

## **Chapter 5**

### **HOUSING POLICY MANUAL**

#### **Homeowner Emergency Repair Project (ER) Eligibility and Procedures**

**A. Project Description.** The city will assist very low-and low-income households who own and occupy an attached or detached single-family principal dwelling in need of an emergency repair. This assistance is in the form of a grant and must be used for items that threaten the health and/or safety of the household. It is not the intent of this program to be a rehabilitation program, or to provide normal routine maintenance, or cosmetic housing repairs. The HCD is authorized to use CDBG funds, subject to HUD regulations and local policies, to provide emergency repair(s) assistance for qualified applicants.

#### **B. Basic Emergency Repair.**

1. The dwelling shall require immediate repair to provide a safe, secure, healthy, and sanitary structure. The repair will be evaluated by HCD staff and then verified by a professional contractor and a quote for the repairs obtained. A copy of the quoted will be provided to HCD staff once the homeowner has received their tentative approval letter. HCD will not be liable for the cost of the professional contractor quote for repair.
2. Each homeowner or structure may only receive one emergency repair for a maximum five thousand dollars (\$5,000.00) per annum. If the amount of repair exceeds \$5,000, a qualified homeowner is eligible to apply for rehabilitation services, or the homeowner may pay the difference from personal source funds. The homeowner will provide the funds to the City of Lawton prior to the start of work. The City of Lawton will hold the funds until completion of the project and final inspection, at which time the contractor will receive payment for the amount over the \$5,000 limit. Work on the project will not begin until these funds have been set aside. If, after the start of the project, additional work is required over the contractor's estimate, the qualified homeowner will be offered the opportunity to stop work and request a full homeowner rehabilitation, if qualifying. If the homeowner chooses not to complete a full rehabilitation, they may pay for the increased difference or the contractor will attempt to fix any work he has started and, whenever possible complete as much of the work while remaining in the \$5,000 limit. As a minimum, the contractor must ensure the home is in the same condition as before he/she started the repairs. The contractor will receive payment for all work done on the project, up to but no more than the initial bid price. In instances where the Administrator, Housing and Community Development deems the emergency an imminent hazard to a person's health or life, the homeowner may be granted additional assistance up to \$2,500.00 within twelve months of the last award.
3. If it is determined that a homeowner has previously (within the past 10 years) had an emergency repair to their home and the system or equipment are no longer in the home, they will be declared ineligible. If the loss is due to the removal or sale of the equipment or system, it is not necessary to prove either, the fact that the equipment or

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system is no longer in the dwelling is proof of ineligibility. If the homeowner can produce a police report or show evidence of storm damage or a valid emergency that caused the removal of the system or equipment, they will remain eligible for assistance.

**C. Eligibility Criteria.** The below criteria is in addition to the criteria listed in the Rehabilitation Program Description and General Eligibility Requirements chapter of the Housing Policy Manual.

1. The household's total annual household income shall not exceed 50 percent of the City's median area income adjusted for family size.
2. Assistance will be provided in the form of a protected grant. Applicants will not be expected to repay any portion of the grant, unless the applicant fails to meet the HUD requirement to remain in the dwelling for one year from the completion date of the project, in which case the entire portion of the grant will be due and payable immediately.
3. Total liquid assets of the household cannot exceed \$2,500.00. (See definition of assets, Chapter 1) If the applicant's liquid assets exceed \$2,500.00, the applicant shall be required to pay a portion of the emergency repair. For example, if the applicant's liquid assets are \$3,000.00, and if the cost of the emergency repair is \$2,500.00, the applicant shall be required to pay \$500.00 for the emergency repair, prior to contract work beginning on the project. The city will pay the remainder of the cost of the emergency repair provided that the applicant continues to meet the income guidelines. Applicants must submit all information requested in the application that applies to the household and complete all verification forms. The HCD staff will verify all information submitted. Applicants shall provide accurate information regarding their household composition, household income, and housing situation. Applicants must provide all necessary documentation and proof of income, taxes paid, insurance etc. at time of application. Failure to provide all required documentation at time of application or failure to disclose information, which may affect eligibility requirements, may constitute fraud and result in denial of the application. If evidence of fraud is uncovered during the process that reveals the homeowner is hiding or attempting to hide cash on hand in order to receive a full grant for the project, that homeowner's project will be suspended immediately, the contractor paid in full for the project, and the homeowner's name added to a permanently disbarred list for attempting to defraud the government. Additionally, applicants shall be required to make full restitution to the City in the event the housing rehabilitation services are provided to applicants who provided inaccurate or incomplete information in order to meet eligibility requirements. Requests for further services will be denied unless restitution is made in full.
4. The homeowner should have homeowner's insurance protection, but insurance is

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not a requirement for this program.

- a. If the dwelling is insured, the homeowner must bring a statement from the insurance company stating whether or not the repair will be covered by the insurance company and the total amount the insurance company is going to reimburse the homeowner for completion of insured work. Assistance will only be provided for repairs not covered by the homeowner's insurance and qualifying as an emergency repair. Assistance may be provided of help cover the deductible of said insurance.
- b. The homeowner is encouraged to maintain insurance coverage on the dwelling. The HCD staff will counsel each homeowner on the benefits of carrying homeowner's insurance.

5. Emergency repair assistance will not be provided if the HCD staff determines that repair is due to homeowner's negligence, failure to perform routine maintenance, failure to pay for repairs as a result of an insurance settlement, deficient service by an unlicensed person, or for minor repairs. Minor repairs is defined as repairs costing less than \$350.

6. Applicants may be required to move personal property away from the project site to allow the contractor unimpeded work space to complete the repair.

#### **D. Eligible Emergency Repairs.**

1. The following are examples of emergencies. **It is not all-inclusive.** The HCD staff will exercise discretion when determining whether a request for other types of emergency repair assistance meets the definition of an emergency repair.

- (a) **Roof** - The roof over the main occupied residence must be leaking or show evidence of leaking at the time of the inspection, and the extent of the leak is threatening to cause serious damage or other hazard(s) to the structure, which will result in endangering the health and/or safety of the occupants. Examples are a leak(s) that caused electrical shorts, heating equipment to cease functioning, damage to ceilings that would pose a hazard to the occupant, toxic mold to be present, or if not repaired may cause damage that may endanger the health and/or safety of the occupant(s). The HCD staff inspector's judgment will determine whether the leaking roof is spot repaired or replaced. **Examples of ineligible roof emergency repairs are conditions resulting from homeowner's negligence, deficient service by an unlicensed person, service calls, and/or minor repairs considered routine maintenance.**

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- (b) **Electrical** - An electrical system malfunction, which is judged a hazard(s) that threatens the health and/or safety of the occupants. Examples are no electrical power to the house, hazardous main service, hazardous circuits, shocks from switches and/or outlets, hazardous wire shorts, or loss of power to essential major appliances (refrigerators, stoves, or necessary medical equipment). While, as noted below, electrical system upgrades are not authorized under this fund, there is one exception. If a documented medical condition requires an upgrade of the electrical or building system, to implement and provide a reasonable quality of care for a client the HCD staff then the HCD staff will take steps to upgrade the systems necessary to ensure the medical equipment functions properly. **Examples of ineligible electrical emergency repairs are upgrading an electrical system (unless a documented change in medical condition requires a larger electrical service to operate essential medical equipment), repairs to nonworking electrical fixtures, receptacles, switches, and light fixtures, service calls, and minor repairs considered routine maintenance.**
- (c) **Plumbing** - A plumbing system malfunction, which is judged a hazard(s) that threatens the health and/or safety of the occupants. Examples are no water supply to the house, damaged and/or severely leaking water pipes, damaged and/or severely leaking or collapsed sewer system, or damaged and/or severely leaking gas supply system. Water heating system malfunctions that render the system unsafe and/or inoperable. **Examples of ineligible emergency repairs are clogged sewer lines, leaking faucets, water or gas leaking from loose connections, running toilet tank, minor fixture leaks, service calls, and minor repairs considered routine maintenance.**
- (d) **Heating or Air Conditioning System** - A heating or air conditioning system malfunction, which is judged a hazard that threatens the health and/or safety of the occupants. Examples are heating or air conditioning systems that render the system unsafe and/or inoperable. Heating and air conditioning systems will be replaced using an emergency repair only in that season during which the system is required, i.e., during the winter months, a defective heating unit may be replaced but not a defective air conditioning unit, unless a professional contractor has determined that to replace one system, both systems must be updated to remain compatible. (Winter months are from October 15-April 15 and summer months are from May 15-September 15.) **Examples of ineligible emergency repairs are inoperable pilot latch assembly (thermocouplers), inoperable thermostats, inadequate heating system, service calls, and minor repairs considered routine maintenance.**
- (e) **Building systems** - A building system failure, which is judged a hazard(s) that threatens the health and/or safety of the occupants. Examples are the presence of toxic mold due to water and moisture damage, or damaged floor area and/or floor joists weakened by water damage and subject to collapse, or

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damaged roof rafters and/or roof joists subject to collapse, or inability to secure exterior doors and/or windows. **Examples of ineligible emergency repairs are damaged siding, damaged walls and/or ceilings, damaged interior doors, cracked or shifting foundations, plastering, patching and painting, floor covering, door hardware, window glass replacement, service calls, and minor repairs considered routine maintenance. General repairs to accessory structures, lean-to's, carports, garages, and other amenities outside the main occupied structure are ineligible.**

2. On a case-by-case basis, the HAD staff will ascertain whether any interior damage caused by a roof malfunction, an electrical malfunction, a plumbing system malfunction, a heating or air conditioning system malfunction, or a building system malfunction creates a health and/or safety hazard to the occupants which are considered an emergency repair. If such a determination is made and it is determined that there will be insufficient funds remaining to complete the interiors repairs to make the home safe, the HAD staff will offer a complete homeowner rehabilitation in order to complete the project (assuming the homeowner or the home meet the guidelines of that program).

#### **E. Administrative Procedures.**

1. Applicant makes an application for assistance at the HCD office. The applicant is required to furnish all documentation to verify income and property eligibility for the program.

2. If the applicant has a physical disability or serious illness, the HCD staff may accept an application for assistance at the applicant's dwelling during normal office hours.

3. The applicant is required to furnish all necessary documentation to verify income and property eligibility for the program. Applications will not be reviewed until all information is received, therefore, it is important that a complete set of documents be provided; insufficient documentation will result in a delay of processing the application and placement on the waiting list.

4. The HCD staff will review each application for eligibility.

5. Once the household has been tentatively approved, an on-site inspection of the property will be conducted to evaluate the project for eligibility in accordance with HCD policy and assess the housing conditions. Lead-based paint testing will be conducted, if applicable.

6. The HCD staff will perform an environmental assessment on the property to determine if the property is in compliance with acceptable environmental conditions as set forth by HUD (i.e. historical, noise levels, flood plain, etc). If a property cannot meet the required environmental conditions, the application will be denied. If the property is located within the floodplain, the homeowner must have flood insurance to receive assistance; unless the repair is defined as maintenance for environmental purposes.

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7. The homeowner will be notified that their application has been tentatively approved and that they need to obtain a cost estimate from a licensed contractor for the repair. HCD will provide the homeowner with a list of contractors who have been approved through HCD to perform such work. Applicants shall be informed that the HCD's list of contractors is **not** an endorsement of those contractors' work; the list merely signifies that the contractors are adequately licensed and insured, meet HUD's lead-based paint requirements, if applicable, have provided references and financial stability information. HCD will not cover the cost of obtaining a cost estimate from a licensed contractor.

8. No contractor may provide an estimate if he/she is related to the property owners.

9. Once the homeowner has returned a cost estimate, HCD will verify that the contractor is eligible to perform the work, currently licensed and insured and not excluded from Federal procurement or is not on HUD's list of debarred contractors. Copies of the record search will be included in the project file.

#### **F. Contractor's Obligations.**

1. Contractor must agree to begin work within one day of notice to proceed. The contractor will be given seven (7) days to complete the work and have any work inspected if required. Contractor will advise HCD staff, as soon as possible, of any conditions related to the emergency repair, which does not meet current city building codes discovered after work has begun.

2. Contractor shall provide a written twelve (12) month warranty on workmanship, labor, and materials. The Contractor shall remain liable for twelve (12) months from the time of the work acceptance by the homeowner and HCD staff. Further, the Contractor will furnish the homeowner with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.

9. Effective Date/ Rescission. This policy becomes effective **April 1, 2019** and shall remain in effect unless rescinded, amended or extended by direction of the Administrator, Housing and Community Development.