

September 2016

CDBG Owner-Occupied Housing Rehabilitation Administration Plan Requirements

Each community receiving a CDBG award to implement an owner-occupied housing rehabilitation program must prepare and submit to IEDA an administration plan. This plan will serve as guide to the community as to how the program will be implemented at the local level. The plan should describe specific processes and policies that will be used through the duration of the project.

As the needs of each community are unique, each community will have flexibility as to how their program is designed. The administration plan for the funded project will describe the program design to IEDA staff.

Below is a description of the components that must be addressed in every administration plan. Additional information/ items may be included, if the community chooses to do so.

While each community should develop a plan that meets its own needs and preferences, there are some universal requirements that will apply to all CDBG funded programs. These requirements must be included in every administration plan. Required components are included below and are underlined.

Each owner-occupied housing rehabilitation administration plan must address the following components:

- I. **Program Overview-** Provide a brief program description. Include description of target area & anticipated number of homeowners that will be assisted under the program. Include the CDBG contract number that the administrative plan refers to.
- II. **Fair housing & non-discrimination-** The community will ensure that CDBG assistance is made available on a non-discriminatory basis without regard to race, color, religion, sex, disability, familial status, age or national origin.

Describe the community's efforts to affirmatively further fair housing. This could include marketing efforts, on-going outreach efforts with community organizations, development of local ordinances, community sponsored training on fair housing or other related activities.

III. Program Eligibility- Describe who is eligible to participate in the program. Include income restrictions and any tenure requirements.

To be eligible, applicants must have a household income that does not exceed 80% of the median household income as established by the U.S. Department of Housing and Urban Development (HUD).

IV. Property requirements- Describe any program requirements specific to the property, including property location. This may include requirements specific to property condition, mortgages, utility bills, or property insurance. Describe how property ownership will be verified. Define the community's policy for addressing infeasible structures.

The property must be the applicant's principal place of residence. The applicant must own the property. Ownership may be established by holding fee simple title to the property or maintaining a 99-year leasehold interest in the property.

Properties must be included in the target/ project area defined in the application approved by IEDA.

Residential properties containing businesses may only be included in the program when it can be clearly shown that CDBG funds will not benefit the business on the property. CDBG funds will only be used to rehabilitate residential portion of the unit and any funds used on shared/common areas must be prorated. Program files will document how the costs were allocated between the residential portion and business portion of the unit.

Properties included in a 100-year flood plain are not eligible for the program.

Manufactured homes may be assisted with CDBG program funds only if all of the following criteria are met:

- The manufactured home was constructed after 1976.
- The manufactured home is permanently affixed to a site-built permanent foundation and has had its towing hitch and running gear removed.
- The homeowner owns the land on which the manufactured home is installed.
- The manufactured home is taxed as real estate (real property) by the community.

V. Marketing Plan- Describe strategies that the community will use to market the program to potential applicants. Include information regarding any public meetings, public notices, social media and other efforts to promote the program.

VI. Program Assistance- Describe the maximum amount of CDBG assistance that will be provided per unit. Describe eligible program expenses.

CDBG assistance will be provided as a five year receding forgivable loan. The property must remain the applicant's principal residence for five years following the project acceptance date for the loan to be forgiven. The community will file a lien/ security interest against the property in the amount of CDBG assistance.

VII. Application and Verification process- Describe the scoring criteria that the city will use to select participants for the program. Describe who will participate in the scoring process for applicants.

Describe how the community will verify household income and property ownership. Describe how program participants will be informed of selection. Describe how those applicants not selected for the program will be notified.

Basic income eligibility is based on applicant's annual gross household income. The community will refer to HUD's "Technical Guide for Determining Income and Allowances for the HOME Program" for direction and guidance on certain income inclusions and exclusions. Income verifications are valid for six months.

Note: The above referenced manual can be found here:

http://portal.hud.gov/hudportal/documents/huddoc?id=19754_1780.pdf

VIII. File documentation- List documents/ information the city will keep on file for this project and for each program participant.

The community will keep the following items on file:

- Income verification documents
- Ownership verification documents
- Property inspection documents (initial and final)
- Construction documents (specifications, contracts, and related items)
- Final acceptance of work (signed by homeowner)
- CDBG environmental review documents
- Lead based paint related documents

IX. Procurement- Describe the strategies that the community will use to market and select contractors for this project. Describe how the community will follow state and federal procurement requirements. Describe how bids will be accepted and reviewed. Describe how the city will inform successful and unsuccessful bidders. Describe the contracting process for selected bidders.

- X. Financial management-** Describe the financial management processes the community will implement for this project. Describe the process the community will use for paying contractors and how lien waivers will be handled. Discuss how CDBG funds will be draw down from IEDA. Discuss how other funding, if any, will be injected into the rehabilitation program.

After the initial draw request, the community must request CDBG funds at least every six months, for both rehabilitation costs and grant administration.

- XI. Program Implementation-** Describe how the community will operate its rehabilitation program including the following activities:
- a. Initial property inspections
 - b. Project specifications
 - c. Initial cost estimates
 - d. Section 106 historic review (required for federally funded projects)
 - e. Pre-construction conference
 - f. Change orders
 - g. Final inspection
 - h. Any other program activities

- XII. Roles and Responsibilities-** Describe the role of the city, CDBG grant administrator, rehabilitation committee, and any others that will be involved in the management of the city's rehabilitation program. Describe the duties that each individual/ entity will handle during the duration of the program.

- XIII. Rehabilitation standards-** Describe the rehabilitation standards that will be used for this program (i.e. local building code, IEDA HQS, or another standard).

Note: IEDA HQS is the minimum standard for each owner occupied rehabilitation program. Communities may set their own rehabilitation standards if those standards exceed IEDA HQS. Communities are encouraged to look at activities included as best practices by IEDA.

- XIV. Lead based paint requirements-** The community will comply with HUD's lead hazard reduction requirements through the duration of the program. Communities must describe how it will comply with these requirements.

- XV. Appeal/ Complaint procedure-** Describe the process that the community will use to address complaints or concerns regarding the program. This may include application decisions, contractor complaints, and other related issues. Include the name and contact information for the individual(s) that residents should contact with complaints or concerns.

XVI. Program amendments- The community should have a process for amending procedures and policies established in the administration plan. Describe the process that the city will use to amend the plan, if necessary. Include a description of any forms/ documents that will be used and the entity responsible for approving amendments to the plan.

Discuss how change orders will be processed and approved during the program.

XVII. Conflicts of Interest- The community must follow federal requirements regarding conflicts of interest that may arise during the implementation of the rehabilitation program.

The city will refer to 24. CFR.570.611 (CDBG regulations on conflicts of interest) should a potential conflict of interest arise and follow guidance provided in these regulations.

Required attachments to plan: Relocation policy (IEDA has a sample)