



**LONGMONT
HOUSING & COMMUNITY
INVESTMENT**
A Division of Community Services

**CDBG-DR
Homeowner Home Repair Program**

*For residents affected by the September
2013 flood*

Policies and Procedures

City of Longmont
Housing and Community Investment Division
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Introduction

On September 12, 2013 the City of Longmont experienced flooding along the St. Vrain River and Left Hand Creek. The immediate effects of this flood effectively cut the City in two, forcing dozens of neighborhoods to evacuate totaling 7,000 homes along with commercial areas and business, the closing of major streets, the loss of power and damaging or destroying over 10,000 homes.

These Program Guidelines provide the policies and standards for the management and operation of the City of Longmont CDBG-DR Homeowner Rehabilitation Program (HRP), using Community Development Block Grant Disaster Recovery (CDBG-DR) Program funds. The HRP is designed to address the unmet needs required to repair or replace flood damaged residential properties by assisting in making homes decent, safe, and sanitary, and to correct health and safety hazards. Loans and grants are available to achieve cost-effective repairs for low- and moderate income owner-occupied households in the city limits of Longmont. It is the intent of these Guidelines to create a consistent and equitable HRP.

Authority

The following document establishes the policies and procedures to be used to implement the City of Longmont CDBG-DR HRP. This HRP operates in the City of Longmont and is funded by a CDBG-DR grant from the Colorado Department of Local Affairs, Division of Housing.

Advisory Committee

The Longmont Housing and Human Services Advisory Board (Advisory Board) serves as the Advisory Board for the Program. There are nine (9) voting members who are volunteer representatives from the community-at-large.

The Advisory Board will assist in policy development and management issues. City of Longmont Housing and Community Investment division staff will, within these policies and procedures, review all routine applications for loans or grants and will take action on these applications. The Advisory Board will be informed at regular intervals of all routine applications which are approved by staff according to established guidelines. The Advisory Board will review all non-routine applications and recommend action on these applications.

The Advisory Board meets monthly and will review applications as needed, recommend actions and conduct other business pertaining to the HRP in a timely and efficient manner. Five (5) voting members of the Advisory Board constitute a quorum for conducting business.

Whenever possible, decisions will be reached by consensus of members present. When consensus cannot be reached, a simple majority vote of members present will be necessary for action regarding a loan application.

Definitions

Abatement – Any set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards, asbestos, and/or mold. Abatement includes the removal of lead-based paint and dust-lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-

lead hazards and all preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures.

CHFA—Colorado Housing Finance Authority

Contractors – Procured contractors providing supplies, equipment, construction, or services, and may be further restricted by Program Rules or other guidance including applications.

DOH – Colorado Division of Housing

DOL – Department of Labor

Duplication of Benefits (DOB)– Prohibits any person, business concerns or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance from FEMA, SBA, insurance or any other source.

Family – A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or wellbeing.

Federal Emergency Management Agency (FEMA) – Designates High Risk Area; Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100 year flood zones.

FEMA Areas Of High Risk – Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in the 100 year flood zones. These areas will be identified during the environmental review process for each property.

Homeowner Assistance Activity –CDBG-DR funding used to rehabilitate or reconstruct disaster-damaged homes in order for the applicant to remain in the original home and on the original home site. The home to be assisted must have been owner-occupied at the time of the disaster and be the primary residence of the household.

Household – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other.

Immediate family member –includes spouse, parents and grandparents, children and grandchildren, brothers and sisters, mother in law and father in law, brothers in law and sisters in law, daughters in law and sons in law. Adopted, half, and step members are also included in immediate family.

Individual Mitigation Measures (IMM) – Activities designed to mitigate and/or reduce risk beyond the pre-disaster condition of a housing unit when the activities are above and beyond the federal, state, or local construction or code requirements. In accordance with HUD’s guidance, repair and rehabilitation of housing units, and the payment of flood insurance are not IMM activities. Examples of IMM activities include:

- elevation above the base flood elevation level
- the addition of storm shutters,
- disaster proof windows

Low to Moderate Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of the Area Median Income (AMI) adjusted for family size.

Manufactured Housing Units (MHU) – A structure, transportable in one or more sections and is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

Modular Housing – a home built in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

National Green Building Standards Code – Adopted comprehensive provisions and standards regulating the construction, alteration, movement, enlargement, replacement, repair, equipment use and maintenance for the purpose of safeguarding the public health, safety and general welfare.

Optional Relocation Policy – The City of Longmont adopted an Optional Relocation Assistance Plan under 24 CFR, part 570.606(d) to assist mobile home owners who were leasing space at the Royal Mobile Home Park during the 2013 flood event.

Primary Residence: The Participant is the legal and equitable owner of the real estate receiving CDBG-DR funds. The Participant must live in the property a minimum of 11 months out of the year and it must be used as their legal address. The home must be used exclusively for housing throughout the year.

Rehabilitation – Repair or restoration of housing units in the disaster-impacted areas in Longmont to applicable construction codes and standards.

Reconstruction – Demolition and re-building of a home on the same lot in substantially the same footprint and manor as the original. Also includes the replacement of flood damaged manufactured housing units.

Relocations - Relocating single family and manufactured housing units in stable or undamaged condition to be moved from their current vulnerable locations in floodplains to a permanent location outside the floodplain.

Subrecipient – City of Longmont

Substantial Damage – damage of more than 50% of the home's pre-storm appraised value (50% Rule) as determined by the Boulder County property tax assessment records, unless another third-party appraisal was conducted no more than six months prior to the flood.

Suitable for Rehabilitation – Properties under the HRP program will be considered “suitable for Rehabilitation” if the cost of repairs to bring the property to standard condition is less than 50 percent of the pre-flood county appraised values, including all funding for the project.

Unmet Needs - Needs that are not covered by other sources and can be covered by CDBG-DR funds.

Urgent Need National Objective – An urgent need that exists because existing conditions pose serious and immediate threat to health/welfare of community, the existing conditions are recent or recently became urgent (typically within 18 months), and because other funding sources are not available.

Compliance with Appropriate Laws and Regulations

The HRP is committed to helping applicants repair and rebuild their homes so that they can return to a pre-flood routine. However, the HRP will be operated in strict compliance with the appropriate laws and regulations governing State and Federal funds. These policies are intended to ensure that the HRP will be compliant and in accordance with State and Federal fraud prevention requirements.

SAFE Act

The City of Longmont is exempt from the ‘Secure and Fair Enforcement for Mortgage Licensing Act of 2008’. This Act requires licensure of all loan originators excluding those employed at state or local government, housing authorities, HUD-approved housing counselling agencies, community development organizations, and/or self-help housing organizations.

Record retention

Each HRP manager shall maintain all records related to products, transactions or services under this Program for a period of five (5) years after the State grant is closed by HUD pursuant to 24 CFR 570.490(d).

Section 3 compliance

The City of Longmont is committed to running an effective and viable Section 3 Compliance and Reporting Plan as called for in the HUD CDBG Policies.

Labor Standards

The Program is committed to meeting or exceeding compliance with all laws related to State and Federal laws regarding prevailing wages and labor standards.

English Proficiency

It is HRP policy that applicants who do not have sufficient English language proficiency to represent themselves through the HRP process will be provided support, including translation, interpretation and/or written materials, to allow their participation in the Program.

Elderly and/or special needs

HRP policies and operating procedures are designed to ensure that eligible elderly persons and persons with special needs are able to successfully participate in the Program and that the rehabilitation or reconstruction of their homes includes necessary physical adaptations.

504 Statement

The City of Longmont does hereby certify that as a recipient of HUD Disaster Recovery Community Development Block Grant funds, all activities of this grant and any federal assistance will be operated in compliance with requirements of Section 504 of the Rehabilitation Act of 1973, as amended.

Lead Based Paint

The HRP will comply with Federal and State requirements related to the prevention of lead-based paint poisoning and hazard mitigation and abatement. This includes educating applicants about the

risks, conducting lead-based paint assessments as required and ensuring that all work under the HRP program is completed using methods that mitigate risk to applicants and workers.

Environmental

The National Environmental Protection Act (NEPA) requires Federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions. To fully consider the environmental consequences of a proposed action, the Federal agency often prepares and Environmental Assessment (EA). For CDBG-DR funded actions, the primary purpose of the EA is to (1) assess the applicant property for environmental issues, and (2) propose mitigation measures to offset environmental impacts. A site specific environmental review will be conducted prior to the City providing any assistance funds.

Conflict of Interest

No member of the Longmont Housing and Human Services Advisory Board, nor any employee of the City of Longmont who exercises responsibilities with respect to the Program or participates in its decision-making processes, may obtain a personal or financial interest or benefit from the Program, or have any interest in any contract, subcontract, or agreement or the proceeds thereunder, either for themselves or for those with whom they have family or business ties, during their employment or for one year thereafter.

Anti-Fraud compliance Fraud Prevention: The City of Longmont will put in place internal fraud prevention methods to protect the grant funds from improper payments, intentional or unintentional. Below are some of the approaches that will be taken to address them;

- Cooperation with Federal and State Monitors and HUD office of Inspector General; All HRP staff will provide cooperation to State and Federal monitors and inspectors. This means allowing access to program related materials and providing support to the monitors or inspectors when requested.
- Referral of Suspected Fraud: It is the affirmative responsibility of any City employee and any HRP staff that has reasonable suspicion that any form of Fraud is occurring, to notify the appropriate State or Federal agency or department. Notification of suspected fraud can be made to the Office of the State Auditor. Referrals should be based on a reasonable belief that a fraud has been committed.
- Draw process: The Housing and Community Investment Manager will review and approve all draw requests submitted by staff under the HRP. Requests for payments will be accompanied with all required back up documents and kept in the appropriate applicants file. To keep these responsibilities separate, no one submitting for payment will be permitted to approve payment

Nondiscrimination compliance

- The City of Longmont will administer the Rehabilitation Program in a manner that will ensure consistent and fair treatment to all persons interested in Program participation.
- The City of Longmont will not discriminate at any stage of the application/participation process due to race, color, national origin, religion, creed, sex, age, familial status or disability. The City of Longmont is bound by the nondiscrimination requirements of Federal, State, and local laws and will abide by the nondiscrimination requirements of:

- A. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, or national origin in programs receiving Federal financial assistance;
- B. Title VII of the Civil Rights Act of 1966, which prohibits discrimination based on race, color, religion, national origin or sex in the sale, rental or advertising of housing;
- C. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination based on handicap in programs receiving Federal financial assistance;
- D. The Age Discrimination Act of 1975, which prohibits discrimination based on age in programs receiving Federal assistance; and
- E. Executive Order 11063, which requires HUD to take whatever action is necessary to prohibit discrimination based on race, color, national origin, religion (creed), or sex in housing receiving Federal assistance.

Program Description

The HRP assists eligible applicants whose primary residence was damaged by the September 2013 Longmont floods, to complete the necessary work to make their primary residence sanitary, safe energy efficient and resilient. The HRP is intended to supplement other funds the owner has received to repair or reconstruct the structure. HRP provides loans or grants to eligible applicants up to \$100,000. Rehabilitation of all units (including manufactured housing units) will be limited to 50 percent of the pre-flood county appraised value including all funding.

Program Administration

The City of Longmont's Division of Housing and Community Investment staff are responsible for accepting applications, determining eligibility, calculating award amounts, establishing and maintaining escrow accounts, and providing advisory services to applicants throughout the HRP process.

Housing and Community Investment Division has program staff to administer construction related activities, including conducting inspections to determine whether the subject property was affected by the 2013 floods and if the property can be repaired or must be reconstructed. The HRP inspector develops a scope of work and estimated cost; assists clients with selecting a contractor/builder to complete construction work; oversees construction to insure quality of work; and insures that all HUD, local and state regulations have been followed. The HRP inspector also authorizes payments to contractors. .

Eligibility Overview

Eligibility:

24 C.F.R. 570.202 Eligible Rehabilitation and Preservation Activities

National Objective

Low/Moderate Income Housing, Urgent Need

Qualified Alien

Noncitizens - who are not prohibited by Personal Responsibility and Work Opportunity Act (PRWORA) from receiving federal public benefits

Location:

The damaged residence must be located in the City of Longmont.

Owner occupancy

At the time of the flood (September 2013) the damaged residence must have been owned and occupied by the applicant as the applicant's primary residence. If the owner of the property at the time of the flood dies, the property may qualify for assistance if the home is inherited by an immediate family member. Second homes, vacation residences, and rental properties are not eligible for HRP assistance.

Verifiable Flood Damage

It must be demonstrated that the damage or destruction to structures was a direct result of disaster. "Direct impact" means the participant's home was:

- Damaged or destroyed during the disaster, including flood, rain or fire damaged homes and/or properties
- Not accessible because their community was evacuated, whether or not their home was actually damaged
- Not accessible because of damaged or destroyed access roads, bridges and/or culverts

Level of Damage

The property must have sustained damage as a result of the September 2013 flood. Records or documentation to demonstrate damages are:

- National Flood Insurance Program (NFIP) report or documentation
- Insurance Adjuster Estimate (IAE) report or documentation
- Insurance claim inspector report and/or letter of denial
- City of Longmont inspector's report
- FEMA file describing flood damage and award
- SBA letter or inspection report describing flood damage
- Photographs that physically describe/show the damage to the home
- Inspection report at the time of the disaster from a licensed contractor
- Other acceptable sources that can provide reports or evidence of flood damage such as local/state governments, private non-profit relief assistance, Homeowners Associations
- See the CDBG-Rehab Reimbursement Policy for other methods of demonstrating the level of flood damage.

Key Steps in the HRP Process

Applicant submits Application



Verification of Applicants Data
Verify eligibility: (Location, ownership, primary residence, income, FEMA registrations)
Notice: (Preliminary Award Notice or No Funding Letter for eligible applicants)

Notice of ineligibility and opportunity to appeal



Determine Rehabilitation or Reconstruction and Project Scope
Site Inspection and Feasibility Analysis: HRP Inspector conducts site inspection to identify completed work, develop estimated costs for remaining, and *recommendation on rehabilitation or reconstruction.*
Environmental completed for property by the City of Longmont



Determine Final Project Scope
Final Plans Presented and Accepted by Applicant
Construction is bid according to City of Longmont Procurement guidelines.
Contractor is selected



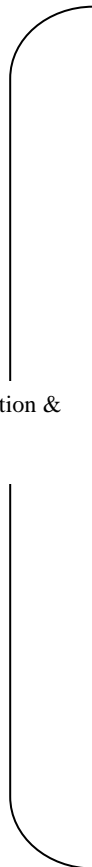
Award Calculation and Closing
Calculation of HRP grant or loan amount and funds required by applicant.
Grant or loan Agreement and related documents executed.
Construction Contract executed by contractor and applicant.
Escrow accounts established as needed.

Reimbursement for eligible completed work (if applicable)



Construction Period
Contractor Notice to Proceed issued.
HRP Inspector monitors construction and approve progress and final payments to Contractor.

Documentation & verification continues



Income

Applicants must have verified total household income that does not exceed the established AMI limits (80% AMI for at least 75% of beneficiaries served). Total household income will be calculated using the IRS 1040/Adjusted Gross Income (AGI) calculation method. See 1040/AGI Income Calculation Method Policy.

Application Procedures

Income is used to classify households as either low to moderate income (LMI) households or non-LMI households based upon income limits published by HUD. Both applicants with incomes above and below the Income Limits are eligible to apply for HRP grants or loans. However 75% of the total funds are reserved for eligible LMI applicants and 25% will be available for eligible applicants above the LMI limit. Any household over 80% AMI must qualify under the “Urgent Need” National Objective.

Initial Contact: All inquiries about the City of Longmont’s HRP will be handled by the Housing and Community Investment Division. Information on the programs will be made available at the Civic Center, Housing and Community Investment Division, on the city’s website at <http://www.longmontcolorado.gov/departments/departments-n-z/public-information/flood-information/help-and-assistance/flood-assistance-housing-programs>, or an information packet will be mailed to interested person/entities by the City of Longmont. This information packet will consist of:

- a) Application
- b) Program Information Forms and Brochure
- c) Documentation Requirement Form. Income will be verified as prescribed by the 1040/AGI Income Calculation Method
- d) Lead Based Paint Information.
- e) Duplication of Benefit Statement
- f) Homeowners Guidance Form

Income will be verified as required by the IRS Form 1040/Adjusted Gross Income Calculation Method. After 12 months all required documentation must be resubmitted for re-verification unless the applicant has signed a Contract for Rehabilitation with an approved Contractor or a Sales Agreement for replacement housing.

Processing and Approval: The application will be reviewed and eligibility will be determined by the City of Longmont. Applicants must provide a current IRS 1040 Tax Return for all household members who are required to file. In some cases applicants may be required to disclose all sources of income and provide additional acceptable documentation to the City of Longmont when an IRS tax return is not available.

Qualified applicants will be sent:

- An introduction letter informing them of their preliminary approval.
- Explanation of funding sources and restrictions.
- A description of what happens next.

Letters and a copy of the appeals process will be sent to applicants who were denied assistance with an explanation of the reason for their denial.

Meeting with Housing Counselor

Housing counseling with the Boulder County Housing Counseling Program will be made available for HRP applicants. If through the application process there are concerns raised regarding a homeowner's situation (including but not limited to issues on the title report, concerns regarding mortgage, income, and/or budget), applicants may be required to meet with a counselor to ensure that their financial situation is sustainable to receive a rehabilitation loan.

Types of Loans/Grants

Grants

Eligible households must:

- a) Have income at or below 80% of the AMI for the family size.
- b) Show evidence of owning the property to be rehabbed and that the property was the household's primary residence at the time of the flood or the applicant is an immediate family member that has inherited the property from the deceased owner occupant of the property at the time of the flood. .
- c) Show clear title to the property.
- d) Be current on property taxes, assessments and other liens on the property at the time of application and at closing.
- e) Have all mortgage payments current at the time of application and at closing.
- f) If applicable, provide proof of homeowners and/or flood insurance.
- g) Have property that is located within the city limits of Longmont.
- h) Use the home receiving assistance as their primary residence, or agree that it will again be their primary residence after assistance has been received.

Maximum Grant - \$100,000

Loan Term – A 5 year forgivable 0% interest rate loan. A lien will be held on the property for 5 years. If at any time the property is transferred, refinanced, sold, or is no longer the primary residence of the borrower, the unforgiven balance will be due and payable. On the anniversary date of the loan, the lien will be reduced by 20% each year until the loan is totally forgiven.

5 year Forgivable Loan

Qualified Borrowers(s) must:

- a) Have income over 81% of the AMI for the family size.
- b) Have a family member who is employed at least 30 hours per week or the head of household is disabled and/or retired and receiving benefits.
- c) Show evidence of owning the property to be rehabbed and that it was the household's primary residence at the time of the flood or the applicant is an immediate family member that has inherited the property from the deceased owner occupant of the property at the time of the flood.
- d) If applicable, provide proof of homeowners and/or flood insurance.
- e) Show clear title to the property at the time of application and at closing.
- f) Be current on property taxes, assessments and other liens on the property at the time of application and at closing.
- g) Have all mortgage payments current at the time of application and at closing

- h) Property is located within the city limits of Longmont.
- i) Use the home receiving assistance as their primary residence, or agree that it will again be their primary residence after assistance has been received.

Maximum Loan Term: 10 years

Interest Rate: 0%

Maximum Loan Amount – \$100,000

Note: All replacement manufactured housing units, regardless of the homeowners AMI, will receive a 5 year forgivable loan.

Primary Residence – All homeowners must agree to use the property as their primary residence for the length of the outstanding loan. Any outstanding balances together with principal and accrued interest will be due and payable when the property is no longer the Borrowers’ primary residence, title is transferred or when the home is refinanced or sold. An annual verification of occupancy will be conducted to insure that the home is still the Borrower’s primary residence, insurance has been maintained on the property, taxes are current and if applicant’s lot rent (if applicable) is not in arrears.

Household Obligations

Households over 80% AMI receiving HRP funds must sign a promissory note and a deed of trust along with a Participants Agreement. Households under 80% AMI must sign a Participants Agreement. These documents require the homeowner to:

- Occupy the damaged dwelling upon completion of rehabilitation as their primary residence
- Property taxes must be paid and not delinquent
- For Manufactured housing unit Owners on rented lots, lot rent may not be in arrears
- All utilities paid and not delinquent
- Permit authorized representatives of the HRP management team, and authorized contractors to access the site
- Grant recipients are required to maintain homeowners flood insurance if located in a floodplain for the remaining life of the home. Loan recipients are required to maintain homeowners insurance (including flood insurance if in the floodplain) throughout the loan period with the city listed as an “additional insured”.
- A property located in the floodplain may be rehabilitated or replaced; however, the property must be able to obtain necessary permits and have flood insurance for the life of the home. If the homeowner does not maintain flood insurance and is ever damaged by a future flood, then the property will not be eligible for federal disaster recovery funds. All properties must list the City as an “additional insured” on the homeowner’s policy for the duration of the loan or life of the property given a grant.
- Loans recipients will be required to execute a deed restriction document prior to construction or before replacement.
- Sometimes an applicant must provide its own private funds to the project to cover any determined Duplication of Benefits or additional funds that are required above what the Program can or will pay. Applicants will provide their private funds that must be paid prior to the expenditure of any federal funds. Applicant’s private sources of funds for rehabilitation projects must be paid by Money Order or Cashier’s Check in the name of the contractor and given to the City prior to the Construction Contract being executed. Applicants will authorize

the HRP Inspector to conduct inspections and authorize payments from HRP program funds and private funds to make payments directly to the general contractor. For manufactured housing unit replacement, the applicant will pay the required private funds directly to the dealership at the time of signing sales contract and provide a written receipt from the dealer of the funds paid.

Appeals

An applicant may appeal a decision by the City of Longmont in regards to their application or the funding they were awarded from the program to the HRP. An applicant must appeal any issues with their ineligibility and /or award within 15 days of the determination as set out in the determination letter or from the date of their notification of the appeals process, whichever is later. After 15 days, the status is considered final and can no longer be appealed.

For more information on the appeal process, please refer to the **CDBG-DR Housing Assistance Program Appeals Procedure**. This policy may be obtained from the City of Longmont.

Primary Residence

The property receiving assistance must have been the applicant's primary residence at the time of the flood or if the applicant is an immediate family member that has inherited the property from the owner occupant of the property at the time of the flood, it must be shown that the person who was living in the home was using it as their primary residence at the time of the flood.. The Program verifies primary residency through at least one of the methods listed below. All occupancy documentation must be from the time of the flood, in the applicant or co-applicant's name, and identify the damaged property address:

- Verification by the City that water or sewer services was provided to the owner at the time of the flood.
- Copy of FEMA letter showing payment received for home repairs or contents or insurance document showing content coverage.
- Letter from electric, gas or other utility service provider. The letter must confirm that service was provided at the time of the flood.
- Boulder County Assessor's records of ownership.
- Other qualified documents may be presented for consideration of proof of occupancy.

Ownership

Housing to be assisted must be owned by the person(s) occupying the unit at the time of the flood or if the applicant is an immediate family member that has inherited the property from the owner occupant of the property at the time of the flood, it must be shown that the inheritor has actually taken ownership of the property. Ownership is defined as holding a fee simple warranty deed or title to the property and structure. Ownership by Limited Liability Corporations is not an eligible ownership type. The City of Longmont has the right to waive the requirement of a fee simple title or warranty deed in the applicant's name if it can be proven that the applicant occupied the home at the time of the flood, was making house payments to purchase the house, and has acquired title prior to assistance. Each instance will be reviewed on a case-by-case basis.

Owner-occupied units in multi-unit properties, such as cooperative and condominium units, are eligible for the HRP. Applicants will need the approval of the condominium association or cooperative

for the construction plans and must have the association or cooperative provide insurance information before a HRP grant or loans can be awarded.

In order to be eligible for program assistance, the assisted property owner must be current with their mortgage payments, special assessments and property taxes. If property taxes are delinquent, the homeowner must be able to document that the taxes have been made current or they are on an approved payment plan with the Tax Assessors Office.

Contract for deeds are not eligible unless the applicant converts their contract to full ownership prior to receiving funding assistance from the HRP.

1. Evidence of purchase must prove that an applicant was purchasing a home by:
 - A fully executed Purchase Contract, signed by both the seller and the buyer, dated prior to September 12, 2013.
 - On a case- by-case basis the City of Longmont may consider and/or require other documentation of purchase.
2. Proof that a contract has been completed and title conveyed to the purchaser is provided by:
 - Evidence of recordation of the title is in the name of the applicant and recorded with Boulder County.
 - Evidence that the property was transferred by a warranty deed.

Trust

Property held in trust for the benefit of natural persons can be eligible for rehabilitation assistance as long as at least one of the occupants at the time of the flood was a current beneficiary of the Trust. If the property was not the primary residence for the current beneficiaries or trustee, the applicant(s) is not eligible for assistance. The trustee's powers must include the ability to affect the damaged property. If the trustee's powers do not include the ability to affect the damaged property all beneficiaries with an interest in the damaged property must sign the closing documents along with the Trustee.

The following is required to confirm eligibility:

- The applicant must provide a copy of the trust document.
- The trust document or an abstract or extract from the trust must be recorded in the conveyance records of Boulder County. This recordation in the conveyance records of Boulder County may be recorded post-flood if necessary.

The applicable agreements must be executed by trustee(s) unless the trust distributes the property to a beneficiary, in which event the beneficiary receiving the property must execute the applicable agreement and occupy the home as its primary residence after the assistance.

Funding Priorities

Priorities based on income:

- Seventy-five percent (75%) of CDBG-DR funds are reserved for low to moderate income (LMI) applicants. Households at or below 80% AMI by family size.
- Twenty-five percent (25%) of CDBG-DR funds may be used to assist non-LMI (low-to-moderate income) applicants. All applicants over 80% AMI must qualify under "Urgent Need."

Priorities based on types of housing:

- Priority will be given to residents previously residing in damaged or destroyed manufactured housing.

Other Priorities:

- Priority will be given to persons with disabilities and seniors affected by the flood.

Duplication of Benefits (DOB)

Applicants must disclose all financial assistance awarded and/or received in response to the flood, including but not limited to FEMA, the Small Business Administration, private insurance, other state, local or federal programs, and private or non-profit organizations. The City reserves the right to adjust the amount of assistance available for an applicant based on the receipt of previous assistance in order to prevent the duplication of benefits. Failure to disclose all financial assistance can have serious legal consequences. Recipients of assistance must report any flood-related assistance they receive for one year after the award of HRP funds. The Housing and Community Investment Division will monitor compliance with the agreement for one year, by contacting the various agencies as noted above or listed in the original DOB calculation and by contacting the recipient of City CDBG-DR funds. The Applicant must repay any assistance later received for the same purpose as those awarded or provided by the City of Longmont CDBG-DR funds (Refer to the City of Longmont's Duplication of Benefits Policy).

If the applicant applied for and was offered an SBA loan but declined all or part of the loan, the amount of the loan declined may be considered a duplication of benefits. The applicant must document the reason they declined the loan on the City of Longmont's SBA Hardship Documentation form. The City, on a case by case basis, will make a determination whether the household qualifies for a Hardship determination. All applicants requesting a SBA hardship will be required to meet with a Housing Counselor to review their budget at the time the loan was refused and/or reduced.

Demonstrable Hardship:

Demonstrable hardship is defined using its two component words:

- Demonstrable-proved or shown, by objective evidence (not subjective feelings).
- Hardship-an economic impact which is burdensome or very difficult to bear, causing economic distress well beyond mere inconvenience.
- A demonstrable hardship is a substantial change in an owner's financial situation that will prohibit or severely affect their ability to provide a minimal standard of living or the basic necessities of life including food, housing, clothing and transportation without causing economic distress well beyond mere inconvenience as shown by objective evidence. A demonstrable hardship must be occurring after the 2013 flood event. The term is not necessarily a definable term of fixed and inflexible content or meaning.
- The demonstrable hardship must be of a severe, involuntary and unexpected nature. It must not be one that is generally shared by other property owners affected by the 2013 flood event or within the disaster area. Examples of a demonstrable hardships may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual

and excessive amount of debt due to a natural disaster, etc. None of the listed examples above, individually or taken together, automatically establish a demonstrable hardship nor is the listing above exhaustive as there may be other factors relevant to the issue of demonstrable hardship in a particular case.

- The existence of a demonstrable hardship will be evaluated on a case-by- case basis after review of all of the circumstances. Whether there is a demonstrable hardship heavily depends upon the facts and circumstances.
- Persons claiming a Demonstrable Hardship shall be required to provide evidence to support the Hardship claim to the City of Longmont. A written decision shall be rendered and provided to the person claiming the Hardship.

Emergency Repairs

A grant up to \$10,000 may be made to households under 80% AMI to address any specific hazards that pose an **immediate danger** to the health and safety of the applicant, including critical damage to the structure due to acts of nature or mechanical system failures creating unsafe or unsanitary conditions.

Households and properties must meet all the eligibility requirements for the rehab program, except: households do not need to comply with the eligibility and verification requirements of the Welfare Reform Act (legal residency).

- Emergency repairs are not required to correct all building code or HQS deficiencies.

Calculating the Amount of Assistance

Assistance to individual homeowners is determined after factoring in the eligibility criteria, subtracting DOB that must be paid and then factoring in the funding caps for the required rehabilitation activity. The calculation follows a three prong test:

- Does the estimated cost of repairs exceed the 50% rule? If no, then rehabilitation assistance may be approved.
- Does the homeowner have other resources (other than personal savings) to help pay for the rehabilitation? If yes, subtract from estimated cost of repairs and the remaining balance is the CDBG-DR award amount, up to \$100,000.
- If the remaining balance exceeds the \$100,000 available from CDBG-DR, the homeowner will need to identify other sources of funds and/or volunteer labor to cover the total cost (e.g., with help from the Boulder Long Term Flood Recovery Group's Construction and Unmet Needs subcommittees)

The CDBG-DR recovery calculation may look as follows:

1. Identify total post disaster need prior to any assistance
2. Identify potential duplicative assistance;
3. Subtract all assistance found to be duplicative, resulting in the maximum potential award amount or unmet need.

Homeowner Payment Requirements

Rehabilitation Projects

Before the construction contracts are signed, the homeowner must provide the City of Longmont with a cashier's check or money order for the amount of the duplication of benefits and/or the cost of rehabilitation work that is not approved and/or covered under the CDBG-DR Rehab Program. The payment must be made out to the contractor that was awarded the rehabilitation contract. The City of Longmont will hold the cashier's check or money order and will distribute to the contractor at the time of the first progress payment.

Replacement Manufactured housing units

Before a new manufactured housing unit can be purchased the participant must provide a receipt from the seller or dealership that the amount of duplication of benefits has been paid in full. Manufactured housing unit dealerships may finance the required DOB. The participant must provide a receipt each month to the City of Longmont showing that the required payment has been made. If the DOB note is not paid in full by the end of the 5 year forgivable loan the title will not be released until the DOB is paid in full.

Disbursement of Funds

Funds will be disbursed in the following order:

1. Private funds required for additional rehabilitation work or duplication of benefits.
2. CDBG-DR funds for the full value of the Construction Award or Sales Agreement, as indicated in the Award Calculation.
3. The final payment for the set-up of the manufactured housing unit replacement will be withheld until completion.

Eligible Structures

Single family, one unit structures are eligible for assistance. If the property has an attached garage, it can be repaired to the extent that it is necessary to make the structure safe and sanitary.

Townhomes and condominiums are eligible for rehabilitation when feasible. If a property is designated as a condominium or townhouse, the owner of each condominium unit shall be allowed to apply for assistance for the unit under their ownership. These homeowners will be reviewed on a case-by-case basis to assess responsibilities of the condominium's homeowner association. In all instances, each unit shall have an individual mailing address registered with the United States Postal Service (not a P.O. Box).

The assisted property must be wholly residential in character. Properties containing home-based businesses may be rehabilitated only where it can be clearly shown that program funds are not used to assist the business contained in or on the property.

Manufactured housing units are eligible for rehabilitation when feasible. If the manufactured housing unit owner is renting a pad in a manufactured housing unit park, the pad area will **not** be eligible for any rehabilitation funds. The manufactured housing unit must not have the axles on the manufactured housing unit and must be placed on a pad or supported by cinder blocks. If the manufactured housing unit repairs exceed 50% of the Boulder County assessed value prior to the flood, the manufactured

housing unit may be replaced with a decent, safe and sanitary, HUD-certified used or new manufactured housing unit.

Rebuilding of a stick built home is eligible on the same lot in substantially the same footprint and manner. The total square footage of the original, principal residence structure to be reconstructed may not be exceeded.

Homes in the floodway or floodplain may be relocated out of the floodway or floodplain, either to another location on the homeowner's lot (if zoning allows), or to a different location.

Properties with conforming basements (egress windows and existing building permits) will be repaired for living space as necessary to meet minimum design standards. Properties with non-conforming basements (no egress windows) will be repaired to the extent necessary to make them safe and sanitary. However, if the non-conforming basement was/is used as a bedroom, then it can be repaired for living space. All code violations will be corrected during the reconstruction.

Manufactured Housing Park Optional Relocation Policy

The Manufactured housing unit Park Optional Relocation Policy (Optional Relocation Policy) only applies to manufactured housing parks where the city has acquired or intends to acquire land for flood mitigation work. When determined to meet an urgent community need under 24 CFR 570,.208(c), CDBG/CDBG-DR funds may be used for the relocation of an owner of a manufactured housing unit legally residing at a manufactured housing park that the City is purchasing for flood mitigation. Funding for the eligible relocation of existing manufactured housing units and the purchase of new/used manufactured housing units will be eligible costs under the CDBG-DR Rehab Program. (APPENDIX B)

Rehabilitation or Replacement of Manufactured Housing Unit

HRP funds can be used for rehabilitation, relocation, and/or replacement of damaged manufactured housing units. The HRP managers will make recommendation for the rehabilitation, relocation or reconstruction based on the cost of repairs to correct safety and health issues and the pre-flood assessed value. If the cost of repairs (including elevation) exceeds 50% of the assessed value, the property is **not** suitable for rehabilitation and will be considered for replacement.

Comparable replacement dwellings must be;

- Decent, safe and sanitary
- Functionally equivalent to the damaged dwelling. Must perform the same functions, and provide the same utility. The City will determine whether a replacement dwelling is functionally equivalent to the damaged home.
- Adequate in size to accommodate the occupants
- In a location generally not less desirable than the location of the damaged home.
- Within the financial means of the participant.

Requirements for replacement of a manufactured housing unit are:

- Used or new manufactured housing units must be HUD Certified.

- Replacement of a manufactured housing units will be equivalent to the damaged home based on the number of bedrooms and/or occupancy standards and the manufactured housing unit park standards.
- HRP funds for the cost of the replacement manufactured housing unit or stick built home cannot exceed \$75,000 minus the calculated Duplication of Benefit amount required to be paid by the participant. The cost of removal of the owner’s existing manufactured housing unit to the landfill is eligible, and is included in the replacement cap and lowers the amount available for purchase.
- Relocation of a manufactured housing unit to a new location within Boulder County will not exceed \$6,000 and will include the take down and set up of the home and pulling all required permits.
- If located in the 100 year floodplain, the replacement manufactured housing unit can be placed in the same manufactured housing unit park if the home can obtain the necessary building permits and be able to obtain flood insurance, or it can be moved to another manufactured housing unit park within Boulder County.
- Replacement manufactured housing units must be within the NADA retail value. A copy of the valuation report will be placed in the household’s file.
- The Manufactured housing unit Park that the new home will be located in must approve the new manufactured housing unit in writing prior to approval of new the home and the signing of a sales contract.
- During the removal of the damaged home and the replacement of the new home, the participant may be eligible for interim rental assistance not to exceed 3 months. Each case will be evaluated for the need for temporary rental housing under the HRP. The cost of temporary housing under the HRP, when added to the replacement cost, and set up cost cannot exceed the program maximum of \$100,000.

Default on a Chattel Mortgage

If the borrower defaults under the Participants Agreement and/or Promissory Note on a replacement manufactured housing unit, the City of Longmont can repossess the manufactured housing unit. The City of Longmont will work with the homeowner to correct the default however; if unable to cure the default in a timely manner the City will seek a court order to take possession of the home.

Once the home has been repossessed the City of Longmont will sell the manufactured housing unit at the market rate at the time of the sale. All efforts will be made to sell the property to an applicant that is below 80% AMI and any adjustments to the sale price can be made at the discretion of the City in order for an LMI applicant to qualify for a loan.

Ineligible Ownership Categories

The following types of ownership are ineligible for assistance under HRP:

- Business entities. This includes but not limited to: Limited Liability Corporations, Limited Liability Partnerships, Corporations, etc.
- Applicants who lost ownership of their homes due to foreclosure or are pending foreclosure.
- Properties located where federal assistance is not permitted.

Home Evaluation

The City of Longmont will estimate the cost of repairs. The Estimated Cost of Repair (ECR) incorporates costs necessary to ensure that the property meets the HRP's Minimum Property Standards. The ECR does not provide an evaluation that takes into account an exact replacement of an applicant's original home. The ECR evaluation is based on basic livability standards and on costs developed by the construction industry in Colorado.

All property improvements must be for unmet housing needs resulting from the September 2013 flood, code violations, energy efficiency improvements, HQS violations and resiliency and will follow the State of Colorado's Minimum Property Standards as required by the CDBG-DR Action Plan.

Examples include:

- Exterior work such as roofs, foundations, paint or siding, non-public sidewalks, site grading (to control flooding), utility connections (from property line to the adjacent street), septic systems, well water systems, doors, locks, skirting, leveling and bracing.
- Interior work including electrical repair or rewiring, plumbing, replacement of damaged flooring where it poses a hazard, doors, locks, painting, abatement of lead-based paint, replacement of inoperable built-in appliance, drywall replacement, replacement of flood damaged windows, installation of egress windows (per code) and the installation of flood vents in basements and crawl spaces.
- Weatherization and energy conservation measures such as insulation, caulking, weather stripping, E-star appliances and repairs or replacement of windows, doors, and heating systems.
- Modifications to aid the mobility of the elderly and physically disabled such as accessible showers, lever hardware, ADA toilets, moving power points and light switches, ramps, widening doorways, lowering sinks in kitchens and bathrooms.

Properties with conforming basements (egress windows and existing building permits) will be repaired for living space as necessary to meet minimum design standards. Properties with non-conforming basements (no egress windows) will be repaired to the extent necessary to make them safe and sanitary. However, if the non-conforming basement was/is used as a bedroom for a family member, then it can be repaired for living space.

Structures built before 1978 must be inspected for lead-based paint hazards. Where such hazards are detected, the homeowner(s) will be notified and appropriate steps will be taken to mitigate dangers from lead-based paint.

Determining If Home is Eligible for Rehabilitation

The following methods will be used to determine if a home is eligible for rehabilitation:

1. Homes determined to have a remaining unmet rehabilitation need based on a damage assessment will be eligible for rehabilitation. Unmet need is determined after the damage inspection provides an estimated cost to repair minus any duplicated funds available for repairs. Remaining HRP costs are capped by policy at \$100,000.
2. The home's estimated cost of repairs must be below 50% of the pre-flood assessed value. Estimated cost of improvements includes the damage from the disaster, code violations, and

HQS violations. If the costs are greater than the 50% of the home's value the home will be considered ineligible for rehabilitation.

Each rehabilitation (except under emergency repairs) item in the home must meet the City's Minimum Property Standards.

If required rehabilitation exceeds the maximum funding amount, funds needed in excess must come from the homeowner, another funding source, or a City waiver prior to the start of construction.

Pre-Flood Value

The Boulder County Assessor's Office will provide the pre-flood appraised value of the property which will be used to determine the value of the home.

Reimbursement for Completed Home Repairs

HUD Notice CPD-13-138 permits reimbursement for eligible work paid for with the applicant's private funds and undertaken within the first year of the flood (completed on or before September 13, 2014). To exercise the reimbursement option, owners must comply with all Program requirements and commit to completion of the work remaining to be done. Reimbursable costs must be reasonable and necessary as determined by the City of Longmont and the work must have obtained a permit, or be able to obtain a permit, if applicable/required. Refer to the City of Longmont's CDBG-DR Rehab Reimbursement Policy.

Property Inspection/Notice to Proceed

Inspection

For applicants who have been determined income eligible, the HRP Inspector will perform an initial inspection to determine a property's eligibility and estimated cost of repairs. The inspection will also include the completion of the Housing Quality Standards (HQS) form. Additionally, inspections will be performed for applicants only seeking reimbursement through the HRP.

The estimate of funds necessary will include 1) the repair and/or rehabilitation of the residence necessary to meet Program standards and applicable local, State and/or Federal building codes); 2) mitigation and elevation efforts to reduce the impact of future storms on the home; and 3) to repair the storm damage to the home. The estimated cost will contain a detailed listing of needed repairs, including unit of measures as well as quantities in addition to eligible construction activities, necessary environmental mitigation (as required), elevation costs (as required), eligible accessibility features, program-required minimum HQS, HUD Green Building Retrofit Checklist items and resiliency repairs. Each repair will be documented for which eligible category it falls under (i.e. HQS, Flood, resiliency, green built, minimum rehab standards, etc.) .

The following items will **NOT** be included in the estimated cost of repairs:

- Repairs or replacement of detached structures such as sheds, garages, swimming pools, decks, or fences (detached garage repairs or demolition will only be included when required by City codes)
- Replacement of window air conditioner units.
- Any repairs in excess of mid-grade materials.

- Public sidewalks, roads and streets

Properties that have household members who are elderly or disabled will be analyzed as to the special needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas may be included in the scope of work, if appropriate.

The initial inspection will be composed of 3 key tasks which may be completed in one visit or may involve multiple visits as determined necessary:

- Estimated cost of repair to determine eligibility for Reconstruction or Rehabilitation. This inspection will take into account all work that has been completed and work that is still required under the HRP requirements.
- Determine the scope and quality of any repairs in accordance with the City of Longmont's established building codes, including the National Green Building Standards.
- Determine if there was a direct impact from the September 12, 2013 flood; if no disaster benefits were received (i.e. FEMA, SBA) then review options listed in this policy under Level of Damage.

During the initial inspections damage will be assessed and documented. Photos of the property will be taken which will include

- front elevation
- all other exterior elevations
- interior photos of flood damage
- interior photos of HQS violations
- back yard and side yards
- proximity of dwellings to any outbuildings close to the home
- obvious environmental issues

The HRP Inspector will prepare a Scope of Work along with estimated costs to repair based on the initial inspection. The HRP Inspector and the Homeowner will review the Scope of Work and make the appropriate changes if required. The Homeowner will have 14 days to approve the Scope of Work. Once the HRP Inspector receives the approval, the rehab work will be bid for contractors according to the City's Procurement Policy below.

The Contractor will be responsible for pulling all permits and following the City of Longmont's building codes including the National Green Building Standard ICC 700-2008 (Appendix B)

Performance of Lead Risk Assessment

Determination of Date of Construction

Prior to contract with homeowner, the HRP Inspector will make every attempt to confirm subject property date of construction. Properties with date of construction post January 1, 1978 are exempt from Title X of the Housing and Community Development Act of 1992 and all implementing regulations.

Documentation of identified sources used to determine age of structure will be maintained with the project file. At the initial site inspection, if the property is determined with a high level of certainty to require reconstruction, such as being destroyed, structurally unsafe to enter, or existing conditions are

such that the building cannot be rehabilitated, a Lead Based Paint Risk Assessment will not be conducted unless the determination of reconstruction is changed to rehabilitation.

If the property being rehabilitated was constructed on before January 1, 1978 lead based paint will be assumed to be present, or a lead hazard evaluation firm will be contacted to perform an on-site Lead Risk Assessment. All identified lead-based hazards and areas of defective paint will be corrected during the course of the rehabilitation project using appropriate lead-based paint hazard control options.

In accordance with 25 CFR 35.930(c) a residential property receiving an average of more than \$5,000 and up to and including \$25,000 per unit in Federal rehabilitation assistance will include a scope of work to perform interim controls of all presumed lead-based paint hazards, implement safe work practices during rehabilitation work, and repair any paint that is disturbed and is known or presumed to be lead-based paint.

Soil-lead hazards and abatement – in accordance with 24 CFR 35.1330(d)(f)(1) and (2) interim controls shall be utilized to control soil-lead hazards

All firms performing, offering, or claiming to perform renovations for compensation in pre-January 1, 1978 properties must comply with the Environmental Protection Agency's (EPA's) Renovation, Repair and Painting (RRP) Rule and EPA's Lead-Pre Renovation Education Rule. This means that all general contractors performing rehabilitation assistance in the HRP must be EPA certified firms.

In accordance with 24 CFR 35.930(d) residential properties receiving an average of more than \$25,000 per unit in Federal rehabilitation assistance the RRP Inspector will include a scope of work to abate all lead-based paint hazards identified from the Lead Risk Assessment. All lead based paint hazard abatement work will comply with HUD and EPA regulations.

The Contractor will be responsible for procuring a Colorado state-certified lead abatement firm to conduct the abatement work using state-certified lead abatement supervisor(s) and state-certified lead abatement worker(s).

All rehabilitation projects in this Program are funded with Federal assistance. Therefore, clearance examination is required for all identified target housing structures, which have not been determined to be free of lead-based paint (24 CFR 35.1340). At the conclusion of all rehabilitation activities, including (if required) lead-based paint hazard abatement, the contractor will request a clearance examination from the RRP Inspector. The HRP Inspector will be responsible for conducting and obtaining an independent clearance examination and shall be performed in accordance with 24 CFR 35.1340 paragraphs (b) through (g).

Mold Assessment and Remediation

Inspection

Mold assessment consists of visual assessment only, performed by the HRP Inspector. Mold assessment and/or testing of the existing structure are not performed on Reconstruction projects. If a visual inspection reveals the presence of mold, additional testing is not necessary, unless recommended by the HRP Inspector or requested by the Homeowner. Testing for mold will be performed by a qualified person. Testing services will only be provided to Homeowners who have

been approved for the HRP. The cost of the testing is reimbursable under the HRP in addition to the grant award.

Remediation

Currently there are no government standards pertaining to acceptable levels of indoor airborne mold spores and structures. Mold is present everywhere in the environment. For all projects, identified moisture sources should be eliminated prior to further remediation. Post remediation dehumidification may be necessary to completely dry the remaining structural framing materials prior to construction. In cases where this occurs, the city will incorporate this into the work write up.

Mold will be required to be remediated by a general contractors when it is or was identified either at time of the initial inspection or during the general contractor's walk-through or construction. Materials harboring mold will be cleaned or replaced. The city will be document remediation activities in the work write-up.

Asbestos

Asbestos survey Requirements

In accordance with Federal and State laws and regulations, when demolition is required of drywall, floor tiles or other items that may contain asbestos, a qualified asbestos inspector must perform a comprehensive building asbestos survey that is based on a thorough inspection to identify the location and condition of asbestos containing materials throughout the structure. When present, small amounts of drywall, mud, floor tile, mastic, etc. will be collected for sampling. Presumed Asbestos Containing Materials (ACM) will be documented and recorded.

Proper removal and disposal of ACMs will be included in the preliminary work write-up completed for all rehab projects. ACMs which are friable or which will be disturbed or removed by the renovation or demolition must be removed and disposed in accordance with Federal and State regulations by firms and individuals properly licensed for the work. If asbestos should become apparent once construction begins, procedures aligned with State and local abatement procedures, as well as HUD and the EPA will be followed. The general contractor will be responsible to retain a qualified asbestos inspector to assess suspected ACMs to be disturbed and identified subsequent to execution of the Construction Contract. Costs for additional assessment and/or removal will be reimbursable as a Change Order to the Contractor. All asbestos abatement shall be done in accordance with EPA requirements for air pollution prevention and OSHA requirements for worker protection. The contractor shall provide the City with a copy of the Disposal Manifest for all ACMs removed from the site, as a condition precedent to final payment

Procurement of Contractor

General Procurement Requirements

All procurement under the HRP, regardless of method or dollar value, will be conducted in a manner that provides maximum open and free competition. Procurement procedures will not restrict or eliminate competition. Procurement notices will incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. The description will include a statement of the service to be procured, and when necessary will set forth the minimum essential characteristics and standards necessary to satisfy its intended use. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description will be used as a means to define the performance or other salient requirements

of procurement. The specific features of the named brand will be clearly stated.

Purchases of goods and/or services costing more than \$3,000 but less than \$25,000 require that competition be sought via an informal quote process. At least three vendors known to provide the required good(s) and/or service(s) will be contacted for written quotes.

For purchases of goods and/or services costing over \$25,000, formal competition will be sought via an Invitation for Bids (where award will be to the responsible vendor offering the lowest price and meeting specifications) or a Requests for Proposal (where award will be to the responsible vendor providing the most advantageous offer based upon evaluation criteria listed in the RFP).

Selection Procedures

Procurement contract awards will be made to a bidder whose bid or offer is responsive to the solicitation and is most advantageous; price and other factors considered.

The HRP Inspector will ensure that the award is only made to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement contract and is agreed upon by the property owner. Consideration will be given to such matters as contractor integrity, licensing (if applicable), compliance with public policy, record of past performance, applied preferences (Section 3 and WMB), financial and technical resources.

The City will maintain records to detail the significant history of the procurement. The files will contain the rationale for selecting the methods of procurement used, selection of contact type, the contractor selection/rejection process, and the basis for the cost or price of a contract.

Pre-qualified Contractors lists, if used, will be current, developed through open solicitation, include adequate numbers of qualified sources, and will allow entry of other Contractors to qualify at any time during the solicitation period (24 CFR 85.36(c)(4)).

The City will ensure that awards are not made to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension" (24 CFR 85.35 and 24 CFR 84.44(d))

Methods of Procurement for Construction

The HRP program recognizes the following three methods of procurement:

- Request for Proposal (RFP), project costs over \$25,000: This process is generally used to obtain consultant services (24 CFR 85.36(d)(3)). This method will be used only when conditions are not appropriate for the use of sealed bids. Request for Proposals (RFP) will be used and will clearly and accurately state the technical requirements for the goods and service required. The HRP Inspector will conduct a technical evaluation of the submitted proposals with the owner to identify the responsible bidders. After negotiations, these bidders may be given the opportunity to submit a "best and final" offer. The RRP Inspector will award the Contract to the most responsive and responsible bidder after price and other factors are considered through scoring the proposals according to predetermined evaluation criteria.
- Invitation for Bid (Competitive sealed bids), project costs over \$25,000: This is a formal advertisement procedure (24 CFR 85.36(d)(2)). The HRP Inspector will advertise the Invitation for Bid (IFB) through the City of Longmont's Procurement system. The IFB will include the

scope of work with complete and accurate specifications and pertinent attachments, and clearly define items or services needed in sufficient detail for the bidders to respond properly. Bids will be opened publicly at the time and place stated in the IFB.

- Informal Quote Process (quotes): HRP projects totaling between \$5,000 and \$25,000 require that at least three vendors are contacted for quotes. Quotes will be accepted by e-mail or fax.

The Invitation to Bid method is the preferred approach for procuring construction services for projects above \$25,000 and Informal Quotes for projects under \$25,000.

Loan Documents and Participants Agreements

The Participants Agreement (PA) and Loan Document signing is conducted before construction begins and any reimbursement payments are made. At the signing, legal documents are executed that obligate the funds to the homeowner and to reserve the amount of the grant/loan designated for the homeowner. Costs incurred for loan processing and closing costs may be included in the loan amount. Any required participant's funds will need to be paid before construction can begin. The grant/loan signing is not conducted until the city receives an environmental clearance to obligate funds for construction and for the approval of a reimbursement award. The signing of the Construction Contract takes place once design plans, contractor selection and scope of work are final.

DOB Payment

The homeowner will also be asked to provide a cashier's check or money order made out to the selected contractor for the amount of duplication of benefits. This check or money order will be kept by the City of Longmont and will be paid to the contractor on the first draw approved by the homeowner.

Construction Contract

When work remains to be completed, the contractor and the homeowner will sign a Construction Contract. The Contract will outline the contractor's obligation and the homeowner's obligations under the Contract, i.e. the start date, amount of the construction, scope of work, design drawings and the estimated completion date.

Pre-Construction meeting

After the signing of the Construction Agreement, the homeowner, HRP Inspector, and the Contractor will meet to review Pre-construction activities that will be undertaken, the timeline for the homeowner (and belongings) to be out of the structure (if applicable), and to review and confirm all finishing selections.

Monitoring Contractor Progress and Making Progress Payments

To bring the contract to completion, the HRP Inspector will monitor construction contracts and change orders to insure compliance with technical specifications, state and federal requirements, maintain adequate cost and budget controls, and approve/process necessary contract changes. .

During construction, the HRP Inspector will monitor labor standards and equal opportunity requirements. The HRP Inspector is also responsible for construction management. Construction management will include inspection and general supervision of construction to check the contractor's work for compliance with the agreed upon scope of work, including drawings and specifications,

quantity and to provide quality control. Written inspection reports will accompany the contractor's requests for partial payment.

Each request for progress payment shall contain:

- Certification by the HRP Inspector that necessary inspections have been made and the work has been satisfactorily performed in accordance with the Construction Contract on the progress inspection form
- The signature of the Participant denoting approval of the work for which payment is requested.
- Lien waivers for all work and materials.

General Supervision - will include monitoring construction to alert the City and homeowner of the need for adjustments in design as dictated by actual field conditions and the need for Contract amendments.

Quality Control - will include quality tests as necessary to verify conformance with technical specifications concerning minimum quality requirements.

Certification of Pay Estimates -- will include inspection reports, copies of field measurement notes, test results used to verify contractor's periodic pay estimates for partial payments and should be attached to and filed with the periodic estimate for partial payment.

Change Orders

Change orders are issued when the initial agreed upon pricing or work to be completed requires modification. First, the contractor must complete a Change Order Request Form. This form and supporting documentation must be delivered to the HRP Inspector for review. If the HRP Inspector approves the change order, it is returned to the contractor for execution. In addition, the contractor will be required to obtain the homeowners signature(s). Change orders are invoiced on the final draw only and categorized as "change order". The amount listed on the invoice must match the previously approved amount.

The HRP Inspector is responsible for following policies when administering the change order process. The HRP Inspector will ensure that;

- All costs analyses to determine reasonable costs of changes
- All required signatures are on the change order form.
- All change order work is completed prior to final inspection.
- A change order for compensation for time or cost is only issued in writing subsequent to final inspection.

A homeowner initiated scope change: is defined as a specific addition or deletion to the original contract scope of work requested by the homeowner. Homeowner scope changes do not include changes which are the result of unforeseen conditions or discrepancies in the contract documents (specifications or drawings). Homeowner scope changes are **not** allowable, unless related to an accessibility issue that has developed since the time of closing. All homeowner initiated scope changes must also be approved, in writing, as noted above and meet all the required criteria noted above.

Construction Closeout and Warranty

Final Inspection

Once construction has been completed, the contractor will request a final site visit to guarantee that all work outlined in the contract has been satisfactorily completed according to the appropriate state and local codes and the home meets HQS. The final site visit confirms that all work has been completed and accepted by the City of Longmont's building inspector along with any required Certificate of Occupancy (CO). A final inspection form will be completed and signed by the homeowner, and HRP Inspector and then placed in the project file.

Construction Warranty

Contractors must provide all warranties prior to the inspector signing a final inspection form. As specified in the Construction Contract, the warranty must meet the required warranty standards approved by the City of Longmont. Photographs of the construction work will be taken for documentation purposes and placed in the project file. The contractor will provide the homeowner any instruction booklets and a warranty information binder with an acknowledgement form that they have reviewed it with their general contractor.

Wait List

The provision of HRP assistance is contingent upon the availability of funding. When funding is limited or unavailable, the City of Longmont may create a waiting list pending notification from DOLA of additional funding. Applicants seeking HRP assistance may be placed on a waiting list. In order for the city to determine whether an applicant meets the basic eligibility requirements, homeowners with unmet disaster housing needs may submit an application to the city, and provide general information that verifies ownership, "lawful presence" (legal residency), household income, primary residence, and that the residence was damaged by the 2013 flood.

Once a wait list is opened, if funding becomes available, applicants will be served based on the following risk categories:

- Immediate health and/or safety risks as established by an inspection;
- Disabled residents;
- Households at or below 30% of the AMI
- Households previously residing in damaged or destroyed manufactured housing units;
- Senior (head of household);
- Households with children under 5 years old;

In order to provide assistance to the applicants with the most need, each household will receive 1(one) point for each verified risk category. Applicants with the most points will be processed first, once funding becomes available. If all or several applicants have an equal number of points, then the priority order shown above will be used. If the priority status of the applicants does not change after applying the above ranking order, then applicants will be served and ranked based on the time of application (on a first come first serve basis). Applicants with income above the 80% AMI may also apply for HRP assistance, qualify under "Urgent Need" but will be placed in a lower risk category. Applicants will be notified if/when funding is available. At that time additional information will be requested to complete the application and eligibility process.

