation project is abatement.

The analysis of each scenario is based on two principles:

1. **Intent.** The HUD/EPA Abatement Letter of April 19, 2001 stresses the importance of intent in determining whether or not a specific activity constitutes abatement. Abatement is defined as an activity that is specifically intended to permanently eliminate lead-based paint or lead-based paint hazards.

The intention to permanently eliminate lead-based paint can be established in one of four ways:

- Abatement is required by a regulation such as the Lead Safe Housing Rule. (Example: Abatement of identified lead hazards conducted in the interior of a unit where the level of rehabilitation assistance is over \$25,000 per unit).
 - Abatement is required by a court or agency order. (Example: A court orders abatement of a unit after a lead-poisoned child is identified in the unit).
 - Project work specifications call for abatement. (Example: The project work specifications specifically state that lead is being permanently removed.)
 - A cost allocation document attributes the cost of an activity to lead hazard reduction **and** the activity in question is an abatement method. There are four abatement methods: component replacement, paint removal, enclosure , and encapsulation. (Example: For a \$18,000 HOME-funded rehabilitation project, a cost allocation document allocates the cost of window replacement to lead hazard reduction. Because the window replacement is classified as a lead hazard reduction cost **and** window replacement is “component replacement”, which is an abatement method, the window replacement is considered an abatement activity and must be performed by a certified abatement contractor.)
2. **Cost Allocation.** As explained above, the intent to abate may be established in a cost allocation document. This means that the allocation of costs – between “hard costs of rehabilitation” and “lead hazard reduction” can have significant implications on the nature of the job and hence, the qualifications of the personnel who do this job. The following scenarios illustrate this point.

Scenarios – Cost Allocation and Implications for Job Planning

(NOTE: For the sake of simplicity, all scenarios below assume full federal funding for the rehabilitation.)

Scenario 1: A \$12,000 rehab project (hard costs) does not include window replacement. The risk assessment identifies the windows as a hazard and provides a choice between window replacement (abatement) and friction treatments (interim controls). The rehab specialist decides to change the scope of his rehab project to include the replacement of windows (it turns out they are really old and there are compelling energy as well as lead reasons to replace them).

What does this mean for cost allocation purposes? In this case, the rehab specialist has two options.

Option 1: He can allocate cost of window replacement as a rehabilitation hard cost. In this case, an abatement crew is not required but safe work practices must be followed because lead-based paint is known to be present. Workers must, therefore be trained in safe work practices or supervised by a certified abatement supervisor.

Option 2: He can allocate the cost of window replacement to lead hazard reduction. In this case an abatement contractor will be required because window replacement is an abatement method. (It is component replacement).

Note: State regulations may affect these options. If the state regulation requires abatement certification and training for workers who perform any kind of work on a surface known to contain lead, then state requirements regarding the training and certification of such workers applies, regardless of how the costs are allocated.

Scenario 2: A \$28,000 rehab project (hard costs) includes window replacement (of \$8000). The risk assessment identifies the windows as a hazard and provides a choice between window replacement (abatement) and friction treatments (non-abatement). The risk assessment also identifies various other small hazards. The rehab specialist decides to go ahead with the window replacement. He then revises his work specs to include work on all hazards identified and finalizes his cost allocation document.

What does this mean for cost allocation purposes? In this case, the rehab specialist has two options.

Option 1: He can allocate the costs of the window replacement to lead hazard reduction. This would reduce the rehab hard costs to \$20K and allow them to perform interim controls as their method of lead hazard reduction (and use

trained workers). However, because component replacement is an abatement method, the window replacement must be done by an abatement crew.

Option 2: He can allocate the costs of the window replacement to rehab. This would bring the per unit rehab costs to \$28,000 (i.e. over \$25,000), so abatement of all hazards is required.

Scenario 3: A \$20,000 rehab project (hard costs) includes the replacement of the 8 windows on the first floor because they are old and don't work well anymore. Windows on the second floor are not scheduled for work. The risk assessment identifies all the windows in the unit as hazards and provides a choice between window replacement and window treatments. The risk assessment also identifies a number of other hazards. The rehab specialist decides to go forward with the replacement of the first floor windows. He opts to perform friction treatments on the remaining windows and to perform interim controls on the remaining hazards.

In the cost allocation document, he allocates the cost of the window replacement to rehabilitation costs. He allocates the cost of the friction treatments and all the reduction of the other hazards to lead hazard reduction. He uses workers trained in safe work practices to perform all the work.

Is this a permissible approach? Yes. None of the work on this job is abatement. Because of the way he allocated the costs, the window replacement is rehabilitation (not hazard reduction and therefore, not abatement). Further, the friction treatments on the remaining windows constitute interim controls, not abatement.

What if he had chosen to allocate the cost of the window replacement to lead hazard reduction? Then, it would be considered abatement because component replacement is an abatement method. In that case, he would need abatement workers to perform the window replacement. However, trained workers would be permitted to perform the friction treatments since that is an interim controls method.

Note: If a state law required work on any known to contain lead-based paint to be worked on by a certified contractor, then an abatement contractor would be required for all the lead hazard reduction work.

Scenario 4: A \$28,000 rehab project (hard costs) includes window replacement (of \$8000). The risk assessment identifies hazards throughout the unit (including the windows) and identified acceptable interim controls and abatement methods for each hazard. The cost of the abatement methods recommended by the risk assessor will total \$15,000. This cost is too high for the program to bear so they reconsider the scope of the project. The rehab specialist rewrites the scope of work to exclude the window replacement (thereby reducing the project hard costs to \$20,000) and include interim controls on all hazards, including the windows that

were originally scheduled for replacement. This option makes the project affordable to them.

Is this a permissible approach? Yes.

Attachment 10-1+:
Sample Notice of Lead Hazard Evaluation

LEAD HAZARD EVALUATION NOTICE – SAMPLE FORM

Address: _____

Evaluation Completed (circle one): Paint Inspection Paint Testing Risk Assessment

Date: _____

Summary of Results:

_____ No lead-based paint or lead-based paint hazards were found.

_____ Lead-based paint and/or lead-based paint hazards were found. See attachment for details

Contact person for more information about the risk evaluation:

Printed name: _____

Signature: _____

Date: _____

Organization: _____

Street: _____

City & State _____

Zip _____

Phone #: _____

Person who prepared this notice:

Printed name: _____

Signature: _____

Date: _____

Organization: _____

Street: _____

City & State _____

Zip _____

Phone #: _____

Summarize the types and locations of lead-based paint hazards below or attach your own summary. The summary must list at least the bare soil locations, dust-lead locations, and/or building components (including type of room or space and the material underneath the paint), and types of lead-based paint hazards found:

Contaminated Soil		
Area	mg/g (ppm)	Location
None		
Perimeter	mg/g (ppm)	
Play Area	mg/g (ppm)	
Other	mg/g (ppm)	

Contaminated Dust		
Area	µg/SF	Location
None		
Windowsill	µg/SF	
Floor	µg/SF	
Other	µg/SF	
Other	µg/SF	

Other Hazards				
Component*	Location	Condition (good, fair, poor)	Friction or Impact Surface?	Lead Content (if known)
1.				mg/cm ² (ppm)
2.				mg/cm ² (ppm)
3.				mg/cm ² (ppm)
4.				mg/cm ² (ppm)
5.				mg/cm ² (ppm)
6.				mg/cm ² (ppm)
7.				mg/cm ² (ppm)
8.				mg/cm ² (ppm)
9.				mg/cm ² (ppm)
10.				mg/cm ² (ppm)
11.				mg/cm ² (ppm)
12.				mg/cm ² (ppm)
13.				mg/cm ² (ppm)
14.				mg/cm ² (ppm)

* Components include but are not limited to (interior and exterior) windows, doors, trim, fences, porches, walls and floors.

Attachment 10-% :
Sample Notice of Presumption

LEAD HAZARD PRESUMPTION NOTICE - SAMPLE FORM

The property listed below has not been evaluated for lead-based paint but it has been presumed that lead-based paint or lead based paint hazards are present.

Address/location of property or structure(s) this notice of presumption applies to:

Types of Presumption (Check all that Apply)

Lead-based paint is presumed to be present.

Lead-based paint hazard(s) is(are) presumed to be present.

Contact person for more information about the presumption:

Printed name: _____
Signature: _____
Date: _____
Organization: _____
Street: _____
City & State _____
Zip _____
Phone #: _____

Person Who Prepared this Notice of Presumption:

Printed name: _____
Signature: _____
Date: _____
Organization: _____
Street: _____
City & State _____
Zip _____
Phone #: _____

Summary of Presumption. List at least the bare soil locations, dust-lead locations, and/or building components (including type of room or space and the material underneath the paint)

Presumed Hazards

Bare Soil (list any areas of bare soil):

Dust Locations (check the following that apply):

- Window sills
- Window troughs
- Floors

Other presumed lead hazards (check any of the following components that have deteriorated paint or are friction or impact surfaces):

Locations

Exterior

- Windows _____
- Doors _____
- Trim _____
- Cladding _____
- Outbuildings _____
- Fences _____
- Porch A _____
- Porch B _____

Interior

- Trim _____
- Doors _____
- Windows _____
- Walls _____
- Floors _____
- Ceilings _____
- Other _____

Attachment 10-% :
Sample Rehabilitation Granting Agreement

SAMPLE REHABILITATION GRANTING AGREEMENT

DATE: _____ REFERENCE #: _____

OWNER(S): _____ ADDRESS: _____

THIS AGREEMENT, made this ____ day of _____, by and between the City/County of _____, (hereinafter referred to as the Grantee), and _____ (hereinafter referred to as Owner(s)).

WHEREAS, the Grantee is eligible to make rehabilitation grants/loans as provided for under the Housing and Community Development Act of 1977, amending the same Act of 1974; and,

WHEREAS, said grant referred to in the Granting Agreement between the Commonwealth of Kentucky and the Grantee, as a FORGIVABLE LOAN; and

WHEREAS, the Owner(s) have met all of the qualifications prescribed under the rules and regulations of the above mentioned Acts and the regulations heretofore adopted by the Grantee for the making of such grants; and

WHEREAS, Owner(s) have heretofore made application for such grant to the Grantee in the amount of _____ DOLLARS (\$_____), and the application has been approved by the duly authorized officers for the Grantee on _____.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the parties hereto agree as follows:

1. DESCRIBED PROPERTY TO BE REHABILITATED

The Grantee shall give and make a rehabilitation loan to the above referenced Owner(s) in the amount of _____ DOLLARS (\$_____) to be used for the improvements of the premises located on the real property described as follows:

SEE LEGAL DESCRIPTION ATTACHMENT "A"

2. CONDITIONS AND RESTRICTIONS

As a condition for the making of the grant by the Grantee to the Owner(s), the Owner(s) agree:

- (a) They will not sell or transfer owner(s)hip of the property for five (5) years from completion of the rehabilitation activities (except to comply with Kentucky Law relative to estate settlement).
- (b) They will continue to occupy the premises themselves for the five (5) year period.

3. RETENTION OF LIEN

It is agreed that by the signing of this instrument, the Grantee shall, and does, have a lien on the described and rehabilitated property for the total amount of the grant received by the Owner(s) (including any change orders required). This lien shall be retained until it is amortized as follows:

- (a) The lien shall be amortized over a five (5) year period from the date of the completion of the rehabilitation.
- (b) If the Owner(s) should sell the property:
 - 1) Within the first twelve months after the completion of the rehabilitation then they will repay the entire amount granted;
 - 2) After the 1st anniversary of rehab completion but before the 2nd, they must repay 80% of the grant;
 - 3) After the 2nd anniversary, but before the 3rd, repay 60% of the grant;
 - 4) After the 3rd anniversary, but before the 4th, repay 40% of the grant;
 - 5) After the 4th anniversary, but before the 5th, repay 20% of the grant;
 - 6) In the event that the undersigned retain ownership of the aforesaid real estate for five (5) years from the date of this Agreement, the Promissory Note and the accompanying Real Estate Mortgage securing the Promissory Note shall be released by the Grantee and the undersigned shall have no obligation to repay the Promissory Note.
- (c) Owner(s) acknowledge that due to change orders during construction, the amount of the grant as stated above, may be adjusted either up or down to reflect the actual cost of rehabilitation. Therefore, upon final inspection and acceptance of the work, Owner(s) agree to execute a new Note and Mortgage in an amount equal to the actual costs of rehabilitation as evidenced by the original grant and adjusted by approved and executed change orders.

4. VIOLATION AND ENFORCEMENT

Should Owner(s) violate item 2 or item 3 of this Agreement either before or after the completion of the rehabilitation and/or the signing of this Agreement and remain in default for more than thirty (30) days after written notice of such violation, the grant herein shall become fully (100%) repayable to the Grantee in the amount of the remaining portion of the forgivable loan and a lien shall affix to the above-described

premises. Said lien may be enforced by the Grantee by proper proceedings in County Circuit Court. The Owner(s) waive and will waive all rights to trial by jury in any proceeding instituted by the Grantee to enforce any lien granted in the Agreement whether under Section 2 or Section 3. If payback of funds are received, a pro rata percentage based upon initial rehabilitation cost as outlined in item 1 above, shall be paid to Grantee for the CDBG funds.

5. EASEMENTS

The Owner(s) agree as part of this Rehabilitation Granting Agreement to provide to the Grantee all easements necessary for water, sewer, street widening, sidewalks or other public facilities/improvements as required to carry out the Housing Program in the designated Target Area.

6. NOTICE

Any notice by the Grantee to the Owner(s) shall be in writing and shall be deemed to be duly given only if delivered personally or mailed by certified mail in a postpaid envelope addressed to the Owner(s) at the address given above. Any notice herein will be deemed given at the time it is duly deposited and certified in any U.S. Post Office or Branch Post Office or personally delivered to the Owner(s).

7. MAINTENANCE

Owner(s) will be required to maintain the rehabilitated structure and property on which it is located for the five (5) year term of the financial assistance. Maintenance will be examined in relation to the rehabilitation work performed as per the work write-up and the applicable minimum property standards. The Grantees designated Enforcement Officer will perform periodic inspections, inform the property owner of any items, which have deteriorated, and require corrective actions. This action may, as a last resort, include Owner(s) early payback of financial assistance. If the property is not maintained, the Grantee's designated Enforcement Officer will write a letter to the Owner(s), giving the Owner(s) thirty (30) days to perform said maintenance or to remove debris or junk from the property. If the Owner(s) do not correct said items within thirty (30) days, the Grantee may undertake corrections of said items, or hire someone to correct said items, with the cost of doing so placed as a tax lien on the property. The Owner(s) may appeal this action to the Governing Body.

8. ENTIRE AGREEMENT, MODIFICATION SEVERABILITY

This Agreement contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by all parties. If any detail or provision of this agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, shall not be affected thereby and each term and provision of this agreement shall be valid and be enforced to the fullest extent permitted by law.

**Attachment 10-2\$:
Sample Contract Package for Rehabilitation**

NAME OF HOUSING PROJECT

SAMPLE CONTRACT FOR REHABILITATION

OWNER: _____

ADDRESS: _____

Phone: _____

CASE # _____

AMT. OF CDBG FUNDS: \$ _____

AMT. OF OTHER FUNDS: \$ _____

OTHER Source: _____

TOTAL CONTRACT AMT: \$ _____

DATE APPROVED: _____

CONTRACTOR: _____

ADDRESS: _____

Phone: _____

THIS AGREEMENT made this _____ day of _____, by and between: _____ hereinafter called the "Owner" and _____ hereinafter called the "Contractor." The Contractor and Owner for the consideration stated herein mutually agree as follows:

ARTICLE 1. DEFINITIONS

Contractor - person, proprietorship, partnership or corporation hired to perform rehabilitation work pursuant to the _____ Project .

Owner - the owner of a house and lot, which has been designated to be rehabilitated with Community Development Block Grant Program funds.

Grantee – The City/County of _____ who is the applicant that was awarded the Community Development Block Grant Program funds for which a portion will be used to perform rehabilitation work to the Owner house.

Name of Grant Administrator/Agency - acting for and on behalf of the Grantee as manager of the Community Development Block Grant Project.

Contract Change Order - An addendum to the contract, which increases or decreases the scope of the work to be performed and may lower or increase the contract price.

ARTICLE 2. STATEMENT OF WORK

The Contractor shall, upon receipt of a written "Notice to Proceed," furnish all supervision, technical personnel, labor, materials, tools, equipment and services and perform all work required for the rehabilitation of the above property. All work shall be in strict accordance with the Standard Specifications for Residential

Rehabilitation, Contract Documents, Local Existing Structures Code, Kentucky Building Code, National Electrical Code, Kentucky State Plumbing Code, including all Addenda hereto and Drawings (if any), as prepared by Name of Grant Administrator as agent for and on behalf of the Grantee.

ARTICLE 3. LEAD-BASED PAINT

If work involves disturbing or removing surfaces that may have been coated with lead-based paint, the contractor shall comply with the Code of Federal Regulations, Title 24, Part 35, concerning Lead-Based Paint.

All workers involved in lead hazard reduction activities must have received HUD-approved training in lead-safe work practices or be supervised by a state-certified abatement supervisor. Workers in jobs receiving more than \$25,000 in federal rehabilitation assistance that require abatement of lead-based paint must be certified abatement workers and be supervised by a state-certified abatement supervisor.

ARTICLE 4. CONFLICT OF INTEREST CLAUSE

No member of the governing body of the community and no other officer, employee, or agent of the community who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the Contractor shall take appropriate steps to assure compliance. No Contractor responsible for provision of goods and/or services under this Contract shall be forced or encouraged to forfeit any portion of the Contract amount in order to secure this Contract.

ARTICLE 5. CONTRACT DOCUMENTS

The executed Contract Documents shall consist of the following:

- | | |
|---|----------------------------------|
| A. This Contract | E. Special Instructions (if any) |
| B. General Conditions/Specs | F. Drawings (if any) |
| C. Work Write-up | G. _____ |
| D. <u>Addenda (if any) (See Attached Exhibit A)</u> | H. _____ |

This Contract, together with other documents enumerated in this ARTICLE 5, which said other documents are as fully a part of this Contract as if hereto attached or herein repeated, forms the Contract between the parties hereto.

This Contract, together with other documents enumerated in this ARTICLE 5, comprises the entirety of the Contract between the parties. All prior negotiations, offers, statements, and conditions are merged herein and parties hereto so agree and so covenant.

ARTICLE 6. NON-LIABILITY

The parties of this Contract hereto agree to hold the Grantee or its designated representatives harmless for any damages concerning or arising out of the undertaking and execution of this Contract.

ARTICLE 7. CONTRACTOR RESPONSIBILITIES

- a. The Contractor shall commence work within **ten (10)** calendar days of receipt of written Notice to Proceed. The written Notice to Proceed will be issued by the Grantee on behalf of the Owner within 30 days of the signing of this contract. If the Notice to Proceed is not issued within 30 days, the contract will be terminated. Contractor shall satisfactorily **complete work within _____ (_____)** calendar days of the date of the written Notice to Proceed, **time being of the essence**. The Contractor shall make every effort to speed the work along by working outdoors on

days when outdoor working conditions are favorable and by working indoors on days when outdoor working conditions are unfavorable.

- b. Subcontracting: The Contractor shall not be required to employ any subcontractor whom he/she has a reasonable objection to.

The Contractor agrees that he/she is completely responsible to the Owner for the acts or omissions of his subcontractors and of the persons either directly or indirectly employed by them, as he/she is for the acts and omissions of persons employed by him/her. **Nothing contained in the Contract documents shall create any contractual relation between any subcontractor and the Owner**; however, should the Owner or Grantee, as agent for the Owner, be required to expend funds to subcontractors or for another contract as necessary for completion of contract work, it is agreed by the Contractor that reimbursement will be made to the Owner or Grantee, and that any court costs or attorney fees expended to finalize contract requirements will be paid by the primary contractor.

- c. Equal Employment and Federal Labor Standards: The Owner will not discriminate against any employee or applicant for employment because of race, creed, color, age or national origin.

The Contractor shall abide by Federal, State, and Local regulations pertaining to Equal Employment as set forth in Executive Order 11246 and by the rules, regulations, and orders of the Secretary of Labor, the Secretary of Housing and Urban Development, and the State of Kentucky pursuant thereto. In addition, the Contractor certifies that he will abide by the terms and conditions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, and all applicable non-discrimination rules for legislation for rehabilitation of a residential property.

- d. Assignment of Contract: The Contractor shall not assign the Contract without written consent of the Owner and approval of the Grantee.

- e. Permits, Fees, Engineering Studies and Registered Surveys: The Contractor shall obtain and pay for all necessary permits, inspection charges and licenses for the authorization and execution of the work and labor performed. The Owner shall furnish all engineering studies and registered surveys as required and specified.

- f. Compliance With Code: The Contractor shall perform all work under the Contract in a journeyman-like manner and in conformance with applicable codes, ordinances, regulations, and requirements whether or not covered by the specifications and drawings for the work as made part of the contract.

- g. Protection and Storage: The Contractor shall protect the premises and furnishings from damage. Drop cloths shall be used when required. Passages and hallways shall be kept clear of materials and equipment. The premises shall be protected from weather and natural elements.

- h. Clean Up and Clearance: The Contractor shall 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 stated otherwise in the specifications. If lead-hazard abatement is involved clearance is required. Clearance may not be performed sooner than one hour after completion of the final cleanup. Clearance must be performed by a state certified Risk Assessor, Lead-Based Paint Inspector or Sampling Technician.

- I. Inspection by Contractors: The Contractor shall certify that he/she has visited the premises and familiarized himself/herself with all existing conditions so that the work is complete in every detail. Each Contractor shall inspect the work of others which affects his/her work and be sure that such work is correct before proceeding with his/her own work.

- j. Insurance: The Contractor shall furnish and maintain, throughout the life of the Contract, Contractor's public liability insurance and property damage insurance. Public liability insurance shall be in an amount not less than \$000,000 for injuries including accidental death to any one person or one accident; property damage insurance shall be in an amount not less than \$000,000. The Contractor shall furnish the Grantee with satisfactory evidence of his/her compliance with all these provisions. Worker's Compensation and Unemployment Insurance shall be in conformity with the requirements of the State of Kentucky.

- k. Warranty: The Contractor shall guarantee the work performed for a period of one (1) year from date of final acceptance of all work required by this Contract. Upon written notice from the Owner to the Contractor and Grantee, the Contractor shall, within fourteen (14) calendar days, remedy any defects due to faulty material or workmanship at no charge to the Owner and remedy or pay for any damage to other work resulting therefrom. If, for any reason, the Contractor fails to remedy any defects for which he/she has been duly notified, the Owner may, at his/her option, employ another contractor to remedy the defect. The Contractor that is party to this Contract shall be held liable for any cost incurred by the Owner resulting from the employment of another contractor to remedy the defect. The contractor shall also be held liable for any court costs or attorney fees as necessary to fulfill the rehab contract requirements. Furthermore, the Contractor shall furnish the Owner, in care of the Grantee, all manufacturers, suppliers, and subcontractors written guarantees and warranties covering material and equipment furnished under this contract.

- l. Final Release: Prepare, execute and file with the Grantee a Final Invoice, Release of Liens and Warranty, and Waiver of Liens.

- m. Information Exchange: The Contractor shall agree to submit to the Owner or Grantee, upon request, any information concerning work performed or to be performed under this Contract.

- n. Default: The Contractor shall have the right, with approval of the Grantee, upon ten (10) days written notice to the Owner and Grantee, to declare the Owner in default based upon the following reasons:
 - (1) Owner fails to arrange satisfactory working conditions for the Contractor.
 - (2) Owner refuses to allow Contractor to use existing utilities as stated herein, in performance of the work.
 - (3) Owner prohibits the Contractor from performing work without justification.

- o. Debarment: Contractor certifies, by submission of its proposal and execution of this Contract, 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.

- p. Contractor's Compliance: Contractor will comply with any and all applicable state, federal and local laws, ordinances, regulations and codes, including by not limited to, Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CAR, Part 5), the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CAR, Part 3), Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity" as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CAR Chapter 60), the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor

regulations (29 CAR Part 5), Executive Orders 11625, 12432 and 12138 (Minority/Women's Business Enterprises) as supplemented in 24 CAR 85.36(e), the Lead Based Paint Poisoning Prevention Act (24 CAR part 35), and rules regarding conflict of interest as provided in 24 CAR 85.36 and OMB Circular 110.

ARTICLE 8. OWNER'S RESPONSIBILITIES

- a. Unless otherwise stated herein, it shall be assumed that the premises will be occupied during rehabilitation work.
- b. The Owner shall cooperate with the Contractor to facilitate the performance of the work, including but not limited to the removal of and replacement of rugs, coverings, dishes, furniture, etc., as necessary.
- c. The Owner shall permit the Contractor to use, at no cost, existing utilities, such as lights, power, phone (local calls only), water and heat (except in the case of room additions or in such cases where the family vacates the house during the rehab work, the Contractor shall be responsible for heat), necessary in carrying out and completing the work.
- d. The Owner shall grant, at no cost, any right-of-way and/or easements necessary to facilitate rehabilitation activities.
- e. The Owner shall have the right to terminate this Contract based upon the following conditions:
 - (1) Contractor fails to furnish materials or execute work in accordance with the provisions of this contract.
 - (2) Contractor fails to proceed within the work time limit specified, or fails to complete the work within the time limit specified in this Contract;
 - (3) Contractor fails to maintain insurance in the amounts stipulated above.
 - (4) Any other provisions of this Contract are otherwise violated by the Contractor;
 - (5) Upon any of the conditions set forth in subsection (1) (2) and (3) above, the Owner shall have the right to give notice, in writing, to the Contractor that the Contractor shall be declared in default in ten (10) calendar days if the violation does not stop or if satisfactory arrangements have not been made for correction of the violation. If the violation does not stop or satisfactory arrangements to correct the violation have not been made by the Contractor after ten (10) days of the issuance of the written notice, the Contractor shall be declared in default and the Contractor's right to proceed pursuant to this Contract shall be terminated. In the event the Contractor is thus declared to be in default, the Owner, with approval of the Grantee, shall proceed to have the work completed, and shall apply to the cost of having the work completed, any money due the Contractor under this Contract, and the Contractor shall be responsible for any damages resulting to the Owner by reason of said default.
- f. The Owner shall "promptly" notify the Contractor of any defects pursuant to the guarantee stated in Article 6, sub-section n of this Contract.

ARTICLE 9. INSPECTION

Both the Owner and Contractor shall permit the Grantee, or its designated representative, to examine the rehabilitation work. All work done and all materials furnished will be subject to Grantee approval. **If any work should be covered up without the approval or consent of the Grantee, it must, if required by the Grantee, be uncovered for examination at the Contractor's expense.**

Re-examination of questioned work may be ordered upon request of the Owner and, if so ordered, the work must be uncovered by the Contractor. If such work is found to be in accordance with the Contract documents, the Owner shall pay the cost of re-examination and replacement. If such work is found to be not in accordance with the contract documents, the Contractor shall correct such work and pay such costs.

The final inspection of the work shall not relieve the Contractor of any of his/her obligations to fulfill his/her contract as prescribed, and defective work shall be made good and unsuitable materials shall be replaced even though such defective work and/or materials have been previously overlooked and accepted on estimates for payment.

ARTICLE 10. CONTRACT CHANGE

Modifications, changes, additions or deletions may be made to this Contract by written instrument signed by the Contractor and the Owner with prior approval of the Grantee for the following reasons:

- a. In the event it is discovered during construction that all code violations will not be adequately corrected with work described in the standard specifications, a "Contract Change Order" shall be initiated and made effective.
- b. In the event that one or more Contract Change Orders initiated to meet standards have made it prohibitive to complete the work with available funds, a Contract Change Order shall be initiated to delete any work not required to meet code.

ARTICLE 11. METHOD OF PAYMENT

- a. Contracts not exceeding **\$0,000** shall be due and payable within thirty (30) calendar days following completion of all terms of this Contract and final acceptance of same by the Owner and Grantee.
- b. Contracts over **\$0,000**:
 - (1) Partial payment of **0%** of the contract amount may be requested by the contractor after the HOUSE HAS BEEN "BLACKED-IN" OR "SECURED" (INCLUDING ROOF, DOORS WITH LOCKS AND WINDOWS).
 - (2) Partial payment of **0%** of the remaining funds may be requested by the contractor after **0%** of the work has been completed and acceptance of same by the Owner, Inspector and Grantee.
 - (3) Final payment of the remaining **0%** shall be due and payable within thirty (30) calendar days following completion of all terms of this contract and final acceptance of same by the Owner, Inspector, and Grantee.

ARTICLE 12. CONTRACT EXTENSION AND PENALTY CLAUSE

If the Contractor is unable to complete any portion of the work, in the time stated herein, due to inclement

weather, an extension of up to thirty (30) calendar days may be granted. Contract extensions shall be granted, only on a day-by-day basis, with approval of the Grantee. Contract extensions will be granted only in the following manner: The Contractor shall contact the Grantee on the day he/she intends to claim as an extension day. Approval for an extension will be granted only when there is absolutely no work that can be done on that day due to inclement weather. (If there is interior work to be done, no extension will be given.)

ARTICLE 13. DISPUTE RESOLUTION

The Grantee has established Rehabilitation Guidelines for this project that include Grievance Procedures. A copy of the Grievance Procedures has been provided to you. Those procedures will be followed to resolve disputes of any kind.

ARTICLE 14. PAYMENT

Upon approval of a Federal Grant and/or Loan to the Owner, the Grantee shall utilize the project account for payment of the contractor in performing the rehabilitation as specified in this Contract. The Owner, by signing this Contract, agrees to the endorsement of his/her rehabilitation check for payment of the work from the project account to be disbursed by the Grantee in accordance with the terms and conditions of these contract documents. The Grantee will act as the designee of the Owner in authorizing disbursement of such funds to the Contractor in the manner set forth in this Contract.

The Owner authorizes the Grantee to drawdown the amount of the contract plus any change orders which may be required, and approved by the Grantee) for payment to the Contractor for the aforementioned work.

ARTICLE 15. CONTRACT AMOUNT

For the consideration named herein, the undersigned Contractor agrees to furnish all work and material and complete the work as shown on these contract documents for the **lump-sum of \$ _____ (_____ dollars)**. The Owner agrees to pay the Contractor from his/her own funds, the sum of \$ _____ **and for any work in addition to that specified on the work write-up.**

ARTICLE 16. OWNER'S RESPONSIBILITY FOR MAINTENANCE

Owner will be required to maintain the rehabilitated structure and property on which it is located for the five (5) year term of the financial assistance. Maintenance will be examined in relation to the rehabilitation work performed as per the work write-up and the applicable minimum property standards. The designated Enforcement Officer will perform periodic inspections, inform the property owner of any items that have deteriorated, and request corrective actions. The Grantee reserves the right to take any appropriate action necessary to insure that the rehabilitated property is maintained. This action may, as a last resort, include early payback of financial assistance. If the property is not maintained, the Grantee's designated Enforcement Officer will write a letter to the Owner, giving the Owner thirty (30) days to perform said maintenance or to remove debris or junk from the property. If the Owner does not correct said items within thirty (30) days, the Grantee may undertake correction of said items, or hire someone to correct said items, with the cost of doing so placed as a tax lien on the property. The Owner may appeal this action to the Governing Body.

THIS AGREEMENT/CONTRACT ENTERED INTO AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE.

CONTRACTOR

HOMEOWNER

HOMEOWNER

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2002.

NOTARY PUBLIC, STATE AT LARGE, KY

My Commission Expires:_____.

Attachment 10-2%
Sample Notice to Proceed

SAMPLE NOTICE TO PROCEED

TO: Contractor

FROM: Homeowner Name(s)

SUBJECT: Notice to Proceed with Rehabilitation Construction

Name of Homeowner(s), as owner(s) of the property located at Address
award the rehabilitation contract to Name of Contractor, on Date. Contractor is hereby notified to commence work set forth in the contract on or before Date.

All work is to be done in accordance with program specifications, conditions provided in the contract, and the work write-up that has my (our) initials on each page and signature on last page.

The project must be fully complete within Number consecutive calendar days after Date. The date of completion of all work is, therefore Date.

If the contractor does not commence work within the specified time, I (We) may upon proper notification, consider the rehabilitation contract to be in default.

Signature of Homeowner

Date

Signature of Homeowner

Date

Signature of Contractor

Date

Signature of Grantee

Date

**Attachment 10-2&
Sample Pre-Construction Conference Checklist**

SAMPLE PRECONSTRUCTION CONFERENCE CHECKLIST

Homeowner, Contractor and Rehabilitation Specialist (Construction Advisor) should review the following items:

- _____ Clarify the role and responsibility of Homeowner
- _____ Clarify the role and responsibility of Contractor
- _____ Clarify the role and responsibility of Rehab Specialist
- _____ Review inspection procedures
- _____ Review contractor payment schedules
- _____ Review procedures for change orders
- _____ Review terms and conditions of the Rehabilitation Contractor
- _____ Explain the work to be performed by the Contractor
- _____ Execute the Rehab Contract

I (We), the undersigned, have on this date participated in a preconstruction conference with the Rehab Specialist from (Agency) and the Contractor prior to the signing of the rehab contract. I (We) acknowledge that I (we) understand the items discussed above, have been given adequate explanations to our questions, and are aware that assistance will be provided by the staff of the housing rehabilitation program as requested. I (We) further understand and acknowledge that housing rehabilitation program assumes no responsibilities for work performed and does not warrant any work performed.

Signature of Homeowner Date Signature of Homeowner Date

Homeowner(s) Address: _____

I, the undersigned, hereby certify that the preconstruction conference was held on this date between the homeowner(s), Rehab Specialist, and myself. I understand the procedures to be followed as discussed above and understand and agree that the work performed must meet the standards of performance required by the housing rehabilitation program and established by the program specifications and work write-up.

Signature of Contractor & Title Date

I, the undersigned, hereby certify that I participated in a preconstruction conference held on this date between the homeowner(s), contractor and myself.

Signature of Rehabilitation Specialist Date

Attachment 10-2' :
Sample Notice of Acceptance of Work

**Attachment 10-2(:
Sample Certification of Inspection**

**SAMPLE CERTIFICATION OF INSPECTION
AND
CONSTRUCTION CONTRACT PAYMENT REQUEST**

INTERIM INSPECTION # _____ FINAL INSPECTION _____ CASE #: _____

OWNER: _____

ADDRESS: _____

CONTRACTOR: _____

This is to acknowledge completion of _____% of the construction work in accordance with the contract dated _____.

Please proceed with payment to the contractor as follows:

ORIGINAL CONTRACT AMOUNT \$ _____

CHANGE ORDERS: #1 (+/-) \$ _____

#2 (+/-) \$ _____

TOTAL CONTRACT AMOUNT \$ _____

LESS AMOUNT OF PREVIOUS PAYMENTS \$ _____

CONTRACT BALANCE AVAILABLE \$ _____

TOTAL REQUESTED THIS PAYMENT \$ _____

REMAINING CONTRACT BALANCE AVAILABLE \$ _____

I certify that the above payment is correct and that said payment is justified by the work, which has been completed.

CONTRACTOR

DATE

I have examined the above request for payment and find that it is fair and reasonable payment for the work performed on my property and approve said payment.

PROPERTY OWNER

DATE

I have inspected the rehabilitation work on the above-named contract and found the work to be satisfactory and in full compliance with the Rehab Specifications and the Work Write-Up. I certify that the Contractor has delivered all necessary documents and papers. I authorize payment.

REHABILITATION INSPECTOR

DATE

GRANTEE REPRESENTATIVE

DATE

NOTE: The check for payment to the contractor cannot be issued prior to date of each approved inspection.

Attachment 10-2) :
Sample Change Order Request

CHANGE ORDER REQUEST # _____

TO CONSTRUCTION CONTRACT

REHAB CASE # _____

ADDRESS: _____

OWNER _____

The parties to the rehabilitation/construction contract dated _____ have agreed upon the following unforeseen work that was not visible on the initial inspection:

DESCRIPTION

AMOUNT

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

TOTAL OF CHANGE ORDER

\$ _____

The Contractor agrees to perform this work for \$ _____

Which is to be added to the original contract of \$ _____

The total amount of this contract is now \$ _____

The time of the Contract shall be increased _____ days
decreased _____ days
no change _____

CONTRACTOR

OWNER

DATE

DATE

REHAB INSPECTOR

GRANTEE

DATE

DATE

Attachment 10-2* :
Sample Notice of Lead Hazard Reduction Activities

Sample Notice of Lead Hazard Reduction

Property Address: _____

Today's Date: _____

Summary of the Hazard Reduction Activity:

Start Date: _____

Completion Date: _____

Location and type of activity. (List the location and type of activity conducted or attach a copy of the summary page from the clearance report or the lead hazard scope of work providing this information.)

Date(s) of clearance testing: _____

Summary of results of clearance testing:

- (a) _____ No clearance testing was performed.
- (b) _____ Clearance testing showed clearance was achieved.
- (c) _____ Clearance testing showed clearance was not achieved.

List any components with known lead-based paint that remain in the areas where activities were conducted. List the location of the component (e.g. kitchen-door, bedroom-windows).

Person who prepared this summary notice

Printed Name: _____

Signature: _____

Title: _____

Organization: _____

Address: _____

Phone: _____

Fax: _____

Owner: _____

Date: _____

(Give to Property Owner with work-write up)

If you have any questions about this summary, please contact _____ at _____.

Attachment 10-2+:
Sample Contract Termination and Release of Lien Form

SAMPLE CONTRACT TERMINATION AND RELEASE OF LIEN FORM

GENERAL CONTRACTOR'S AFFIDAVIT AND LIEN WAIVER

UNIT/PARCEL # _____ **CONTRACTOR:** _____

OWNER: _____

ADDRESS: _____

THAT I, the undersigned, being duly sworn, do depose and say that I terminate construction on the above described property.

THAT the improvements on the subject property have been fully completed in substantial conformity with the contract.

THAT I accept \$ _____ as full and final payment on the improvements on the subject property.

THAT all the materials used in said improvement, all labor performed thereon and all fees, industrial insurance and permits, in connection with the said improvements which might give rise to liens on the within described property have been paid in full.

Listed below are all subcontractors and major materialmen included in this work. Attached are waivers of liens from all of them as substantiation of the above statement.

Name of Subcontractor or Materialmen and Address

THAT the affidavit hereby waives any lien or right to lien which he/she may have against the described property and warrants to save harmless the said Property Owner and the Community Development Office of the City/County of from any liens which are now in existence, or may hereafter arise by reason of said improvements, and cause the same to be released of record immediately.

THAT the foregoing waiver and these statements are an express warranty and representation to the Community Development Agency of the City/County of and the Property Owner of the facts herein sworn to and is made for valuable consideration, receipt whereof is acknowledged.

That undersigned hereby guarantees the work performed for a period of one (1) year from the date of final acceptance of all the work required by the contract, and Certification of Final Inspection, dated _____. He/she also attaches herewith all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.

CONTRACTOR

OWNER

GRANTEE

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20____.

NOTARY PUBLIC

My Commission Expires:

CONTRACTOR'S WARRANTY

The following items shall be considered under warranty by the Building Contractor:

1. Siding - Vinyl siding falls off. Areas of vinyl siding generally at risk are the top run of siding or the gable ends. NOTE: Siding is supposed to be loose. If one or two interlocking sections become un-connected, it is the owner's responsibility to snap them back together again.
2. Brick - Brick will naturally fade in color over time. Color change is not a warranty item. Bricks are constructed on a brick ledge and are secured to the framed walls with brick ties. Bricks and mortar should not crack unless there has been a ground disturbance. Settling brick, cracked brick, and brick sections sagging away from the framed wall will be inspected by the LPA to determine the problem and correction.
3. Roof - New shingles installed in the heat of summer, generally bond together quickly into a solid unit. Shingles installed in the cooler months of the year do not bond until the sun heats them. If shingles blow off, the contractor is to replace them. If shingles merely look uneven or loose, it is because they have not yet heated together. This is not a warranty item.
4. Foundations - Houses are constructed according to the latest code approved by local authorities. Footers are installed below the frost line. Often, over time, small cracks will appear between concrete blocks. These cracks do not affect the structural integrity of the building, and are not considered part of the warranty.
5. Water Standing Beneath the Structure - Existing houses that have not been raised are not warranted against this item. New houses are constructed at the proper height according to code. If there is standing water under the (either new or rehabbed) house, the HOMEOWNER should first check to be sure that foundation vents are open to allow moisture to escape. If the vents do not correct the problem, then the problem will be examined on a parcel-by-parcel basis. THIS IS NOT A NORMAL WARRANTY ITEM.
6. Windows - Windows that have been re-glazed and painted are not weather tight. The possibility of draft stoppage is corrected as much as possible in a rehab, but old windows are never as draft tight as new windows. Drafts are not a warranty item.

Stuck Windows - The windows are to be operable when the final inspection is made. New windows are expected to operate easily over time. Old windows that have been painted may be stuck shut after a rainy period or after remaining closed through the winter. Unsticking these windows is not a warranty item. New windows that do not operate after being closed for the span of winter will be inspected by the Agency as to the cause and repair.

Storm Windows - Storm windows are not draft or wind proof. If storm windows do

not operate after an in operated period, and if the homeowner cannot operate them without causing damage to the window, the windows will be inspected and a correction method determined by the Agency.

Broken Glass - Windows broken after the final inspection are not a warranty item. Broken windows must be repaired immediately by the homeowner to prevent other damage to the house.

7. Exterior Doors - Doors that have been rehabbed (painted, weather-stripped and adjusted) or replaced with new units are not warranted over time for the condition of the paint, weather-stripping or adjustment. The reason is that new paint may not properly bond over time to old paint. The house may settle over time causing further misalignment of the door and the weather-stripping.

New House Doors - These should remain aligned over time as they are installed as a unit. If the door fails to shut properly, it will be inspected by the Agency to determine the cause and proper correction of the problem. The owner may be responsible for making the correction.

Storm Doors - Storm doors are inspected at the project completion and will work properly to pass inspection. Adjustment of the latch is not a warranty item. Damage to the storm doors due to wind, or misuse (leaving the door unlatched to catch the wind or over stressing the hydraulic piston) is not a warranty item. Bent cylinder rods are not a warranty item.

Broken Glass - Door glass broken after the final inspection is not a warranty item. Broken glass must be repaired immediately by the homeowner to prevent other damage to the house.

8. Interior Doors - Interior doors that have been replaced or adjusted may become misaligned over time. Note that doors are designed to carry their own weight only and will not properly support clothes, coats and people while remaining aligned. If doors begin to stick or are difficult to operate during the one-year period, they will be inspected by the Agency and a correction will be determined. If there is evidence that the doors have been misused by the owner/occupant (operating doors with hangers or clothes between the door and jamb), the remedy will automatically be the responsibility of the owner.

9. Exterior Paint - Most houses will not be painted as part of the project, only special cases such as historic buildings will be painted. Those houses that are painted will receive quality paint, but realistically, new paint over possible lead-based paint will not last more than a year. If there is a paint problem, the house will be inspected and a determination will be made on a parcel-by-parcel basis.

Interior Paint - The paint is inspected at the final close of the contract. If the paint becomes discolored or peels, apparently due to excessive moisture or another reason, the job will be inspected and a correction recommended. If the paint is damaged by mistreatment by the homeowner/occupant through misuse, lack of cleaning or scratching, the warranty is void and the owner is responsible to have

the damaged areas repainted immediately to prevent structural damage.

10. Water Heater, Furnace - If the water heater should fail to perform, the owner should first, if gas, check the pilot light, or if electric, check the breaker (NOTE: electric heat pumps and hot water heaters are generally double-breakered with one in the main box and one by the unit, check both). If the pilot does not remain lighted or the breaker immediately kicks, the owner should immediately contact the contractor for repairs during the one-year warranty timeframe.
11. Plumbing - Stoppages in the drains and traps are the responsibility of the homeowner. In addition, if there is a leak in a hand-tightened trap, it is the owners responsibility to tighten the trap (no tools are necessary). Major leaks such as cracked pipes or a leak at a permanent (soldered or glued) fitting may be a warranty item (piping is guaranteed by the contractor to fifteen (15) degrees). A determination will be made as to the cause. If the house was unheated or the plumbing abused, the warranty is void. If the foundation vents are left open in the winter, the warranty is void. A minor leak such as a loose connection at a threaded fitting (pressure or drain) is not a warranty item and must be immediately corrected by the owner tightening the loose fitting. A pressure problem that was not present at the final inspection will be inspected by the Agency and a determination of cause and a remedy will be recommended.
12. Gutters - Stopped up gutters are not a warranty item. Gutters that have been damaged by a storm or ice are not a warranty item. Gutters that have pulled loose due to improper installation will be inspected by the Agency and a remedy recommended.
13. Extended Warranties - Those items such as heat pumps, furnaces, hot water heaters, etc., that carry extended warranties for the item (either parts or parts and labor) are the responsibility of the owner. The contractor will service the unit if it fails during the first year. The owner may contract with the installer, separate from he agency, to maintain the unit for an extended period, or may contact a local repairman for service.

Owner

Contractor

Date

Witness

**Attachment 10-& :
Profile Benefit Form**

Kentucky Community Development Block Grant Project Benefit Profile (Sample)

Total Beneficiaries _____

Project # _____

Grantee _____	Activity									
Racial Category	Total	Hispanic								
White										
Black/African American										
Asian										
American Indian/Alaskan Native										
Native Hawaiian/Other Pacific Islander										
American Indian/Alaskan Native & Other										
Asian & White										
Black/African American & White										
American Indian/Alaskan Native & Black/African American										
Other Multi-Racial										
Total										
Female Head of Household										
Low to Moderate Income Breakdown	Number	%								
Extremely Low Income (0 - 30%)										
Very Low Income (31 - 50 %)										
Low Income (51 - 80%)										
Total LMI										

Racial Category	Activity									
Racial Category	Total	Hispanic								
White										
Black/African American										
Asian										
American Indian/Alaskan Native										
Native Hawaiian/Other Pacific Islander										
American Indian/Alaskan Native & Other										
Asian & White										
Black/African American & White										
American Indian/Alaskan Native & Black/African American										
Other Multi-Racial										
Total										
Female Head of Household										
Low to Moderate Income Breakdown	Number	%								
Extremely Low Income (0 - 30%)										
Very Low Income (31 - 50 %)										
Low Income (51 - 80%)										
Total LMI										

Attachment 10-& :
Sample Certification of 60 Day Follow-up Inspection

**SAMPLE CERTIFICATION OF 60 DAY FOLLOW-UP INSPECTION
BY GRANTEE & HOMEOWNER**

HOMEOWNER(S): _____

ADDRESS: _____

CONTRACTOR: _____

JOB COMPLETION DATE: _____ DATE OF INSPECTION: _____

A 60 DAY FOLLOW-UP INSPECTION has been completed on the above described property that was rehabilitated/reconstructed with Community Development Block Grant financial assistance.

The Homeowner and the Grantee/Representative agree to date that the rehabilitation work performed is satisfactory.

There were problems (as noted) that requires the Grantee to assist the Homeowner in obtaining corrective action: _____

Contractor was contacted on Date by Name.

Follow-up work was satisfactorily performed on Date.

Signature of Homeowner

Date

Signature of Homeowner

Date

Signature of Grantee/Representative

Date

**Attachment 10-3\$:
Sample Rehabilitation Program File Checklist**

SAMPLE REHABILITATION PROGRAM FILE CHECKLIST

(All documentation must have the appropriate signature(s) and date(s))

- ❑ Rehabilitation Guidelines and Council Resolution of Adoption
- ❑ Pending Applications and Disqualified Applicants, Family Survey, Work Write-ups and Cost Estimates
- ❑ Master Complaint File
- ❑ Rehab Contract File (for each job)
 - ❑ Proof that Recipient Received a Copy of the Grievance Procedures
 - ❑ Household Survey/Rehabilitation Assistance Application
 - ❑ Proof of Ownership
 - ❑ Applicant Release for Verification of Income
 - ❑ Verification of Income and Employment
 - ❑ Certification of Primary Residence
 - ❑ Proof of Current House Insurance
 - ❑ Work Write-ups and Cost Estimates that Document Rehabilitation Activities and Cost Versus Lead-Based Paint Activities and Cost, if applicable
 - ❑ Proof that Applicant Initialed Each Page and Signed Last Page of the Work Write-up
 - ❑ Lead-Based Paint Hazards Notification, as applicable
 - ❑ Pamphlet – Protect Your Family From Lead In Your Home
 - ❑ Disclosure Form for Target Housing Rental and Leases
 - ❑ Lead Hazard Evaluation Notice
 - ❑ Lead Hazard Presumption Notice
 - ❑ Lead Hazard Reduction Notice
 - ❑ Lead-Based Paint Inspection/Testing Report or Risk Assessment Report or Lead Hazard Screen Report
 - ❑ Lead Hazard Clearance Test Report
 - ❑ Certification of Safe Work Practices
 - ❑ Certification of Inspectors, Risk Assessors and Supervisors
 - ❑ Executed Loan/Grant Documents
 - ❑ Executed Contract (with contractor) Documents
 - ❑ Homeowner Authorization for Agency to Act as Agent, if applicable

- ❑ Bid Opening Minutes that includes names of all contractors present at the meeting, list of bids received, and amount of each bid
- ❑ Notice to Proceed
- ❑ Progress and Final Inspection Reports
- ❑ Progress Payments and Final Payment Documentation (including cancelled checks)
- ❑ Change Orders, if any
- ❑ Notice of Owner's Acceptance of Work
- ❑ General Contractor/Subcontractor/Materialmen Affidavit, Warranties and Release of Liens
- ❑ Promissory Note, if applicable
- ❑ Real Estate Mortgage, if applicable
- ❑ Follow-up Visit Inspection (within 60 days of job completion)
- ❑ Copies of Written Complaints, Resolution, and Correspondence (also include in Master Complaint File)
- ❑ Copies of Rent Restriction and Anti-Eviction Agreements
- ❑ Counseling Report – Homeowner Maintenance/Life Skills Education

Attachment 10-3%
Sample Development Plan

**DECLINE STREET REDEVELOPMENT
PROJECT**

**URBAN RENEWAL PLAN
ANYTOWN, KENTUCKY**

JANUARY 2000

DECLINE STREET REDEVELOPMENT PROJECT

URBAN RENEWAL PLAN

Prepared For:
Anytown, Kentucky
100 Main Street
Anytown, KY 40000

Prepared By:
Proficient Consulting

JANUARY 2000

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INTRODUCTION

CHAPTER 1

PURPOSE

Anytown has recognized the slum/blighted conditions in the Decline Street area of the City and is pursuing funding to address this area. The City is initiating a Community Development Program to revitalize and improve living conditions in this neighborhood. In initiating this Community Development Program, the City is recognizing and responding to accelerating deterioration and blight, the inadequacies of public facilities, and shortage of suitable housing for low and moderate income families in the community, and requests by area residents for assistance in upgrading their neighborhood.

The purpose of this Urban Renewal Plan (also known as a Development Plan) is to outline the actions to be taken for the implementation of the Community Development Program. This program will seek to stimulate and guide (through the activities specified herein) public and private investments in the redevelopment of the Decline Street area. This project area as outlined in Chapter 2 is the focus of this Urban Renewal Plan.

To achieve this, Anytown will initiate a Community Development Program to perform the activities specified in this plan in accordance with the provisions of the Kentucky Revised Statutes, Chapter 99.

In accordance with KRS 99.370(2) and KRS 99.540, this plan addresses the following topics:

1. Location, character and extent of public and private land ownership and uses proposed within each project area.
2. Proposed land acquisition, demolition and clearance activities within the project area.
3. Proposed redevelopment and improvements within the project area.
4. Proposed rehabilitation activities of all types within the project area.
5. Relationships of this plan to local development objectives, strategies and standards.
6. Maximum density and building requirements within the project area.
7. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) will be followed by the City during relocation procedures.

COMMUNITY BACKGROUND

Anytown is a City located in eastern Kentucky containing 10 square miles. In 1990, the City had a population of 802. The population increase to 810 in 2000. Of the 810 people residing in the City in 2000, 701 (86.5%) were White, 82 (10.1%) were Black, 5 (0.6%) were American Indian, 6 (0.7%) were Asian, and 7 (0.9%) were listed as "Other". In addition, there were 9 persons (1.1%) that reported as being two or more races. In 2000, 85 residents of the City were Hispanic or Latino (10.5%).

The Decline Street area of Anytown is a minority community located in the south end of the city. The area has a large concentration of dilapidated housing with some newer homes. Five (5) of the older homes have no usable indoor toilet. Four (4) households do not have indoor water service.

PROJECT AREA LOCATION

The Community Development Block Grant received by Anytown was obtained to assist in the redevelopment of the Decline Street project area. Appendix A contains various maps that depict the location of the neighborhood that is covered by the Urban Renewal Plan. As can be seen from reviewing the project area map, the Decline Street area includes properties located from 100-400 Decline Street, as well as those located on Slum Street, Revive Street and Narrow Lane.

PROJECT OVERVIEW

A Community Development Block Grant has been approved by the Governor's Office for Local Development to provide funding for the redevelopment of the Decline Street project area. The project funded with this grant is known as the Decline Street Redevelopment Project. This project will take approximately twenty-four months to complete and will accomplish the following tasks:

1. Seven (7) parcels of land containing seven (7) structures and three (3) mobile homes will be acquired in order to eliminate title problems and allow clearance of these structures.
2. Eighteen (18) structures will be cleared in order to eliminate a concentrated area of dilapidated housing and enable seven (7) owners to build homes that have running water and public sewer.
3. Ten (10) families will relocate into decent, safe, and sanitary housing. Six (6) LMI homes will be connected to a public sanitary sewer system in order to provide indoor plumbing and eliminate malfunctioning septic tanks.
4. Three (3) substandard houses will be rehabilitated to International Property Maintenance Code and will be provided with public sewer. One (1) house, constructed prior to 1978, will be tested for lead based paint and addressed in accordance with new HUD lead based paint regulations.

5. Three (3) City roadways included as part of the project area will be upgraded in order to improve the flow of storm water runoff and restore road conditions after construction activities are complete. Installation of 5,750 linear feet of 8” sanitary sewer lines will be installed in order to eliminate malfunctioning septic systems and outdoor bathroom facilities. Water lines will be extended in order to serve all homes within the project area.

PROJECT GROUP RESPONSIBILITIES

For the project to succeed, a number of different groups must work together. Table 1 presents these groups and their responsibilities. As these presentations reveal, the City Council is ultimately responsible for all phases of the project and therefore retains all control of the project.

TABLE 1 PROJECT GROUP RESPONSIBILITIES DECLINE STREET REDEVELOPMENT PROJECT	
GROUP	RESPONSIBILITY
Anytown City Council	Legal applicant for all funds; <u>final</u> approval of and responsibilities for all project activities; approval of all project documents and plans; final decisions on all administrative appeals. Maintenance of all accounting records.
Proficient Consulting	Provides technical assistance to the City Council regarding Federal procedures and practices which most efficiently implement this plan. Responsible for establishing project accounting procedures. Implements the policies of the City Council; carries out the day to day activities of the project, supervises all remaining staff and consulting professionals. Complete administration of the project.

AMENDMENT PROCESS

Any provision of this Urban Renewal Plan may be amended if the City Council determines that it is necessary and desirable to do so. Such an amendment must be approved in the same manner as was the adoption of this Urban Renewal Plan (including a public hearing). Amendments refer to major, substantive changes in the proposal set forth in the Urban Renewal Plan.

CHAPTER 2

PROJECT AREA DESCRIPTION

The purpose of this chapter is to describe the project area as it presently exists. Particular emphasis will be placed on housing and socioeconomic conditions as these factual matters are central to the City Council's determination that the project area is a slums/blight area and therefore eligible for Urban Renewal activities as defined by KRS 99.

SOCIOECONOMIC CONDITIONS

As previously described the Decline Street area of rural Anytown is a minority community located in the south end of the city. The Decline Street project area contains a concentration of LMI families living in substandard housing. Of twenty-four (24) occupied structures in the neighborhood, ten (10) are dilapidated and require demolition. Five (5) of these homes do not have indoor toilets. Four (4) homes do not have indoor water with one (1) home only having water to a sink.

Furthermore, door to door socioeconomic surveys conducted within the project area in July, 1999 revealed a substantial level of need. Of the twenty-three (23) households in the project area, seventeen (74%) are LMI, six (26%) are very low income, and seven (30%) are extremely low income. Seven (7) of the households are elderly, sixteen (16) are disabled, and eight (8) have female-headed households.

HOUSING CONDITIONS

There is a limited supply of affordable standard housing in Anytown. In addition, Anytown has both concentrated and scattered site substandard housing. As standard affordable housing is limited in rural Anytown, the best option for both the community and residents is to construct stick built replacement homes in the project area.

A survey of housing conditions, 100% exterior and 75% interior, was completed in July of 1999. In the Decline Street project area, eighteen (18) out of thirty-two structures (56.3%) are considered to be dilapidated, deteriorated, or obsolete and require clearance.

EXISTING LAND USE

Appendix A contains the Decline Street Redevelopment Project Area Map. The map depict the land use as residential in nature surrounded by farms and rural uses to the south of the city with the exception of one inactive commercial structure located on Decline Street. All structures included in the project area are single family residential in nature.

EXISTING ZONING

Anytown has adopted Citywide planning and last updated their Comprehensive Plan in 1994. The City also has zoning and subdivision regulations. According to the zoning regulations the area is zoned R-2, low to medium density residential. The minimum lot size for single family residential homes on public sewers is 7,500 square feet. Any new lots created as part of the Decline Street Redevelopment Project would meet or exceed the minimum standards.

Most existing lots will also meet these standards. Any that do not would be considered non-conforming lots of record under the “grandfather” provisions of the ordinance.

INFRASTRUCTURE

Anytown will re-pave and make ditching and drainage improvements along approximately 2800 linear feet of city (Decline Street, Slum Street, Revive Street, and Narrow Lane) once construction activities are complete. In addition, 5,750 linear feet of 8” sewer lines will be installed to serve all homes located within the project area. The Anytown Water and Sewer Commission has also agreed to extend a 3” water main approximately 400 feet to the end of Narrow Lane to serve the last two houses on this road.

CHAPTER 3

GOALS AND OBJECTIVES

INTRODUCTION

The purpose of this chapter is to (1) summarize the needs of the Decline Street neighborhood and (2) to develop goals and objectives to address these needs. These goals and objectives will guide the implementation of the project. This chapter will also present an approximate schedule for the implementation of the project.

GOALS AND OBJECTIVES

The following goals and objectives will define the project's mission and guide its implementation:

GOAL: *To eliminate blighting conditions within the project area.*

OBJECTIVE:

- (a) To clear all dilapidated structures within the project area and relocate all displaced households into suitable housing.
- (b) To use code enforcement to clear dilapidated structures and require rehabilitation of other remaining substandard units.
- (c) To acquire and clear additional properties as necessary or advantageous to completing the mission of the project.

OBJECTIVE: *To increase housing opportunities for LMI residents of the Decline Street Neighborhood.*

- (a) To assist homeowners in purchasing or constructing decent safe and sanitary replacement housing.
- (b) To improve lot layouts where possible.

GOAL: *To enhance the quality of life in the Decline Street Neighborhood by improving the infrastructure in the area.*

OBJECTIVE:

- (a) To repave and improve three (4) City streets upon completion of all other activities to restore any deterioration.
- (b) To extend 5,750 linear feet of 8" sewer lines to all homes located within the project area.
- (c) To extend a 3" water main approximately 400 feet to the end of Narrow Lane to serve the last two houses on this road

PROJECT SCHEDULE

The performance schedule, included in Appendix A, presents an approximate timeline for the completion of the Decline Street Redevelopment Project. This schedule is presented for informational purposes only. Major activities are identified in the quarter in which they begin and are to be continuous until the quarter where completion is noted.

CHAPTER 4

DEVELOPMENT PLAN

INTRODUCTION

The purpose of this chapter is to present and briefly discuss the development activities to be initiated and completed within the project area. Some of these activities may not be included as part of the redevelopment plan for the Decline Street neighborhood.

This Urban Renewal Plan must clearly address and discuss the following points:

1. Relationship of the project to the Comprehensive Plan.
2. Land acquisition and demolition.
3. Redevelopment proposals.
4. Public Improvements.
5. Rehabilitation proposals.
6. Zoning and land use change.
7. Public and private ownership of property upon completion of the project.

The project may be reduced to five key activity groups:

1. Property acquisition. This includes acquisition of lots and houses as well as any necessary easements for public facilities work.
2. Clearance of structures not suitable for rehabilitation. This includes asbestos inspections prior to demolition and disposal at a permitted facility.
3. Relocation of families into standard housing.
4. Housing construction and rehabilitation. This includes testing for lead based paint on all homes built prior to 1978 and addressing lead based paint in accordance with new HUD regulations.
5. Public improvements. This activity includes the repaving of project area streets, the installation of drainage improvements, and extension of water and sewer lines. (If applicable)

Each of these five groups will be briefly discussed in this chapter. Later chapters will present more information regarding these activity groups.

RELATIONSHIP TO THE COMPREHENSIVE PLAN

The Anytown Planning Commission updated their Comprehensive Plan for the City in May 1994. The overall housing goal for Anytown, included as part of the plan, is to “develop housing and residential areas which provide safe, sound, and decent housing for all families and individuals, both private ownership and rental properties, at affordable prices.” Some objectives to achieve this goal are as follows: (1) Improve and conserve the quality of new and existing housing through the enforcement of the Subdivision regulations, Zoning Ordinance, building permits, and building codes;” (2) Encourage the development of both single and multi-family housing within areas that are served by existing utility facilities; and (3) Encourage and provide for assisted owner and rental housing units for the area’s low income and elderly population. Although the plan does not specifically address the project area, the redevelopment of Decline Street neighborhood is in conformance with these provisions.

PROPERTY ACQUISITION-CLEARANCE

All acquisitions will be done in accordance with the Uniform Act. Approximately seven (7) parcels of land including seven (7) dilapidated stick-built homes and one (1) mobile home will be acquired. This will allow clearance of a total of eight (8) structures and resolve title problems with the properties so replacement homes can be built. Acquired properties will be re-lotted to meet City requirements and sold back to the owner-occupants for construction of replacement homes.

For additional information on Property Acquisition, refer to Chapter 6 of this Urban Renewal Plan. For additional information on Relocation matters, refer to Chapter 7 of this Urban Renewal Plan.

PUBLIC IMPROVEMENTS

City roads located within the project area (Decline, Slum, Revive Streets and Narrow Lane) currently need ditching and drainage improvements in order to adequately channel storm water runoff. As demolition and construction activities will degrade the condition of the road, Anytown will re-pave and make ditching and drainage improvements along approximately 2800 linear feet of Decline, Slum, Revive Streets and Narrow Lane. Sanitary sewer also needs to be extended to the project area as many of these homes have malfunctioning septic systems or outdoor bathroom facilities. Therefore, 5,750 linear feet of 8” sewer lines will be extended to serve all homes located within the project area. In addition, the Anytown Water and Sewer Commission will extend a 3” water main approximately 400 feet to the end of Narrow Lane to serve the last two (2) houses on this road. In general, eliminating the poor road and unsanitary conditions in the neighborhood will increase the quality of life for those residents living there.

NEIGHBORHOOD REDEVELOPMENT

The City will stimulate neighborhood redevelopment by assisting homeowners and renters in obtaining any necessary financing to construct or purchase replacement homes. Present project area residents will have priority in purchasing lots.

For additional information on Neighborhood Redevelopment, refer to Chapter 9 of this Urban Renewal Plan.

HOUSING REHABILITATION

Three (3) LMI owners are living in substandard houses that need to be rehabilitated to International Property Maintenance Code. Of the three (3) structures, two (2) are in need of moderate rehabilitation and one (1) needs major rehabilitation. As part of rehabilitation activities, testing and elimination of lead based paint will be conducted in accordance with new HUD guidelines for structures built prior to 1978. At the present time, only one (1) of the homes to be rehabilitated as part of this project was built prior to 1978.

FUTURE LAND USE

The thirty-two (32) structures located within the Decline Street neighborhood includes twenty-eight (28) single family stick-built homes, three (3) mobile homes, and one (1) double wide mobile home. While some housing will be eliminated in the project area, it will remain single family residential in nature due to the construction of single-family replacement homes in the neighborhood. One inactive commercial building is located adjacent to the project area off of Decline Street Road. However, the character and future land use of this area is not expected to change from single family residential in the future.

CHAPTER 5

FINANCING AND COSTS

INTRODUCTION

KRS 99.370 requires disclosure of (1) the means of financing the proposed Urban Renewal activities and (2) the costs associated with said Urban Renewal activities. The purpose of this chapter is to provide this information.

COSTS

Table 2 presents the estimated costs associated with the implementation of the project as set forth in the 2000 Kentucky CDBG Housing Application for the Decline Street Redevelopment Project.

TABLE 2

ESTIMATED PROJECT COSTS

DECLINE STREET REDEVELOPMENT PROJECT

Acquisition	\$ 91,600
Clearance	25,000
Relocation	373,406
Public Facility Improvements	307,562
Rehabilitation	79,500
Planning and Administration	100,000
Contingencies	54,647
TOTAL COSTS	\$ 1,031,715

FINANCING

Table 3 presents information relative to the sources of funds available for defraying project costs. No deficits are expected to be incurred during the life of the project.

TABLE 3
SOURCES OF PROJECT FUNDS

Community Development Block Grant	\$ 1,000,000
Anytown (cash)	11,715
Lot sales, rents	<u>20,000</u>
TOTAL FUNDING	\$ 1,031,715

In addition to a cash contribution of \$11,715 for street improvements, Anytown will provide in-kind labor and equipment for clearance activities at an estimated value of \$47,000 and in-kind labor for road drainage improvements estimated at \$4,000. The City of Anytown will waive an estimated eight (8) water tap-on fees at \$500 each (seven (7) new houses and one existing house at the end of Narrow Lane). They will also waive an estimated 20 sewer tap-on fees at \$300 each (seven (7) new houses and thirteen (13) existing homes). The total in-kind value of these tap fee waivers is \$10,000. The City of Anytown will also extend a 3” waterline approximately 400 feet at the end of Narrow Lane. The value of this in-kind service is estimated at \$3,200 (400 linear feet at \$5.00 plus two (2) meters valued at \$400 and one valve at \$400).

CHAPTER 6

ACQUISITION-CLEARANCE-DISPOSITION

INTRODUCTION

The purpose of this Chapter is to discuss the aspects of the project relative to Property Acquisition, Clearance, and Disposition. This Chapter will summarize the provisions and procedures of the City's Property Acquisition and Disposition Policy" which is the "Uniform Act".

PROPERTIES DESIGNATED FOR PURCHASE

To complete the project objectives, it will be necessary for the City to acquire approximately seven (7) parcels of land including seven (7) dilapidated stick-built homes, and one (1) mobile home. The Decline Street Redevelopment Project Map, located in Appendix A, identifies the properties that are designated for purchase. The primary purpose of property acquisition will be to clear dilapidated properties, make lots available for construction of replacement homes, and to clear title to those properties which are currently in estates.

ACQUISITION OF OTHER PROPERTY

It is not intended at this time to purchase properties other than those designated by the project area map in Appendix A. It is possible, however, that unforeseen events in the execution of the project could necessitate the purchase of additional properties. Property not designated for purchase may be acquired if, in the opinion of the City, the purchase of the property is necessary for the success of the project. The procedure for this is set forth in KRS 99.460.

EXEMPTION FROM ACQUISITION

A property designated for purchase as part of Decline Street Redevelopment Project may be exempted from acquisition if the City Council determines that the purchase of the property is not necessary to accomplish the mission of the project.

EMINENT DOMAIN

Under KRS 99.360 and 99.550, the City may exercise the power of Eminent Domain. The procedure for the exercise of this power is set forth in KRS 99.420. The City will make every attempt, however, to avoid the use of this power.

ACQUISITION PROCEDURES

Any property to be acquired by the City will be appraised by at least two (2) and sometimes three (3) appraisers to determine Fair Market Value. These appraisals are calculated in consideration of the characteristics of the properties as they presently exist and not on their potential value upon completion of the project. The City will then offer the property owners the amount determined by the two (three) appraisers to represent Fair Market Value or "just compensation".

Any acquisition will be conducted in accordance with all applicable federal and state regulations. Federal regulations are set forth in the "Uniform Act" and its implementing regulations. This Act covers such topics as procedures for acquisition and disposition; determination of just compensation; and the grievances and appeals procedure. The Uniform Act and its implementing regulations are the official property acquisition policies of the City.

VOLUNTARY ACQUISITION POLICY

Voluntary acquisition shall be permitted only if the property has not been designated for acquisition. Only vacant land will be acquired by voluntary acquisition. The City may decline to purchase any property. Property owners will be responsible for paying any taxes due and for providing clear title to the property. Anytown will pay other closing costs such as surveying, legal fees and recording fees.

CODE ENFORCEMENT

All property owners in the Decline Street Project Area shall be required to maintain existing buildings in accordance with the International Property Maintenance Code. Any property found to be deficient shall be repaired to meet the International Property Maintenance Code or shall be demolished and removed. Any property which is found to be in substantial noncompliance with the Code may be declared a public nuisance. The City Council may demolish and clear dilapidated structures with written owner's permission.

HEARING PANEL

The Mayor, with the City Council's approval, shall appoint three (3) individuals who shall constitute a Hearing Panel for the purpose of conducting hearings pursuant to this plan. Members of the Hearing Panel may not be employees of the City and shall serve without compensation. An enforcement officer shall not be a member of the Hearing Panel.

NOTICE OF VIOLATION

When any property is declared a public nuisance, notice of the violation shall be given as follows:

Written notice of the violation and an order to remedy the violation shall be delivered or sent by certified mail to the owner or responsible person of the property.

If the City is unable to determine or locate the owner or responsible person of the property, the notice of violation shall be posted in a conspicuous place on or near the property, and it shall be published pursuant to Chapter 424 of the Kentucky Revised Statutes in a newspaper of general circulation in Anytown, Kentucky.

Notice to any one owner of the property shall constitute notice to all other owners of the same property.

Notice mailed to an owner at the last address shown on the property tax roll maintained by the City P.V.A. office shall constitute notice to all owners of the property. Each owner of property located in the project area shall have a duty to notify the City of the proper mailing address of the owners of the property in a timely manner.

PERIOD TO CURE

In the written notice, the owner or responsible person shall be afforded a period during which to cure the violation. The following periods to cure shall apply: (a) 45 calendar days for dilapidated structures; and (b) 90 calendar days for structures damaged by fire. The City may extend the period to cure for an additional time not to exceed the original period. All periods to cure shall begin when notice is mailed.

HEARING

Any owner of property declared a nuisance under this plan shall have the right to a hearing before the Hearing Panel. A hearing request must be made within 15 calendar days of mailing the Notice of Violation. A request for a hearing shall be timely submitted in writing, signed by the requesting owner, containing the current mailing address and telephone number of the requesting owner, and received by or delivered to the Mayor's office no later than 15 calendar days following the date of mailing the Notice of Violation. Upon receipt of a timely submitted written request, the City shall schedule a hearing before the Hearing Panel as soon as reasonably possible. Written notice of the date, time, and location of the hearing shall be mailed to the owner or responsible person who requested the hearing. At the hearing, both the owner or responsible person and the City's representative shall be allowed to present evidence and to cross-examine witnesses. The rules of evidence shall not apply. At the conclusion of the hearing, the Hearing Panel shall go into closed session, to discuss whether the notice of violation and order to remedy was appropriate under the circumstances. The decision of the panel shall be made by majority vote and announced in open session following deliberations. A written order containing the findings and decisions of the Hearing Panel shall be filed with the Mayor and mailed to the owner within five (5) business days following announcement of the Panel's decision.

ABATEMENT BY CITY

If the owner or responsible person of property in violation fails to properly cure or remedy the violation within the time prescribed in the notice, or within seven (7) days following entry of an order by the Hearing Panel upholding a notice of violation, whichever is later, then the City, in its discretion and without obligation, may enter upon the property and take such action as it deems appropriate to cure the violation and abate the nuisance. Such action may include, the cutting or removing of grass and weeds, the removal of trash, debris, garbage, refuse, materials, waste, junk, litter, and other matter constituting a violation, the repair of any unsafe or unsanitary condition, and the demolition and removal of any dilapidated structure. The City may file a lien against the property for the reasonable value of labor, materials, and equipment used in remedying the situation together with any legal costs incurred by the City.

CLEARANCE

All structures acquired by the City will be demolished or otherwise prepared for redevelopment. Where purchase for redevelopment is not appropriate, the City may elect to use Code Enforcement as described above to bring about demolition of the dilapidated structure.

PROPERTY DISPOSAL

Properties to be purchased by the project will be disposed or redeveloped in the following manner:

1. Acquired properties not suitable for residential redevelopment may be sold to adjoining property owners for side yards or additions to existing lots. Priority shall be given to improving adjacent lots to meet zoning regulations.
2. Persons displaced by this project shall have first priority to purchase land acquired for this project. Owners have priority over renters. Those with an earlier date of occupancy have priority over later residents.
3. Any vacant lots suitable for residential development remaining at the end of the project shall be used for construction of LMI housing. Habitat for Humanity will be given first priority.
4. For further details on redevelopment activities, please refer to Chapter 10 of this plan.

CHAPTER 7

RELOCATION

INTRODUCTION

The implementation of the proposals of this Urban Renewal Plan will result in the displacement of approximately ten (10) households. Seven (7) owners and three (3) renters require relocation into standard housing. The purpose of this chapter is to present the key provisions of the "Relocation Policy" which will govern this relocation process. Anytown will use "The Uniform Act" as it's implementing regulations in the displacement and relocation of project area residents. A relocation plan for the Decline Street Redevelopment Project is presented in Appendix B and gives further details. The temporary relocation policy can also be found in Appendix B.

RELOCATION FINDING

In accordance with KRS 99.370(4), the Anytown City Council finds that there is and will continue to be a feasible method for the temporary or permanent relocation of households displaced from the project area. The Agency further finds that there are few decent, safe and sanitary units outside the project area at rents or prices within the financial means of the displaced families. Therefore, last resort replacement housing will be constructed as needed to provide decent, safe and sanitary units to displaced residents. The City will provide a financing program for the displaced residents, which will give homeowners in the project area the opportunity to construct replacement homes. Lots will be purchased as needed in order to ensure that sufficient land is available for construction of replacement housing.

RELOCATION RESOURCES

Because all households being displaced by this project are owner-occupants, the approved CDBG application provides for the construction of new single family homes for owner/occupants who will be relocated once their existing home is demolished. For those displaced residents that choose not to participate in the construction of new homes, housing available on the private market will be used as relocation resources.

ELIGIBILITY

A household must meet all of the following tests before being eligible for receiving Relocation benefits:

1. Receive a Notice of Relocation Eligibility.
2. Homeowners must have owned and occupied their home for a period of not less than 180 days prior to the date of Notification of CDBG Grant Award.
3. Renters must have lawfully occupied their rental dwelling for a period of not less

than 90 days prior to the date a written offer to purchase is made to acquire the property they are living in. All displaced parties must be willing to relocate to decent, safe and sanitary homes which meet all applicable local, state and federal regulations and ordinances.

4. All occupants displaced from their homes shall be eligible for moving expenses.
5. Permanent moving expenses will only be paid once to any family or for any one structure.

RELOCATION BENEFITS

Relocation benefits will be determined on a case by case basis in accordance with the Uniform Relocation Act and Section 104(d) of the Housing and Community Development Act of 1974, as amended. An Anti-displacement and Relocation Plan has been developed and is included as Appendix B.

MISCELLANEOUS

No household will be required to move without at least 90 days notice. Eviction will be used only as last resort and will not effect the eligibility for relocation benefits of any displaced person or business.

GRIEVANCE PROCEDURE

Residents have the right to appeal any action of the City for failure to properly determine their eligibility for or the amount of a relocation payment or payment for incidental expenses or certain litigation expenses. A resident's acceptance of the amount offered by the City does not limit the right to appeal the City's determination and seek a larger payment.

An appeal must be filed within 60 days after the City provides written notification of its determination of claim amounts. The first level of appeal is to the City Council. In response to an appeal, the City will provide residents a copy of the decision, a statement of the facts and legal basis upon which it is based, a description of any additional benefits granted and notification of the right to appeal the decision to the Department of Local Government.

If not satisfied with the City Council's determination, residents may appeal to the Department of Local Government, 1024 Capital Center Drive, Frankfort, Kentucky 40601. A state review may be obtained by sending a written request to the Department of Local Government within 30 days after receiving a letter containing the City's decision, together with a written statement of the facts. A full copy of the grievance procedure can be found in Appendix D.

CHAPTER 8

PUBLIC FACILITIES IMPROVEMENTS

INTRODUCTION

The purpose of this Chapter is to briefly identify the public improvements to be installed or completed during the course of the project.

City roads located within the Decline Street project area (Decline Street, Slum Street, Revive Street and Narrow Lane) currently need ditching and drainage improvements in order to adequately channel storm water runoff. As demolition and construction activities will degrade the condition of the road, Anytown will re-pave and make ditching and drainage improvements along approximately 2800 linear feet of city streets in the project area. Sanitary Sewer also needs to be extended to the project area as many of these homes have malfunctioning septic systems or outdoor bathroom facilities. Therefore, 5,750 linear feet of 8" sewer lines will be extended to serve the last two (2) houses on this road. In general, eliminating the poor road and unsanitary conditions in the neighborhood will increase the quality of life for those residents living there.

CHAPTER 9

HOUSING REHABILITATION AND NEW CONSTRUCTION

INTRODUCTION

The purpose of this chapter is to summarize the key provisions of the rehabilitation and new construction component of the Decline Street Redevelopment Project.

Three (3) LMI owners are living in substandard houses that need to be rehabilitated to International Property Maintenance Code. Of the three (3) structures, two (2) are in need of moderate rehabilitation and one (1) needs major rehabilitation. As part of rehabilitation activities, testing and elimination of lead based paint will be conducted in accordance with new HUD guidelines for structures built prior to 1978. At the present time, only one (1) of the homes to be rehabilitated as part of this project was built prior to 1978.

A more detailed explanation of the procedures to be followed during implementation of this component is contained in the project's Rehabilitation Plan located in Appendix B.

ELIGIBILITY

Eligibility requirements for housing rehabilitation financial assistance is detailed in the Housing Rehabilitation guidelines found in Appendix C. There are no restrictions on period of ownership, however, those who have lived in the project area the longest shall have first priority for funding.

The Housing Rehabilitation Officer will inspect units for deficiencies utilizing the BOCA National Maintenance Code. The Rehabilitation Officer will complete work write-ups for the needed repairs of each property. These work write-ups will be utilized as the scope of work in contracting procedures.

Each property owner to receive rehabilitation assistance will complete an application to be provided by the City. The staff will verify all financial information on the applicant. This information will be confidential. The staff will then determine, according to guidelines set forth in the Rehabilitation Plan, the type of financial assistance available. This will then be discussed with the property owner. Subsidies will be based on income and assets of the property owner.

FINANCIAL ASSISTANCE-HOUSING REHABILITATION

The financial assistance to be provided participating property owners will have one or a combination of two possible forms. These two forms of assistance are:

1. Forgivable (Deferred) Loans: LMI owner-occupants are eligible for forgivable deferred loans. These loans are made directly by the City. The source of the funds are from the CDBG grant. The loan is forgiven at a rate of 20% per year. At the end of five (5) years, the entire loan is forgiven. If the property changes hands before the entire loan is forgiven, some repayment of the loan may be

required. Payment schedules in these cases will be determined by the staff of the agency and approved by the City Council. Payment scheduled in these cases will be based on individual situations.

2. **Leveraged Loans:** Over income households and owners of rental properties may be eligible for leveraged loans. A portion of the leveraged loan will be made by the City from CDBG funds. CDBG financing will be in the form of a five (5) year forgivable deferred loan. The remaining funds will be provided by the property owner's through their own funds or financing provided by a lender. Only health and safety concerns will be addressed for properties occupied by over income families. Over income owner occupants will be required to pay two-thirds of the rehabilitation costs. Owners of rental properties may be eligible for partial financing from CDBG funds if one or more tenant households are LMI. To determine the owners contribution, the income and expenses for the property will be considered as well as the ability to pay for any over income renter-occupants. The maximum owner contribution will be two-thirds of the rehabilitation costs for properties occupied by LMI persons. The owner contribution may be higher for properties occupied by over income families.

FINANCIAL ASSISTANCE-NEW CONSTRUCTION

1. Tenants who are displaced from their homes will be eligible to purchase any available lots for construction of a replacement home for \$1.00 upon approval of a loan construction of the home. Renters can use their relocation payment for a down-payment. Any renter that uses their relocation payment as a down payment to purchase or construct a home shall receive a minimum of \$5,250 for down payment assistance as their relocation payment. Relocation Payments: Funds are available through the CDBG program for relocation payments to homeowners to construct replacement houses on their property. Under the "make-whole" provisions of the Uniform Act, Owners will be left in the same financial condition as before the relocation in terms of amount of mortgage on the property and ownership interest.

Any financing to be provided by a renter to construct a replacement home must be approved prior to the bidding. The renter shall be required to be pre-qualified for financing to purchase a home prior to being provided extensive assistance in locating a replacement home. Any renter that is not current on payment of their rent to the current or prior owner shall not be eligible for homeownership counseling. Renters who wish homeownership counseling must authorize a credit check. This is to eliminate wasted effort on part of the staff if the renter cannot be approved for financial assistance.

SELF HELP

In recognition of the fact that some property owners may wish to do some of the rehabilitation work themselves, the City may provide assistance for self-help rehabilitation. The exact nature of the self-help to be provided will be based on each individual situation.

Possibilities for self-help include the purchase of material by the agency while the property owner provides the labor. Review and approval of self-help proposals will be made by the Project Manager. Property owners may appeal to the City Council if they are not satisfied with the Project Manager’s decision.

PRIORITIES

Table 4 presents the priority schedule for rehabilitation work. Households with incomes above 80% of median shall be assisted only after all households with incomes at or below 80% of median family income. Property owners are required to have paid all back property taxes and utility bills before being eligible for rehabilitation assistance or new housing construction.

TABLE 4 REHABILITATION PRIORITY SCHEDULE DECLINE STREET REDEVELOPMENT PROJECT	
Group Priority	Comments
1. Emergency	LMI Emergency cases which directly threaten health or safety. Other cases where hardship circumstances require priority status. This category requires approval of the Project Manger.
2. Elderly Households	LMI, Age 62 or older and head of household.
3. Physically Handicapped	LMI, Head of household is physically handicapped.
4. Female Head of Household	LMI, Head of household is female.
5. Large Families	LMI, Five or more members of household.
6. All others	All other low to moderate income families served on a first-come basis with those living in the project area the longest receiving first priority. Over income families (those with incomes over 80% of median family income for the area) shall only be served after LMI families have been addressed. Over-income families will be prioritized by need based on ability to pay. Those with the least ability to pay shall have highest priority.

NOTE: Priority group determined by type of household occupying the house. Lower income residents shall be given priority over higher income residents.

RENT RESTRICTIONS/RENTAL REHABILITATION

Rental properties shall be eligible for partial forgivable deferred loans based on an analysis of income and expenses for the property. Landlords participating in the program will be subject to rent restrictions for five (5) years beyond the date of loan closing. Rent increases will be limited to ten percent over a five (5) year period. This restriction is imposed in light of the generous financial assistance made available to them.

LOAN INSURANCE

Where appropriate, the City may require the loan recipient to purchase FHA Title I Loan Insurance. This loan insurance policy protects the lender in the event of default; 90% of the total loan amount is protected by the policy. Use of the FHA Title I Policy allows loans to be made to many persons, who otherwise might not qualify for loans. It also has the advantage of normally not requiring that a lien or mortgage be placed on the property. The cost of insurance is usually very low and is built into the monthly repayment amount when required.

UNITS TO BE REHABILITATED

Figure 1 shows all residential structures which are slated for rehabilitation work as part of the Decline Street Redevelopment Project.

CHAPTER 10

NEIGHBORHOOD REDEVELOPMENT

The primary goal of redevelopment will be to relocate displaced residents of the project area into decent, safe and sanitary housing. The secondary goals will be to eliminate blighting conditions such as substandard lots, provide necessary public utilities to residents, improving road conditions, and clearance of title problems which have lead to deferred maintenance of several properties in the neighborhood.

LAND DISPOSITION

After acquired properties in the Decline Street neighborhood are cleared of dilapidated structures, rubbish, and brush, they will be used for the construction of replacement or LMI housing or sold to adjacent property owners to create lots which meet the City's proposed zoning requirements. Use of properties acquired and sold by the City for redevelopment will be subject to restrictions by the City Council. The City may assemble multiple acquired parcels to meet specific public use needs or facilitate their redevelopment.

Priority for the sale of properties acquired under this Community Development program will be given to, in order:

1. Project area property owners who are being displaced as a result of property acquisition;
2. Project area tenants who are being displaced;
3. Habitat for Humanity for the construction of homes for low and moderate income persons; and
4. The general public.

CHAPTER 11

MISCELLANEOUS

CITIZENS PARTICIPATION

The Anytown City Council recognizes the critical role of citizen participation in assuring the success of the project. A public hearing was held to solicit citizen comment prior to submittal of the grant application for funding. This public hearing is documented in the CDBG grant application.

DURATION OF PLAN

This Urban Renewal Plan is in effect until the completion of the project.

DEVELOPMENT RESTRICTIONS

No building permit shall be issued for any structure or use within the project area during the duration of this Urban Renewal Plan unless the proposed activity is found to be in conformance with this Urban Renewal Plan (KRS 99.380). This determination will be made by the Project Manager. The determination may be appealed to the City Council in conformance with the Grievance Procedures.

EVIDENCE OF ADOPTION

Per the requirements of KRS 99.370 and 99.540, a number of legislative and other public actions and findings of fact are necessary to adopt this Urban Renewal Plan and initiate the completion of its redevelopment proposals.

1. The City will hold a public hearing at the Anytown City Hall, on February 15, 2000 at 7:00 p.m. to solicit public comment on the proposed redevelopment project and this plan.
2. By approval of this Urban Renewal Plan, the Anytown City Council finds that the Decline Street Redevelopment Project meets the definition of slums and blight contained in KRS 99.340. These areas meet the definition of slum area by virtue of the degree of dilapidated housing as documented in this Urban Renewal Plan.
3. This plan must be adopted by the Anytown City Council and approved by the
Anytown Planning Commission.

APPENDIX B

DECLINE STREET REDEVELOPMENT PROJECT

ANYTOWN, KENTUCKY

RELOCATION AND ANTI-DISPLACEMENT PLAN

In the implementation of the Decline Street Redevelopment Project, it will be necessary to relocate families living in deteriorated structures in the project area to safe, decent and sanitary housing. Approximately ten (10) families, seven (7) owners and three (3) renters, included as part of the project presently live in dilapidated structures and will have to be relocated to suitable housing.

A. Administration

All relocation activities in Anytown will be administered by the designated Community Development officer and in accordance with the Uniform Relocation Act and the U.S. Department of Housing and Urban Development's relocation procedures

B. Purpose

The purpose of this relocation function is to provide maximum assistance to persons and families displaced as part of the Community Development programs acquisition and clearance activities in obtaining suitable, safe, decent, and sanitary replacement housing.

C. Relocation Standards

1. Physical and Occupancy Standards

All units considered for relocation purposes must meet the HUD Section 8 Housing Quality Standard and appropriate building codes and have the appropriate number of bedrooms for the family size.

2. Ability to Pay

No individual or family should be referred to a comparable replacement dwelling for which the anticipated rent or mortgage payments and utilities will exceed 30% of their gross monthly income, including relocation benefits.

3. Environmental Standards

A suitable replacement housing unit must be in a location free of adverse environmental conditions and of similar accessibility as the displaced former residence to public services, utilities, employment, commercial facilities, churches, recreation, etc.

4. Non-Discrimination

All replacement housing considered for this relocation activity are open to all persons regardless of race, color, religion, handicapped status, or national origin, in a manner consistent with Title VII of the Civil Rights Act of 1968.

5. Proposal for Assuring Availability of Replacement Housing

- a. It is anticipated that owner occupants will construct replacement homes on their existing lots. However, should this not be the case, all persons being relocated will be assisted in purchasing or constructing replacement homes in other areas of the City. If necessary, the City will use condemnation powers to purchase lots in order to make suitable building sites available to those being displaced. Those displaced will be given first priority in purchasing lots available for construction of new homes outside the project area. Owners will receive "make whole" benefits so they are no more in debt than before they were relocated.
- b. As there are only three renters to be relocated, they will be assisted in finding a replacement rental property in Anytown. Renters who wish to become homeowners will be given priority to purchase any available lots in the project area. Renters can use their relocation assistance as a down payment to purchase or construct a replacement home. Renters who wish to become homeowners will be given homeownership counseling.
- c. Priority for the sale of properties acquired under this Community Development program will be given to, in order:
 1. Project area property owners who are being displaced as a result of property acquisition.
 2. Project area tenants who are being displaced.
 3. Habitat for Humanity for construction of homes for low and moderate income persons.
 4. The general public with LMI families given priority.
- c. Any displacee who chooses not to construct new housing in the

project area will be assisted in finding suitable replacement housing elsewhere. Public housing and other assisted housing units will be given top priority for replacement housing referrals. The following requirements for replacement housing shall apply.

1. Replacement housing for relocation activities must be inspected prior to referral to displacees and subsequent to occupancy to insure that it meets the HUD Housing Quality Standards.

2. No persons being relocated as part of this Community Development Program may be referred to a unit which:

- a. Is structurally deficient, lacks appropriate water and sewer service, has inadequate weatherization, or is inaccessible to handicapped displacees or otherwise fails to meet the HUD Housing Quality Standards and other building codes;

- b. Has loan payments or rent greater than the displacees ability to pay;

- c. Is in a blighted area for which no redevelopment is planned; and

- d. Is in an inconvenient location from the person's place of employment and for which commercial activities, recreation, church, etc. are not accessible.

6. Relocation Assistance Advisory Services

At the earliest possible date, persons to be displaced as part of the Community Development Program will be contacted and informed of the relocation procedure, replacement housing referrals, financial assistance, and social services assistance available under the relocation activity. Eligible persons will be informed verbally and given written information statements about the relocation process and financial assistance to insure their understanding of the program and a smooth relocation.

7. Housing Discrimination Complaint:

If a person displaced by this relocation activity is unable to purchase or rent a replacement dwelling because of alleged discriminating practices pertaining to race, color, creed, or national origin, a HUD Housing Discrimination Complaint Form shall be made available, completed, and filed for each family or individual so aggrieved.

8. Social Services

Persons being relocated will be provided with needed social services counseling prior and subsequent to their relocation. The Community Development Agency shall endeavor to assure the availability of counseling services related to job, financial, educational, health, and other social services. Referrals will be made to governmental, civil, and community agencies.

D. Equal Opportunity

1. The City shall take such actions as listed below to assure that all displaced persons are provided with the maximum opportunities to select replacement housing within the community's total housing supply; lessen racial ethnic, and economic concentrations; and facilitate desegregation and racially inclusive patterns of occupancy and use of public and private facilities:
 - a. Make full use of HUD properties, multiple listing services, and normal real estate management and brokerage services.
 - b. Inform members of minority groups of housing opportunities in non-traditional neighborhoods and provide services to familiarize them with such neighborhoods.
 - c. Cooperate fully with fair housing groups, human relations bodies, and other social groups, civic and religious groups interested in facilitating freedom of residence.

E. Grievance Procedure

1. Each person being displaced as part of this relocation activity will be informed both verbally and in writing about the grievance procedure. The grievance procedure will operate as follows:
 - a. A person may file a written appeal with the Community Development officer in any case in which the person believes that the agency has failed to properly determine the person's eligibility for, or the amount of a payment required under the Uniform Act, or a relocation payment required under these regulations. Persons may also request an appeal concerning a review of the quality and adequacy of replacement housing. Any person requiring assistance in filing an appeal will be assisted by the Community Development officer.
 - b. Appeals must be filed within 60 days after the person receives written notification of the agency's determination on the person's claim.
 - c. All appeals will be reviewed in a timely manner and the persons filing

the appeal will be notified in writing of the agency's decision, the basis for that decision, and procedures for further appeal.

- d. A person has a right to be represented by legal counsel or other representative in connection with his or her appeal, but solely at the person's own expense.
- e. If the appellant is not satisfied with the Community Development officer's decision, they may then take the appeal to the Anytown City Council. The City Council will then review the appeal and issue a decision.
- f. The agency shall permit a person to inspect and copy all materials pertinent to his or her appeal except materials which are classified as confidential by the agency.
- g. If the Anytown City Council disapproves an appeal, the appellant is entitled to a review by the Department of Local Government, 1024 Capital Plaza Center, Frankfort, Kentucky 40601. A state review may be obtained by sending a written request to the Department of Local Government at the above address within 30 days after receiving the review findings from the City Council.

F. Relocation Payments

- 1. Relocation payments shall be in full conformance with the provisions of the Uniform Act of 1970, as amended.
- 2. Fixed payment for moving expenses shall be determined in accordance with Department of Transportation, Federal Highway Administration's (49 CFR, Part 24) the fixed relocation payment schedule.

G. Temporary Relocation

Temporary relocations must be approved by the project manager. Families that move of their own accord without prior approval for a temporary relocation will not be eligible for reimbursement of costs. Circumstances when temporary relocations may be approved include the following:

- 1. The occupant's house must be demolished in order for their replacement house to be constructed requiring them to temporarily re-locate to another house.

Occupants will be encouraged to stay with friends or relatives especially when the temporary relocation is for a short period of time (30 days or less). Relatives and friends may charge the relocated family rent for providing shelter. However, the rent must be reasonable and not exceed one-half of the fair market rent for the

unit.

For longer relocations, the temporarily relocated family will first be given the option of renting any available housing the City may have acquired that would be suitable for temporary housing. Next, the City will work with the local public housing authority to provide temporary housing. If these sources are not available, the family will be assisted in finding a local, moderately priced hotel room (for short relocations) or other available rental properties. Rents must be reasonable for the area and generally should not exceed the fair market rent for the area. For owner-occupants, the City will pay the monthly rent and any reasonable direct out of pocket moving costs. For tenants, the City will pay the difference in cost between the rent the occupant was paying and the cost at the temporary facility and any reasonable direct out of pocket moving costs. **All rents and out of pocket moving costs must be documented by receipts.** In general, the occupant will be responsible for utilities at the temporary site on the same basis as the house they were relocated from.

H. Eviction Procedures

Eviction procedures will occur only as a last resort in the project area. Eviction will in no way effect the claimant's eligibility for relocation payments.

I. Other Provisions

If questions arise concerning any area not addressed in this Relocation Policy, the provisions of the Uniform Act of 1970, as amended, shall apply.

J. Anti-Displacement Plan

1. A total of eighteen (18) dilapidated structures included in the Decline Street Redevelopment Project are unsafe, cannot be rehabilitated, and require clearance. Ten (10) of these structures are occupied or occupiable. Eight (8) of these homes are occupied by LMI households. The structures to be cleared are shown on the project area map included in Appendix A. The number of LMI bedrooms lost to demolition and to be replaced are shown on the One-For-One Replacement Form included at the end of Appendix B.
2. The performance schedule attached as Appendix A shows the anticipated time schedule for the commencement and completion of demolition activities.
3. Seven (7) new replacement homes will be constructed as part of the project. This includes one (1) four-bedroom house, one (1) 3-bedroom house, and three (3) 2-bedroom units. These units with a total of thirteen (13) LMI bedrooms will replace most of the seventeen (17) LMI bedrooms lost through demolition. It is anticipated that the remaining four (4) LMI bedrooms needed will be replaced by the Habitat for Humanity. The project area map in

Appendix A shows the anticipated location of the construction of replacement homes.

4. The source of funds for the construction of replacement homes will be CDBG grant funds in the form of relocation payments, and excess payments to meet make whole provisions. A total of \$373,406 of the \$1,000,000 total funds will be used for relocations. The anticipated timing of replacement home construction is shown in Appendix A, the performance schedule.
5. The replacement homes will be constructed for residents displaced by the redevelopment project. Five (5) LMI owner-occupant households require relocation into standard housing. As 71% of the owners of the replacement homes are LMI, it is anticipated that this percentage of replacement homes will continue to be occupied by LMI families for the next ten years.

**A RESOLUTION ADOPTING THE DECLINE STREET
REDEVELOPMENT PROJECT
URBAN RENEWAL PLAN**

NOW, THEREFORE, BE IT RESOLVED THAT:

WHEREAS, in accordance with KRS Chapter 99, an Urban Renewal Plan, also know as the Development Plan, has been prepared for the City of Anytown and said plan addresses the Decline Street Redevelopment Project, and

WHEREAS, the Decline Street Redevelopment Project Urban Renewal Plan documents conditions which meet the definition of slums and blight contained in KRS 99.340, and

WHEREAS, after due public notice, a public hearing was held by the City of Anytown on February 15, 2000 at 6:30 P.M. to solicit public comment on the Urban Renewal Plan and the proposed housing project.

NOW, THEREFORE, be it resolved by the Anytown City Council:

The City finds that there is a feasible method for the temporary or permanent relocation of families displaced from the development area.

The City finds that the project area identified within the plan is a slum or blighted area.

The City finds that the Development Plan will afford maximum housing opportunity consistent with the sound needs of the community as a whole for redevelopment of the development area by private enterprise.

The City finds that the Development Plan conforms to the general or master plan, including the Comprehensive Plan, for the development of the community as a whole.

The City finds that Federal or State assistance is necessary to enable the development area to be redeveloped in accordance with the Development Plan, and funds will be available for the community share of the cost.

That based on the foregoing, the Anytown City Council hereby adopts and approves the Decline Street Redevelopment Project Urban Renewal Plan, also known as the Development Plan, dated January 2000, attached hereto and incorporated herein by reference.

Adopted this _____ day of _____, 2000 by the Anytown City Council, Anytown, Kentucky.

Mayor _____

Attest:

**Attachment 10-32:
Sample Short Form – Development Plan for Voluntary
Rehabilitation/Reconstruction**

SHORT FORM

URBAN RENEWAL PLAN REQUIRED FOR VOLUNTARY REHABILITATION/RECONSTRUCTION AS REQUIRED BY THE KENTUCKY REVISED STATUTE 99.530-99.590

I. BOUNDARY OF PROJECT AREA(S)

The Boundary of a proposed Project Area(s) for this Voluntary Rehabilitation/Reconstruction Urban Renewal Plan shall be the corporation boundaries of the _____ City/County. All proposed Community Development Block Grant and other rehabilitation/reconstruction activities will be carried out within this designated boundary.

II. PUBLIC PURPOSE AND STATEMENT OF DEVELOPMENT OBJECTIVES

1. Introduction

Recognizing the dangers of blight, deterioration and obsolescence to the continued stability and vitality of the _____ City/County, the _____ City/County has developed a revitalization program for upgrading and stabilizing property located within the designated area(s).

The purpose of the program is to assist in removal of blighted conditions in the area(s), assist in rehabilitation of dwellings capable of being upgraded to Kentucky Residential Building Code and to promote new development in area(s) which are presently identified as blighted through reconstruction on existing property.

2. To protect the health, safety, and public welfare of residents, visitors and workers in the designated area(s) by elimination of the hazardous or unsafe condition of structures in the redevelopment area(s).
3. The rehabilitate/reconstruction of residential structures on a voluntary basis utilizing the Kentucky Residential Housing Code.
4. To enhance affordability of homeownership for low- and moderate-income households through the use of public loans, grants or a combination thereof to reduce the cost of rehabilitation/reconstruction.
5. To preserve and create an environment within the project area(s) which will protect the health, safety and general welfare of the project area(s). To preserve existing values of properties remaining within the area(s) as well as adjacent properties.

III. GENERALIZED LAND USE PLAN

The Generalized Land Use Plan shall be the same as the existing zoning districts of the _____ City/County as approved by the local Planning and Zoning Commission.

IV. URBAN RENEWAL TECHNIQUES TO BE UTILIZED TO ACHIEVE PLAN OBJECTIVES

Section 1. Rehabilitation

The goal of property rehabilitation in the designated area(s) is to provide a decent, safe and sanitary environment for the residential reuse of households currently utilizing these structures. Fundamental to this goal is the restoration of all existing structures feasible of rehabilitation to a condition meeting Kentucky Residential Building Code or, where the structure cannot be rehabilitated, the reconstruction of this structure on the same property, and of a similar residential structure, that meets the Kentucky Residential Building Code. The procedures to be utilized for the purpose of rehabilitating property will be those attached to this Short Form Urban Renewal Plan identified as Exhibit 1.

Section 2. Temporary Relocation, if applicable

Only temporary relocation will be utilized as part of this voluntary rehabilitation/reconstruction program. A feasible, temporary relocation policy has been identified and meets the requirements of the Rehabilitation Guidelines.

V. PROVISIONS NECESSARY TO MEET REQUIREMENTS OF APPLICABLE STATE OR LOCAL LAW

1. A determination that the Development Plan is not in conflict with the City/County's Comprehensive Plan.
2. A Public Hearing on the Urban Renewal Plan has been held by the City/County prior to adoption of the Plan to solicit to citizen input.
3. The City/County has approved the Development Plan, and procedures for implementing the Voluntary Rehabilitation/Reconstruction Community Development Block Grant Program.

VI. PROCEDURES FOR CHANGES TO THE APPROVED URBAN RENEWAL PLAN

If the City/County desires to modify this plan, they may do so after the necessary public hearings on the proposed changes in accordance with applicable State and Local Law. Any changes affecting any property or contractual rights can be effectuated only in accordance with applicable State and Local law and provided that, if modified after sale or lease of land in the area(s), such modifications is consented to in writing by the owner and the lessees of the properties directly affected by this modification.

VII. DURATION OF COMMUNITY DEVELOPMENT PLAN OBJECTIVES

All land-use provisions and building requirements specified in this plan shall be applicable upon the date of approval of this plan and shall remain in affect for a minimum of five (5) years. Modification of the land-use plan and the various building codes and development regulations shall only be undertaken after appropriate public hearings and proper notification of all affected property owners.