



CITY OF POMPANO BEACH

Office of Housing & Urban Improvement

Housing Rehabilitation Guidelines

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TABLE OF CONTENTS

SECTION 1: INTRODUCTION

- 1.1. STATUTES AND REGULATIONS**
- 1.2. GOALS OF THE PROGRAM**

SECTION 2: ELIGIBLE HOMEOWNERS

SECTION 3: PROGRAM SUMMARIES

3.1 PROGRAM DESCRIPTION

Rehabilitation

- 3.1.1. Source of Funding**
 - 3.1.2. Maximum Assistance**
 - 3.1.3. Eligible Rehabilitations**
 - 3.1.4. Eligible Properties**
- ##### **Emergency Repair**
- 3.1.5. Eligible Owners**
 - 3.1.6. Income Eligibility**
 - 3.1.7. Loan Terms**

SECTION 4: GENERAL POLICY

- 4.1. MAXIMUM ASSISTANCE**
- 4.2. SECURITY – CONFIDENTIALITY OF DOCUMENTS**
- 4.3. UNDERWRITING GUIDELINES – SELECTION PROCEDURES**
 - 4.3.1. Homeowner inquiries**
 - 4.3.2. Ineligibility**
 - 4.3.3. Withdrawal of Application**
- 4.4. NONDISCRIMINATION AND EQUAL OPPORTUNITY**
- 4.5. REPEAT APPLICATION (RE-ENTRY)**
- 4.6. PROPERTY VALUE ASSESSMENT**
- 4.7. MORTGAGE PLACEMENT – COMBINED LOAN TO VALUE (MAXIMUM)**
- 4.8. SPECIFICATION OF WORK**
- 4.9. CONFLICT OF INTEREST**
- 4.10. PROBLEMS OR DISPUTES**
- 4.11. FEES**
- 4.12. RIGHT TO REFUSE**
- 4.13. DECISION APPEALS**
- 4.14. FRAUD POLICY**
- 4.15. EXCEPTIONS TO POLICY**
- 4.16. ADDITIONS AND CONVERSIONS**
- 4.17. SWEAT EQUITY**
- 4.18. PERMITS AND LICENCES**

TABLE OF CONTENTS (CONT.)

4.19. OTHER FEDERAL REQUIREMENTS

4.19.1. ENVIRONMENTAL

4.19.2. LEAD BASED PAINT

4.19.3. FEDERAL REGULATIONS

4.20. SUBORDINATION POLICY

4.21. DISPUTE RESOLUTION

4.22. CONCLUSION

**SECTION 5: OVERVIEW OF CLIENT PROJECT FILE DOCUMENTATION
STANDARD FORMS (Specific to Client File Development)**

SECTION 1: INTRODUCTION

The purpose of this document is to establish policies, guidelines and procedures, which will govern the Owner-Occupied Housing Rehabilitation and Emergency Repair Programs of the City of Pompano Beach. The Housing Rehabilitation Program is funded through the State Housing Initiatives Partnership (SHIP) of the Florida Housing Finance Corporation (FHFC), Community Development Block Grant Program (CDBG) and Home Investment Partnership Program (HOME Program) of the U.S. Department of Housing and Urban Development (HUD). The Emergency Repair Program uses CDBG and SHIP funds.

The Emergency Repair Program is designed to address the need of very low, low and moderate-income homeowners to eradicate conditions, which may be an imminent threat to their health, safety and/or welfare. It provides funds for emergency repair assistance when it is determined to be necessary to alleviate unsafe, hazardous, and/or unsanitary living conditions.

1.1 STATUTES AND REGULATIONS

The Housing Rehabilitation Program utilizes Federal and State funds. The following Statutes and Regulations govern the program and are the source of the policies in this document.

- CDBG Program: (Community Development Block Grant)
Federal Statute: Title 1 – The Housing and Community Development Act of 1974. 42 U.S.C. – 5301 – Regulations: 24 CFR 570
- 1.1.2. SHIP Program: (State Housing Initiative Partnership)
Florida Statute: Statute 420.907
Regulations: Florida Housing Finance Corporation Rule Final 67-37 F.A.C.
- 1.1.3. HOME Program: (Home Investment Partnership Program)
Federal Regulation: 24 CFR 92.

The Emergency Repair Program utilizes Federal funds. The following Statutes and Regulations govern the program and are the source of the policies in this document.

- CDBG Program: (Community Development Block Grant)
Federal Statute: Title 1- The Housing and Community Development Act of 1974. 42 U.S.C.-5301 – Regulations: 24 CFR 570
- SHIP Program: (State Housing Initiative Partnership)
Florida Statute: Statute 420.907
Regulations: Florida Housing Finance Corporation Rule Final 67-37 F.A.C.

1.2 GOALS OF THE PROGRAMS

The goals of the Programs are:

To provide housing assistance to extremely low, very low and low-income households;

To preserve the City's existing housing stock;

To strengthen the City's tax base

To abate Code Violations

To reduce Lead Based Paint Hazards

To prevent the spread of blight in the City of Pompano Beach

The manual has been formatted to assist the user in reaching two (2) primary goals:

- The first step in housing rehabilitation program process is the development of a client project file which contains all appropriate household information, income and asset verifications, title evidence, before and after rehab appraisals, lead-based paint notification, completion of environmental review, temporary relocation requirements (where applicable) and notices, authorizations by the homeowner to request disbursement of funds from the City of Owner's behalf and work write-ups and cost estimates. The project file must contain all applicable documentation including appropriate signatures prior to start of any construction activity.
- The second step involves the bidding, the award, execution of contracts, public recordation of appropriate documents, and submission of appropriate documents and information to the City, construction oversight of the unit and payment requests with appropriate backup. Housing "rehabilitation" involves the rehabilitation of the worn out portions of an older or worn house in order to bring the house up from a substandard or even hazardous situation to a standard of habitable condition. Fixing up old or dilapidated housing is a difficult task under any circumstances. Meeting all of the Federal/State rules and regulations that have to be followed in a public program adds to the difficulty. (Federal) HUD considers rehabilitation to be such a problem that it has labeled housing rehabilitation to be "high risk" activity because there are so many problems inherent in trying to enforce standard rules in a situation where every house poses a different set of problems.

SECTION 2:

Eligible Homeowners:

The program is available citywide and is open to all very low (30% of area median income), low (50% of area median income) and moderate (80% of area median income) income homeowners. Participants must reside in the City of Pompano Beach, own, and occupy the home as their principal residence. The gross income of all household members shall not exceed 80% of the current area median income, based on family size, as determined on an annual basis, by the U.S. Department of Housing and Urban Development.

Definition of Income

For the purpose of determining whether a family or household is extremely low, very low or low income, grantees may select one of three definitions for each activity as outlined in

Community Development Block Grant Program regulation 570.3. City of Pompano Beach has determined that for eligibility purposes it will use Adjusted Gross Income as defined for purposes of reporting under Internal Revenue Service (IRS) form 1040 for individual Federal annual income tax purposes as defined in Community Development Block Grant Program regulation 570.3(1)(iii).

Household Size

Household size is defined as the number of persons physically residing in the household. Household means all the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements

SECTION 3: PROGRAM SUMMARIES

3.1. PROGRAM DESCRIPTIONS:

HOUSING REHABILITATION:

The demand for Housing Rehabilitation assistance will almost always exceed the resources awarded to communities. A familiar procedure used to select recipients is on a “first come, first qualified” basis.

3.1.1. Source of Funding: CDBG, HOME or SHIP.

3.1.2. Maximum Assistance: \$30,000 unless the Director approves a higher amount. In no event shall the maximum assistance exceed \$60,000 without approval of the City Commission.

3.1.3. Eligible Rehabilitations:

- All Repairs or improvements which are needed for decent, safe and sanitary habitation, correction of code or building violations.
- The home must be in need of rehabilitation.

3.1.4. Eligible Properties:

- Single family owner-occupied units in the City of Pompano Beach.
- The after-rehab value of the home shall not exceed the HOME affordable homeownership limits provided by HUD for newly constructed housing and for existing housing.
- Taxes, water and sewer charges and mortgage payments must be current. Verification of the status of all payments will be made.

- Homeowners whose property is determined to be located in a special flood hazard area must provide proof of purchase of flood insurance protection equal to the terms and amount of the loan prior to provision of rehabilitation.
- Homeowners whose properties do not have enough equity to sustain the additional mortgage from the City, can still be qualified to receive assistance (this requirement was eliminated effective January 1, 2012 as a result of the decline in housing values)

EMERGENCY REPAIR

The program provides up to \$15,000 for emergency repairs for those income eligible families who would otherwise be financially unable to improve their own dwelling conditions. This assistance may be used in conjunction with other housing rehabilitation and repair programs offered by the City, subject to the subtraction of this assistance amount from the maximum amount available from the other program(s).

Eligible Repairs:

Eligible emergency repairs and improvements shall include, but not necessarily be limited to, items such as:

- Major roof repairs and/or replacement in cases where an excessive amount of water is entering the home because of holes, cracks or other roofing defects;
- Plumbing repairs in cases where water supply or drainage lines have ruptured and the house is without running water;
- Malfunctioning hot water equipment resulting in total lack of running hot water in the household;
- Septic tank is overflowing or the drain field has deteriorated;
- Electrical or gas repairs in electrical fire or gas hazard situations and/or cases where the faulty electrical wiring has resulted in total lack of illumination in the household or inability to use such necessary major appliances as the refrigerator or range;
- Structural damage that creates an emergency safety situation; and
- Other emergencies as may be determined to be a health or safety hazard, on a case-by-case basis.

3.1.5. Completing the Intake Application:

After the Intake Application has been completed, determine if the applicant household qualifies as an eligible participant. The entire Intake Application must be evaluated and all information provided by the household must be verified, including, but not limited to:

- Income;
- Assets and liabilities;
- Employment;
- Home ownership;
- Home condition;
- Other sources of assistance received by the applicant;

- The program is not designed for general home improvements. In addition, certain items are not eligible for funding. They include, but are not limited to, additions to increase the square footage, swimming pools, window air conditioner units and washers and dryers. All taxes and insurance on the property must be current.

3.1.6. Income Eligibility:

ANNUAL INCOME

Upon receipt of the application, an OHUI representative will compare the applicant's total annual household income to applicable income limits. If the applicant appears to meet income guidelines, OHUI will proceed with the certification process.

To annualize full-time employment, multiply the type of wage by the following periodic amounts:

- Hourly wages by 2,080 hours;
- Weekly wages by 52;
- Bi-weekly (every two weeks) amounts by 26;
- Semimonthly (every half month) amounts by 24; or
- Monthly amounts by 12

To annualize income from anything other than full-time employment, multiply:

- Hourly wages times the number of hours the household expects to work annually; or
- Average weekly wages times the number of weeks the household expects to work; or
- Other periodic amounts (monthly, biweekly, etc.) by the number of periods a household member expects to work.

Annual wages should always reflect the entire 12-month period regardless of the pay schedule. For example: a teacher is paid \$25,000 per year. Use the \$25,000 figure whether the payment is made in 12 monthly installments, 9 installments, or some other payment schedule. Always use current circumstances to project income.

A determination of verified annual income must include all income (see table on following pages) by all adult members of the household. If the applicant's income increases or decreases prior to closing of the home purchase, the applicant must advise OHUI of that fact. Recertification of income eligibility is necessary in that case.

INCOME INCLUSIONS AND EXCLUSIONS

Income Inclusions

Income Exclusions

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|--|---|
| <ul style="list-style-type: none"> ▪ The gross amount (before any payroll deductions) of wages, | <ul style="list-style-type: none"> ▪ Reimbursement for the cost of medical expenses for any family |
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- salaries, overtime pay, commissions, fees, tips and bonuses
- The net income from the operation of a business or profession;
- Interest, dividends and other net income from Whole Life Insurance Policies and any income from real or personal property;
- The full amount of periodic amounts received from Social Security, Supplemental Security Income (SSI), annuities, insurance policies, retirement funds, pensions, disability or death benefits.
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- Welfare or other need-based payments to families or individuals that are made under programs funded separately, or jointly by federal, state or local governments;
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and,
- All regular pay, special day and allowances or a member of the Armed Forces.
- member;
- Income of a live-in aide;
- The full amount of student financial assistance paid directly to the student or to the educational institution;
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- Income from HUD training programs;
- Temporary, nonrecurring or sporadic income (including gifts);
- Reparation payments paid by a foreign government to persons who were persecuted during the Nazi era;
- Income from earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
- Adoption assistance payments in excess of \$480 per adopted child;
- Deferred payments received in a lump sum from SS or SSI;
- Refunds or rebates for property taxes paid on the dwelling unit; or
- Services/equipment needed to keep a developmentally disabled family member at home. Income from employment of children (including foster children) under the age of 18 years;
- Payments received for the care of foster children or adults;
- Lump-sum additions to family assets, like inheritances or insurance payments;

SELF-EMPLOYED CLIENTS

Applicants that are self-employed must submit a copy of their last three (3) months' income and expense reports, two (2) years' tax returns, profit & loss statement or quarterly report and a completed "Third-Party Verification of Income from Business Form."

ASSETS

Assets are items of value, other than necessary personal items, and are considered along with verified income in determining the eligibility of a household. Total household assets and asset income are considered, including those of minors. When computing the value of assets, use the cash value of assets, which is the amount of

applicant(s) would receive if the assets were converted to cash. In determining asset income for owner-income households, the following applies: If the asset value is less than \$5,000, add the amount of the actual income derived to the total verified income. When assets are \$5,000 or more, add the greater of

- 1) the actual annual income to be derived from these assets, or
- 2) the imputed income using 2% interest rate (specified by HUD) to the total verified income.

There are is a limit on assets for participation in the Housing Rehab Program; however, while applicants may have assets, even if they elect not to access the assets principal or interest, the potential annual income that can be earned from assets is taken into consideration when calculating annual income. Asset income is also annualized based on what is anticipated to be received during the 12 months following eligibility or re-certification. To be eligible for participation in the Housing Rehabilitation Program, applicants cannot exceed the following net worth limits:

\$50,000 in liquid assets
\$100,000 home equity

Income from assets is recognized as part of annual income for the program. In general terms, an asset is a cash or non-cash item that can be converted to cash. It is the income earned – e.g., interest on a savings account – not the asset value, that is counted in annual income and is counted even if the household elects not to receive it; for example, reinvested interest or dividends from an asset.

Assets to Include	Assets to Not Include
<ul style="list-style-type: none"> ▪ Cash held in savings and checking accounts: current monthly statement, safety deposit boxes, homes, etc. ▪ Stocks, Bonds, Treasury Bills, Certificates of Deposit, Money Market Funds and other investment accounts. ▪ Equity in real property or other capital investments. Include current market value less an unpaid balance on any loans secured by the property and any reasonable costs that would be incurred in selling the asset, such as prepayment penalties or broker fees. ▪ The value of land. ▪ Cash value of trusts that are available to the household; cash value of Whole Life Insurance Policies. ▪ Individual Retirement Accounts 	<ul style="list-style-type: none"> ▪ Necessary personal property (e.g., clothing, furniture, automobiles, etc.). ▪ Vehicles specially equipped for the handicapped. ▪ Interest in Indian Trust Land. ▪ Assets held in applicant's name but which are actually owned by someone else.

<p>(IRAs) and Keogh Accounts.</p> <ul style="list-style-type: none"> ▪ Retirement and Pension Funds. ▪ Lump sum receipts should include inheritances, capital gains, one-time lottery winnings, settlements on insurance, and other claims. ▪ Personal property held as an investment such as gems, jewelry, coin collections, antique cars, paintings, etc. ▪ Assets owned by more than one person should be prorated according to the percentage of ownership. 	
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THIRD-PARTY VERIFICATIONS/INCOME CERTIFICATION

Once all the required documentation is received, t will conduct third-party verifications. Annual household income is the combined income for all wage earners in the applicant’s household. A household member that is 18 years old, a full-time student and who is a dependent is excluded to the extent that his/her salary exceeds \$480 per year – only the first \$480 is accounted for. The City of Pompano Beach program projects the household’s income twelve (12) months forward from the date of the application. It will also look at the YTD income and current pay stubs and will use the higher projected income to establish household income.

After an application has been processed and third-party verifications are completed, the OHUI representative will conduct an income certification. The income certification will determine whether the applicant is approved.

3.1.7. Loan Terms:

Eligible rehabilitation applicants will be assisted using a deferred loan. The Office of Housing and Urban Improvement will make a zero interest loan equal to the amount of assistance. If after ten (10) years the home has not been sold or title has not been transferred, the loan balance will be reduced by 20% each year beginning in year 11 of the loan and have a zero balance at the end of fifteen 15 years, at which point the loan will be forgiven and the lien removed. The loan must be repaid in full if the home is sold or title to the property changes within ten (10) years from the date of the loan. Only the original lien amount must be repaid. There will be no interest charged on the outstanding balance. In order to ensure repayment of the loan, the Department will record a fifteen (15) year note and mortgage on the property equal to the loan amount. The note and mortgage must be signed by the homeowner(s) (meaning each person on the deed) before any rehabilitation work begins. Emergency Repair applicants will be assisted using a Declaration of Restrictive Covenant providing a five (5) year Affordability Period. **Applicants shall be given a written NOTICE OF OPPORTUNITY TO RESCIND TRANSACTION at the time they sign either rehabilitation loan documents or the emergency repair Declaration of Restrictive Covenants, as applicable.**

SECTION 4: GENERAL POLICY

4.1. MAXIMUM ASSISTANCE

The maximum assistance to be provided to applicants shall be governed by the Housing Policy approved by the City Commission for the period in question and established each fiscal year in accordance with the Community Development Budget.

If the majority of the bids accepted for a project exceed the maximum assistance provided by a program, the Department will make every effort to identify items that are not of immediate or dire need of repair. The Department, at its discretion, will remove items from the Specification of Work Report that are not essential in making the home safe, decent and sanitary nor affect the health and safety of the homeowner.

Exception to the maximum amount of assistance will be allowable when issues arise out of the applicants, contractors and/or Department's control. These are usually items that are caused by unforeseen circumstances or required by the building department at the time of permitting.

4.2. SECURITY – CONFIDENTIALITY OF DOCUMENTS

In order to protect the privacy of applicants, all Program records are considered confidential. An applicant is required to Sign a Privacy Notice indicating that only duly authorized persons will have access to case files. Staff members are precluded from revealing any information regarding any aspect of a Program case to an unauthorized person. Applicants will sign a privacy notice, which enables the City to verify other sources of income without violating privacy laws.

All financial assistance shall be subject to recapture requirements as described in the Housing Policy for the individual programs carried out by the Department. All assistance will be provided in the form of deferred payment loans and/or forgivable loans.

4.3. UNDERWRITING GUIDELINES

ADMINISTRATION:

Administration of the Emergency Repair and Housing Rehabilitation Programs shall be the same, except that it is not required that the Emergency Repair Program eliminate all existing substandard conditions. Appraisals are not required; however, verification of ownership is necessary. The following documentation remains necessary as a part of the application process:

Preliminary Approval Requirements

- Social Security number and date of birth for EVERYONE in your home.

- Copies of 1 (one) months' worth of most recent and consecutive proof of income (e.g. paycheck stubs, S.S./Disability statements, pension, unemployment, etc.) for EVERYONE in your home who receives income. ALSO: The name and the human resources or customer service, mailing address and telephone number for EACH source of income.
- Copies of child support/alimony decree. MUST be copy of decree from court or other authorized government office for EVERYONE in your home who receives child support and/or alimony.
- Copies of most recent signed and dated tax return that was actually filed with the IRS. MUST include ALL pages, schedules and forms for EVERYONE in your home who is required to file.
- If ANYONE in your home is self-employed, we need copies of three (3) most recent and consecutive years of signed and dated tax returns that were actually filed with the IRS. MUST include ALL pages, schedules and forms.
- Copies of ALL pages of two (2) most recent and consecutive months of ALL checking and savings account statements for EVERYONE in your home who have bank accounts. ALSO: The name and the customer service mailing address and telephone number for EACH bank and/or credit union.
- Copies of most recent asset statements (e.g. 401k; cash value of life insurance; IRA's; retirement accounts, investments, other houses, etc.) for EVERYONE in your home who have assets. ALSO: The name and the customer service mailing address and telephone number for EACH asset.
- Copies of most recent mortgage statements (no coupons) for ALL mortgages against your home. ALSO: The name and the customer service mailing address and 800-telephone number for EACH mortgage.
- Proof of guardianship for any minors in your home who are not your immediate family (except foster children, in which case proof of foster custody is required).

File Documents Required:

- File Checklist
- Application and supporting documents
- Lead Based Paint Notification Form
- Copy of Deed
- Copy of Tax Screen
- Approval Letter/Rejection Letter
- Construction Housing Inspector Initial Inspection
- Contractor Proposal
- Purchase Requisition
- Contractor and Homeowner(s) Agreement
- Notice to Proceed
- Copy of Permits

- Change Orders (if applicable)
- Payment Request Form
- Financial Ledger
- Final Inspection Form
- Warranty Form
- Certificate of Completion Form
- Photographs before and after

The OHUI Staff shall evaluate this and other information and an indication of initial eligibility determined. In order to perform necessary tasks as expeditiously as possible, the Construction Housing Inspector concurrently with the eligibility determination phase may conduct a site inspection. The Construction Housing Inspector shall assess the emergency needs and provide a work write-up and cost estimate. If it is determined that there is an emergency need, as defined herein, actions shall be taken to remedy the threatening conditions within program limitations.

Applicants shall be processed on a first come, first serve basis relative to submission and receipt of a complete application and all required documentation (verification of ownership, income, etc.). Applications not approved within six (6) months of initial submission shall be updated as determined necessary by the OHUI prior to final approval.

The final approval of loan recipients shall be authorized by the OHUI Director or his/her designee, subject to the requirements outlined in this program, and subject to Commission authorization to execute required agreements.

Applicants with emergency electrical, plumbing, roof, gas or structural needs which present life threatening or severe safety hazards to the occupant(s) or the public may be advanced on the list of applicants and assisted.

4.3.2. Ineligibility

- Ineligible improvements include, but may not be limited to, additions requested to increase the square footage of the house, swimming pools, window air conditioner units, a washer or dryer, etc.
- No rehabilitation will be considered on any unit if the estimated cost of the City's rehabilitation investment combined with all other debt on the property is greater than 95% of the after-rehab value of the property. The owner may, however, contribute the remaining funds required from other sources.
- In the event the applicant is determined to be ineligible for the rehabilitation loan, the applicant shall be notified in writing of the disposition of the application.
- A follow-up interview shall be scheduled by a member of the OHUI at the homeowner's request, to answer any questions, to assist in identifying other sources of assistance, and to counsel the homeowner as may be appropriate.

4.3.3. Withdrawal of Application

- The applicant may withdraw the application for any reasons whatsoever prior to execution of the loan agreements. In such event, a memo to the file shall be prepared to document the withdrawal and show the date of notice and the effective date of that withdrawal. The file shall then be officially CLOSED.
- The homeowner shall be liable to the contractor for any work performed after cancellation (material cost or percent of completion), unless otherwise agreed to by the City. The owner shall repay funds already spent under the terms of the loan repayment schedule.

4.4. NONDISCRIMINATION AND EQUAL OPPORTUNITY

Each applicant applying for assistance under this program shall receive equal consideration regardless of race, creed, sex, sexual orientation, national origin, family size, marital status, and handicap conditions.

4.5. REPEAT APPLICANT (RE-ENTRY)

An applicant who has previously received emergency assistance may re-apply for funds in the event an emergency situation exists. The Department must inspect the property to ensure that an emergent condition exists. Decisions will be made on a case-by-case basis. An example of emergency repairs would include, but not necessarily be limited to, roofing, plumbing and electrical work. Should the City determine that an emergent situation exists the applicant would be required to complete an application, meet HUD prescribed income guidelines and provide all applicable documentation. Applicants who previously received emergency assistance may not apply before five (5) years have passed since final payment was made on their earlier assistance, except on a case-by-case basis as determined by the OHUI Director. Applicants who previously received rehabilitation assistance may not apply before ten (10) years have passed since final payment was made on their earlier rehabilitation assistance.

4.6. PROPERTY VALUE ASSESSMENT

The Office of Housing and Urban Improvement must determine the property value for all homes receiving assistance. The Maximum Property Value for participation in the housing rehabilitation program shall be governed by the Housing Policies as approved by the City Commission for the period in question and as established each fiscal year.

Rehabilitation Program: The Market Value of the property as determined by the Broward County Property Appraiser.

4.7. MORTGAGE PLACEMENT – COMBINED LOAN TO VALUE (MAXIMUM)

Mortgages for Housing Rehabilitation Program funded by the Community Development Block Grant (CDBG); State Initiative Housing Program (SHIP) or Home Investment Partnership Program (HOME Program) should be first, second or third position, to insure that funds can be recaptured. The City will utilize the <http://broward.org/records.www.bcpa.net> website to conduct a title search.

If at the time of application, a homeowner has two (2) existing mortgages and requests a third (3rd) via their participation in the Housing Rehabilitation Program, an analysis of equity will be conducted. The value of the property will be estimated by multiplying the City's Tax Assessor's assessed value by the equalization ratio. The resulting figure will be compared with level of principal that has been paid by the homeowner. The sum of the loans/mortgages/liens will not exceed 95% of the estimated value of the property.

4.8. CONTRACTOR SELECTION

- Contractor's wanting to participate in the City's Housing Rehabilitation Program must be approved through the City's Procurement Process. Any party who has been suspended or debarred by U.S. HUD or any other Federal Executive Branch Agency and is listed on the Current Exclusion List will not be accepted to participate in the program.
- The Department will maintain a current listing of approved contractors that will be utilized to seek bids for the Housing Rehabilitation Program. The list will also be made available to City residents on the Department's website. The contractors will be responsible for updating their insurance and licensing information as required.
- All eligible contractors will be invited to attend Pre-Bid meetings held by a City appointed Inspector at the applicant's homes. At the meetings, contractors will be provided with the approved Specification of Work Report that will detail the work to be completed for that particular project. Contractors will be given a deadline to submit their bids. All bids should be presented in a sealed envelope labeled with the project name and address.
- A minimum of three (3) responsible bids will be required per project. If less than three (3) bids are received, the Specifications of Work Report could be amended and re-sent to all contractors who originally attended the Pre-Bid meeting. In the event that the project is re-bid and three (3) bids are not received, the Department will notate the file to show the attempts and proceed with the bids received. (In an emergency situation where a condition is deemed as unsafe by either the Inspector or the City's building official, this requirement may be waived by the Director).
- Upon the expiration of the established Bid Deadline, the bids will be reviewed and itemized on a Bid Result Report. Award shall be based on the information submitted only. The lowest responsible and responsive bidder will be selected.
- If any bids fall within 10% of the lowest bid, the homeowner will be given the opportunity to choose between those low bidders. The Bid Result Report will be kept in the Loan File and copies will be made available upon request.
- Contractors will be awarded a maximum of two projects concurrently. Therefore, if a contractor has two active contracts, they will not be awarded any additional contracts. Contractors are encouraged to participate in the bidding process regardless of the number of projects awarded.
- The authority to approve an exception to the Two-Contract Policy will rest with the Department Director and the file will be documented justifying the reason for the exception. Reasons for an exception can be related to higher than reasonable costs,

contract status, the work capacity previously displayed and the level of accomplishment and satisfaction with prior contracts.

- If the Department finds that a contractor fails to meet his/her obligations with the homeowner and/or the City, and does not remedy the situation as stipulated by the Department, the contractor will be removed from the list and not be allowed to participate in the City's Housing Rehabilitation Program.
- If the lowest responsive and responsible bidder has not previously performed like services for the City of Pompano Beach, the City reserves the right of awarding only one contract during a trial period or until such time that Department staff can determine that the bidder will perform to the City's complete satisfaction. Approval of exceptions to this policy rest with the Department Director and must be documented for the file.

4.8. SPECIFICATION OF WORK

- All Rehabilitation loans will require an inspection of the home to be carried out by an approved and licensed inspector "Housing Inspector"
- The Housing Inspector will meet with the homeowner and inspect the residence, looking for health, safety and Housing Quality Standards (HQS), as well as Building Code violations and local code violations.
- The Housing Inspector will prepare a Specification of Work Report that will be reviewed and approved by the homeowner prior to it being released to the contractors.
- The Housing Inspector will schedule and invite all approved contractors on the Department's Approved Contractor list to a Pre-bid Meeting. The inspector will conduct the meeting by reviewing the Specification of Work Report and answering any questions or addressing concerns.
- After the Pre-Bid Meeting, the Housing Inspector will provide the Department with a Specification of Work Report as provided to the contractors and a Specification of Work Report with his cost estimates. He will also provide pictures to reference the items on the Report.
- The Building Department will be provided with a copy of the Specification of Work Report for their review and to facilitate the expediting of the applicable building permits.

4.10. CONFLICTS OF INTEREST

- No loans will be made to City of Pompano Beach employees or their immediate relatives without express written permission of the City Manager and/or the funding source if required. Full disclosure on the part of the applicant will be required at the time of application. Failure to disclose said relationship will result in an immediate rejection of the loan and/or will require full repayment of the loan including interest accrued at the maximum interest rate allowed.

NOTE: All program participants will be required to sign a Conflict of Interest form.

4.11. DRAW REQUESTS

- Upon execution of Contractor/Homeowner Agreement, the Department will provide the Contractor with a Contractor Payment Request Form and a Draw Form. The Department will be responsible for ensuring that payments are made in accordance with the Specification of Work Report, and all applicable Department and City procurement and contracting policies.
- Progress and final payments to the CONTRACTOR shall be approved by the City only after the work has been inspected by the City of Pompano Beach Construction Specialist and determined to comply with the Contract and the Project Bid Specifications.
- The City may retain 10% of all Draws until final inspection and project completion. If a Contractor fails to complete the project and does not comply with the Specification of Work, that Contractor will not have the Retainage released.
- The maximum number of progress payments shall be limited as agreed upon by the City, Owner and Contractor.
- Upon completion of a project, a final inspection must be requested by the Contractor. The request must include a copy of the Final Draw Form and copy of all Permit cards with Final Approval from the Building Department Inspectors. The request is made by the Contractor and requested from the Department's independent inspector.
- All Draw Requests must be approved by the Program Administrator and the Department Director. At no time are Draw Requests to be submitted directly to the Finance Department. The Finance Department will not process any Draw Requests that have not been reviewed and approved by the Director or his/her designee.
- If a problem should arise between the Homeowner and the Contractor, it is the responsibility of those parties to resolve the issues. The Department may intercede in order to facilitate the progress of the project.
- If the Homeowner does not receive satisfaction from the Contractor, the Department reserves the right to intervene on his/her behalf. The Department could withhold payment and/or retainer if deemed necessary.
- Likewise, the Department reserves the right to intervene on the Contractor's behalf if the Homeowner is refraining from approving a Draw request without just reason. The Department could proceed to pay the Contractor for the work completed as required without the Homeowner's approval.

PROBLEMS OR DISPUTES

The homeowner is responsible for selecting the contractor. If a problem arises between the homeowner and contractor it is the responsibility of those parties to resolve the issues. The OHUI staff may intercede in order to facilitate the progress of the project.

Homeowner is encouraged to contact the contractor if a problem arises during the warranty period. If the homeowner does not receive satisfaction from the contractor, the Department reserves the right to intervene on his/her behalf.

ARBITRATION POLICY

In the event that the need for arbitration should arise, the Department may use the Construction Housing Inspector as an arbiter. The Construction Housing Inspector is an impartial, neutral third party possessing

4.11. FEES

The City will incur charges for services in the delivery of providing assistance. These charges are passed along to the applicant and paid from the total loan proceeds. These services include, but are not limited to, loan underwriting fees, ownership and encumbrance reports, property inspections, credit reports and any other services required in the making of the loan.

4.12. RIGHT TO REFUSE

The Department reserves the right to refuse assistance to any applicant on the basis of homeowner:

- Failing to disclose information which negates their eligibility;
- Unreasonableness;
- Uncooperativeness;
- Or any other reason as may be determined on a case-by-case basis.

4.13. DECISION APPEALS

- The Office of Housing and Urban Improvement will determine if an applicant is eligible to receive assistance for the program for which they have applied based on the guidelines contained herein and those set by the funding sources. The OHUI will notify applicants of the determination in writing. The applicant will have a period of five (5) days from the date of the letter to contact the OHUI to appeal the decision.
- The appeal will only be accepted if based on evidence or belief that an error was made by the OHUI. The appeal cannot be made on the basis of the program guidelines since these rules, regulations and programmatic guidelines are pre-established by the funding sources.

4.14. FRAUD POLICY

- The Office of Housing and Urban Improvement will request guidance from the City Attorney's Office on any questions or evidence regarding possible misrepresentation of facts by applicants.

4.15. EXCEPTIONS TO POLICY

- Exceptions to policy will be considered on a case-by-case basis. The Program Administrator must review such a request and make a recommendation to the Director for an approval or rejection citing reasons, including the policy upon which the request is based and the reason for the exception

4.16. ADDITIONS AND CONVERSIONS

- It is the policy of the City not to finance additions to existing buildings or projects that change the Certificate of Occupancy. However, in overcrowding situations, an exception to this policy may be granted by the Director.

4.1. SWEAT EQUITY

The City of Pompano Beach will not finance projects where the applicant performs the work.

4.20. PERMITS AND LICENSES

- All Contractors are required to have all applicable licenses and insurance coverage, including workman's compensation. The Department will not make any disbursements unless the proper permits are filed and approved for the work being performed.
- All Contractors awarded with a Housing Rehabilitation Program contract will be required to add the City of Pompano Beach as an additional insured on all insurance policies. License from the Department of Business and Professional Regulation or from Broward County for the particular trade area is required. It is the responsibility of the General Contractor to ensure that all sub-contractors are licensed and insured. The City will require Workers' Compensation Insurance and General Liability coverage of not less than one million dollars (\$1,000,000) in addition to the homeowner's liability insurance carried by the applicant.

4.21. OTHER FEDERAL REQUIREMENTS

4.19.1. Environmental

All rehabilitation work will be done in accordance with Federal and State environmental regulations. With respect to any assistance using CDBG funds, an environmental review will be performed by the OHUI and/or their assignee in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

4.19.2. Lead Based Paint Regulations

SUMMARY OF HUD LEAD-BASED PAINT (LBP) REQUIREMENTS

Sub-part	Type of Program	Construction Period	Requirements ^{1,2,3}
A	Disclosure of Known Lead-Based Paint and/or Lead-Based Paint Hazards	Pre-1978	<ul style="list-style-type: none"> • See www.hud.gov/offices/lead for Lead Disclosure Rule requirements for sale or lease of residential property.
B	General Lead-Based Paint Requirements and Definitions	Pre-1978	<ul style="list-style-type: none"> • All properties covered by the Lead Safe Housing Rule.⁴
C	Disposition by Federal Agency Other Than HUD	Pre-1960	<ul style="list-style-type: none"> • LBP inspection and risk assessment. • Abatement of LBP hazards. • Notice to occupants.
		1960-1977	<ul style="list-style-type: none"> • LBP inspection and risk assessment. • Notice to occupants of results.
D	Project-Based Assistance by Federal Agency Other Than HUD	Pre-1978	<ul style="list-style-type: none"> • Provision of pamphlet. • Risk assessment. • Interim controls. • Notice to occupants. • Response to child with EIBLL.⁵
F	HUD-Owned Single Family Sold With a HUD-Insured Mortgage	Pre-1978	<ul style="list-style-type: none"> • Visual assessment. • Paint stabilization. • Notice to occupants of clearance.
G	Multifamily Mortgage Insurance:		
	1. For properties that are currently residential	Pre-1960	<ul style="list-style-type: none"> • Provision of pamphlet. • Risk assessment. • Interim controls. • Notice to occupants. • Ongoing LBP maintenance.
		1960-1977	<ul style="list-style-type: none"> • Provision of pamphlet. • Ongoing LBP maintenance.
2. For conversions and major renovations.	Pre-1978	<ul style="list-style-type: none"> • Provision of pamphlet. • LBP inspection. • Abatement of LBP. • Notice to occupants. 	
H	Project-Based Assistance by HUD		
	For all properties	Pre-1978	<ul style="list-style-type: none"> • Provision of pamphlet. • Notice to occupants. • Ongoing LBP maintenance and reevaluation. • Response to child with EIBLL.⁵
	1. Multifamily property receiving more than \$5,000 per unit per year	Pre-1978	<ul style="list-style-type: none"> • Risk assessment. • Interim controls.
	2. Multifamily property receiving less than or equal to \$5,000 per unit per year, and single family properties	Pre-1978	<ul style="list-style-type: none"> • Visual assessment. • Paint stabilization.
I	HUD-Owned Multifamily Property	Pre-1978	<ul style="list-style-type: none"> • Provision of pamphlet. • LBP inspection and risk assessment. • Interim controls. • Notice to occupants. • Ongoing LBP maintenance and reevaluation. • Response to child with EIBLL.⁵

SUMMARY OF HUD LEAD-BASED PAINT (LBP) REQUIREMENTS (continued)

Sub-part	Type of Program	Construction Period	Requirements ^{1, 2, 3}
J	Rehabilitation Assistance: For all Properties	Pre-1978	<ul style="list-style-type: none"> • Provision of pamphlet. • Paint testing of surfaces to be disturbed, or presume LBP. • Notice to occupants. • Ongoing LBP maintenance if HOME rental.
	1. Property receiving less than or equal to \$5,000 per unit	Pre-1978	<ul style="list-style-type: none"> • Safe work practices in rehab. • Repair disturbed paint. • Clearance of the worksite.
	2. Property receiving more than \$5,000 and up to \$25,000	Pre-1978	<ul style="list-style-type: none"> • Risk assessment. • Interim controls.
	3. Property receiving more than \$25,000 per unit	Pre-1978	<ul style="list-style-type: none"> • Risk assessment. • Abatement of LBP hazards. • Interim controls allowed for exterior.
	Acquisition, Leasing, Support Services, or Operation	Pre-1978	<ul style="list-style-type: none"> • Provision of pamphlet. • Visual assessment. • Paint stabilization. • Notice to occupants. • Ongoing LBP maintenance for ongoing assistance.
L	Public Housing	Pre-1978	<ul style="list-style-type: none"> • Provision of pamphlet. • LBP inspection. • Risk assessment if LBP not yet abated. • Interim controls if LBP not yet abated. • Abatement of LBP during modernization. • Notice to occupants. • Ongoing LBP maintenance and reevaluation. • Response to child with EIBLL.⁵
M	Tenant-Based Rental Assistance for units to be occupied by children under 6 years of age	Pre-1978	<ul style="list-style-type: none"> • Provision of pamphlet. • Visual assessment. • Paint stabilization. • Notice to occupants. • Ongoing LBP maintenance. • Response to child with EIBLL.⁵

4.19.3. Federal Regulations

When Federal Funds are used, the assistance provided will be in accordance with all other Federal requirements regarding the use of CDBG and/or HOME funds. Such requirements will include but will not be limited to affirmative marketing, labor, displacements and relocations, lead-based paint, and any other requirement in force at the time of the processing of the assistance in accordance with 24 CFR 92 or 24 CFR 570.

4.22. ESTABLISHMENT OF WAITING LIST

The availability of funds for all Housing Rehabilitation Programs will be advertised in a newspaper of general circulation within the City. The advertising will run at least 30 days before the beginning of the application period. In addition, all programs will be posted in City Hall and on the City of Pompano Beach's website.

An application period of no less than two (2) weeks will be established for the receipt of applications. All applications received will be logged in the order received. Applications will be processed on a first-come, first-served basis, first-ready from all applicants meeting program eligibility criteria, subject to funding availability with priority given to the elderly and disable homeowners. Applicants not funded will remain on a Waiting List and will receive priority in the next funding cycle. It will only be opened for additional applications upon the approval of the Department Director or his/her designee. An applicant can only be allowed priority, irrespective of the Waiting List, upon petitioning the Director of the Office of Housing and Urban Improvement and on the submission of proof of imminent danger to the health and safety of the household occupants. Upon approval of the petition, the applicant will receive assistance subject to the availability of funds and confirmation of eligibility.

4.23. SUBORDINATION POLICY

Subordination of a Housing Rehabilitation Program (Program Loan) for the purpose of refinancing an existing debt that is in a superior lien position to the Program Loan may be allowed in accordance with the OHUI Loan Subordination Policy, as amended from time to time.

Subordination of the Program Loan will NOT be approved for a purpose other than refinance debt that was secured by the subject property prior to or of the same date of the Program Loan.

The City of Pompano Beach will only allow one subordination approval during the course of the Program Loan.

The City of Pompano Beach reserves the right to deny any subordination request it deems not in it's or the homeowner's best interest. The authority to approve subordination requests or exceptions to the City's Loan Subordination Policy will rest with the City Manager or his/her designee.

4.21. DISPUTE RESOLUTION

- All complaints shall be made to the Administrative Coordinator. Every effort shall be made to resolve complaints as soon as they become known. If a property owner or contractor is not

satisfied with the initial response taken to resolve the complaint, the owner may submit a written description of the complaint to the division and/or the department Director who will respond in writing within (10) working days.

- If a complaint relating to post-construction work deficiencies is received, the Administrative Coordinator will evaluate the complaint within ten (10) working days.
- If the complaint is determined to be valid and the contractor has not addressed the complaint in accordance with the construction contract, the contractor shall be suspended from further program participation pending corrective action.
- Corrective repair work may be initiated by the Administrative Coordinator if any emergency or extremely hazardous conditions exist or if the contractor fails to show good faith at correcting the problem within the time limit provided to him.
- If the complaint is not valid, the homeowner will be so notified in writing. Owners are to be encouraged to contact the contractor directly in an attempt to resolve construction concerns prior to contacting the agency.
- If a complaint relating to processing, policy, or procedures is received, the staff will respond in writing. The staff response will explain applicable policy when necessary and specify corrective action if any is required.
- Under the terms of the Construction Agreement, the City has the authority to decide all questions relative to the interpretation of any contract documents and fulfillment of the construction contract as to the character, quality, amount and value of any work and materials furnished under the contract. City decisions regarding all claims, questions and disputes shall be final.

AMENDMENTS TO PROGRAM DESIGN AND OPERATING PROCEDURES

Any amendments to the program design and/or operating procedures will be promptly incorporated into policy and procedures manual at the discretion of the Department Director / City Commission.

(Specific to Client File Development)

SECTION 5: OVERVIEW OF CLIENT PROJECT
FILE DOCUMENTATION

Flow Chart & Program Process.....	1
Client File Checklist.....	2
Application & Supportive Documentation.....	3
Request for Verifications.....	4
Employment	
Assets	
Benefits	
Deposits	
Support	
Child Support/Alimony	
Mortgage	
Social Security Benefits	
Insurance	
Affidavits.....	5
Irregular Income	
Deposits	
Financial Assistance	
Indirect Assistance	
No Checking or Saving Account	
No Child Support	
Zero Income	
Household Status	
Verification of Citizenship, or Qualified Allied Status Affidavit.....	6
Approval Letter.....	7
Rejection Letter.....	8
Resident Income Certification.....	9
Preliminary Feasibility Analysis.....	10

STANDARD FORMS (Cont.)
(Specific to Client File Development)

Set-up & Completion Form.....	11
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O & E Form and Request for Appraisal Form.....	12
Promissory Note & Consent to Imposition of a Mortgage Lien.....	13
Notice of Right to Cancel.....	14
Truth in Lending Disclosure Statement.....	15
Environmental Review Form.....	16
Lead Base Paint Inspection Form, Notification & Receipt Form.....	17
Housing Quality Standard Inspection Form.....	18
Property owner(s) & Contractor Agreement.....	19
Review of Specifications.....	20
Bid Transmittal Memorandum.....	20
Bid Recommendation Form.....	20
Notice to Proceed.....	21
Payment Application & Certification.....	22
Change Order.....	22
Notice to Contractor.....	23
Transmittal Letter – Building Permit Request.....	24
Contractor Partial and/or Release of Lien.....	25
Warranty.....	26
Modification of Mortgage and Promissory Note.....	27
File Account Ledger.....	28
Contractor’s Guide & Complaint Record Form.....	29

STANDARD FORMS (Cont.)
(Specific to Client File Development)

Program Survey..... 30

Subordination Policy..... 31