

CHAPTER 6

HOUSING POLICY MANUAL

Exterior Housing Improvement Project (EHIP) 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 exterior housing improvement. This assistance is in the form of a grant and must be used for exterior painting and/or siding, windows, doors, and roofing to improve the exterior condition of houses. It is not the intent of this program to be a Rehab program, or to provide normal routine maintenance. The HCD is authorized to use CDBG funds, subject to HUD regulations and local policies, to provide exterior housing improvement repair(s) assistance for qualified applicants.

B. Basic Exterior Housing Improvement.

1. Each homeowner or structure may only receive one exterior housing improvement for a maximum ten thousand dollars (\$10,000.00) per annum. If the amount of repair exceeds \$10,000, 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 \$10,000 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 \$10,000 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.
2. Any specific building component that has previously (within the past 10 years) been replaced will not be eligible to be replaced again. The specific building component must be damaged or in disrepair to be eligible for replacement. A specific building component consist of windows, siding, roof, or exterior doors.

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 grant. All 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.

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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 exterior housing improvements. For example, if the applicant's liquid assets are \$3,000.00, and if the cost of the exterior housing improvements is \$2,500.00, the applicant shall be required to pay \$500.00 for the exterior housing improvements. The city will pay the remainder of the cost of the exterior housing improvements provided that the applicant continues to meet the income guidelines. If any evidence is received of an individual or individuals attempting to defraud the government by hiding assets for the purpose of not paying a fair share portion, that individual or individuals will be banned for life from receiving any future benefits of the program.
4. The homeowner should have homeowner's insurance protection, but insurance is 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. 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. Applicants may be required to move personal property away from the project site to allow the contractor unimpeded work space to complete the repair. This may include the trimming or removal of trees or bushes.

D. Eligible Exterior Housing Improvement Repairs.

1. The following are examples of exterior housing improvement repairs. **It is not all-inclusive.** The HCD staff will exercise discretion when determining whether a request for other types of exterior assistance meets the definition of exterior housing improvements.

- (a) Building Exterior (Below the Roof Line) - If the exterior of the main occupied residence exhibits deterioration and/or a dilapidated appearance, the installation of siding and coil stock trim are eligible activities if the repair will improve the appearance of the home. If the exterior of the main occupied residence previously installed siding exhibits deterioration and/or a dilapidated appearance, the repair and/or replacement of the siding is an eligible activity. If the brick façade is damaged or crumbling and may be repaired within the limits of the program, such assistance may be provided.
- (b) Roof – If the roof over the main occupied residence exhibits deterioration, leaks, or a

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dilapidated appearance, the roof repair and/or replacement is an eligible activity if the repair or replacement improves the appearance of the home.

- (c) Windows and Exterior Doors - If the windows in the main occupied residence exhibit deterioration or a dilapidated appearance, windows and doors repairs are an eligible activity if the repair and/or replacement will improve the appearance of the home.

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 and send off third party verification of income, assets, employment, etc.

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. The property evaluation will include documenting the inspection with photographic evidence. Lead-based paint testing will be conducted, if applicable, and a cost estimate developed.

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.

7. If all verifications and evaluations have been conducted and approved in accordance with this policy, then the applicant will be notified that the application has been approved.

8. The HCD staff will review the work write-up with the applicant, answer questions regarding the repairs, and clarify that the loan will be extended only for the cost of necessary repairs, and not necessarily for the full \$10,000.

9. The HCD staff will finalize the write-up and assist the homeowner in selecting a contractor to perform the exterior housing improvement in accordance with the procedures outlined below.

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F. Contractor's Selection.

1. The HCD staff will prepare all bid packets for the contractors. The bid packet shall include the work write-up, rehabilitation standards, EHIP contract, bid sheet, and, if applicable, the results of any lead-based paint reports. The applicant will review the bid packet and all contract documents.

2. The bid will be forwarded to a minimum of three contractors on HCD's pre-approved contractors' list. If the property owner has a preferred contractor who is not on the list, HCD will also forward a bid packet to that contractor. However, all contractors participating in the bid process must meet all license and insurance requirements, in addition to other program requirements and shall submit a contractor application with required documents attached.

3. 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.

4. The HCD staff shall ensure that the selected contractor is eligible to perform the work listed in the work write-up, 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.

5. No contractor may bid if he/she is related to the property owners.

6. A mandatory pre-bid walk-through of the house will be scheduled so that all interested contractors may review the work needed and have their questions answered.

7. The contractors shall have a minimum of seven (7) days to return the completed bid packet for consideration. HCD staff will list the specific date and time the bids are due back on the bid form. The HCD staff will send out a bid packet to a minimum of three (3) contractors. A minimum of one (1) bid must be submitted before the closing time to have a bid opening. If no bids are returned, then the project must be re-bid. Contractors will receive the new bid packets and an additional week to walk-through the property and prepare a bid in time for the new date and time of the bid opening on that project.

8. After bids are received and opened, the property owner will have a maximum of five (5) days to qualify the lowest responsive bid. If all bidders are deemed non-responsive, HCD must re-bid the project.

9. If the lowest responsive bidder is rejected by the property owner, the property owner may choose any contractor if the property owner is willing to pay the difference between the owner-selected contractor's bid and the low bidder. The amount of the difference in the bid must be deposited with HCD at the time of contract signing. If the property owner rejects the lowest responsive bidder and rejects payment of the difference, HCD shall cancel the project.

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10. HCD reserves the right to re-bid the project if the lowest-most responsive bid is not within ten percent of the cost estimate prepared by HCD or in HCD staff's opinion the bids are below the program requirements or the customary price for such work.

G. Post-Bid Administrative Procedures.

1. When an approved contractor is selected by the property owner, the HCD staff shall prepare the contract documents and Terms and Conditions. A contract signing date is set with the homeowner and the HCD staff to execute all the necessary documents before the work is started.

2. A contract signing date is set with the contractor and the HCD staff to execute the Terms and Conditions and contract. The general contractor is allotted ten (10) calendar days to obtain a building permit, failure to obtain the building permit within the ten (10) calendar days will result in a loss of the Contract. The Contractor must have the building permit and submit a copy the HCD prior to being issued the Notice to Proceed Order. If lead-based paint hazard(s) are found on the property, a certified lead-based paint abatement contractor shall be contracted to remove the hazard(s) and a lead-based paint clearance inspection shall be passed prior to the issuance of the Notice to Proceed to the general contractor.

3. After the issuance of the Notice to Proceed, the contractor has two business days to begin work on the project. As work progresses, all required inspections are conducted by a qualified License and Permits Code Inspector. Other regular inspections are made by HCD staff to verify compliance with the contract work schedule, compliance with the general specifications, and to answer any ongoing questions of the homeowner. If lead based paint (LBP) exist and are being worked on, the contractor must use safe work practices.

4. Payment is made at the completion of the job. Completion shall mean after all required inspections have been conducted and cleared. At the completion of the project, the contractor must submit a final invoice. Before the contractor is released from the contract, the homeowner must sign off on the work and HCD staff must complete their final inspection. The contractor's one -year warranty is effective on the day the final acceptance by HCD and the homeowner or the date the lead-based paint clearance inspection has passed, whichever is later.

5. The contractor's work must pass a final lead-based paint clearance, if applicable. If the work fails this inspection, the contractor must continue to clean the house until it passes the clearance inspection. The Contractor is liable for all costs associated with any additional lead-based paint tests that are required after the initial final test. The HCD staff will deduct the additional cost of testing from the contractor's final payment. Once the house has passed the LBP testing, the contractor must sign lien waivers to the City of Lawton, and provides copies of all warranty paperwork to the homeowner. After the final payment is made, the homeowner is mailed a Customer Satisfaction Survey. Survey responses are made available for future homeowner references regarding staff and the contractor.

6. The homeowner is responsible for notifying the contractor in writing of any

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problems that occur and are covered under the one-year warranty. The contractor shall have ten (1) calendar days to conduct any repairs or to notify the owner why such repairs are not covered by the warranty. If the contractor fails to respond within ten day, the owner shall notify HCD. HCD will contact the contractor in order to provide he/she the opportunity to make a reasonable attempt to honor the warranty. If the Contractor refuses to honor his warranty, he will be banned from further work with the City of Lawton, his/her name will be forwarded to the Better Business Bureau with a warning to future customers that he/she failed to honor their warranty, and the name will be forwarded to HUD for inclusion on the Federal Excluded Parties Lists System (EPLS) to prevent further work being conducted by the Contractor for the federal or municipal government.

H. Contractor's Obligations.

1. The contractor must possess general liability insurance and workers' compensation coverage.
2. If the home tests positive for lead-based paint, the contractor shall a current Lead Renovation, Repair, and Painting (RRP) firm certification from the Oklahoma Department of Environmental Quality.
3. Contractor will provide a written 1-year warranty on workmanship, labor, and materials. The Contractor shall remain liable for one (1) year from the time of the work acceptance. Further, the Contractor will furnish the homeowner with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.
4. If the Contractor fails to comply with any of the terms listed in the Terms and Conditions or Rehab Contract, he will be banned from further work with the City of Lawton, his/her name will be forwarded to the Better Business Bureau with a warning to future customers that he/she failed to honor their warranty, and the name will be forwarded to HUD for inclusion on the Federal Excluded Parties Lists System (EPLS) to prevent further work being conducted by the Contractor for the federal or municipal government.
5. The contractor shall be obligated to meet the terms and condition of (1) HAD FORM 4-7B Exterior Housing Improvement Contract and General Conditions, and (2) HAD FORM 4-&A Terms and Conditions, which are hereby incorporated by reference.

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