

ALPENA COUNTY HOME IMPROVEMENT PROGRAM

PROCEDURAL GUIDELINES

For CDBG Program Income Emergency Repair And USDA Rural Development HPG

Prepared for: Alpena County Board of Commissioners
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An Equal Opportunity Lender



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INTRODUCTION

These guidelines were adopted and updated by the Alpena County Board of Commissioners (hereinafter referred to as “the Board”) to administer the Alpena County Home Improvement Program (hereinafter referred to as “the Program”). Amendments to these guidelines can only be made by a majority vote of the Board.

Source of Funding: CDBG Program Income (PI)
 USDA Rural Development HPG

Program Income (PI): Loan repayments/recaptured funds from all CDBG State programs during the fiscal year (July 1 through June 30) that total \$35,000 or more. Funds must be spent during the following fiscal year on emergency repairs only.

Eighteen percent (18%) of all CDBG Program Income may be utilized to help defray the cost of administering the Program, and fifteen percent (15%) of HPG Program funds and recaptured HPG program income can be used for administrative purposes.

PROGRAM OVERVIEW

GENERAL PROVISIONS

Purpose of Program: This program is intended to provide funds for emergency repairs (CDBG and HPG) and housing preservation (HPG).

Program Activities:

1. **Emergency Repairs:** Repairs that are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. Program Income will be used for emergency repair projects only.
2. **Housing Preservation/Single Family Rehabilitation:** The repair and rehabilitation activities that contribute to the health, safety, and well-being of the occupant, and contribute to the structural integrity or long-term preservation of the unit. This may include repairs that enable the entire housing unit to be brought up to code.

ALLOWABLE AND UNALLOWABLE REPAIRS AND COSTS

Allowable costs are costs that are necessary to implement the Program as approved by its funding source.

1. Emergency repairs may include replacement and/or repair of the following:
 - Leaking and/or deteriorated roofs
 - Sanitary water and waste disposal systems
 - Malfunctioning or failing wells
 - Plumbing, including necessary fixtures
 - Malfunctioning or failing heating system and/or hot water equipment
 - Faulty electrical wiring or gas hazards
 - Structural supports and foundations
 - Severely deteriorated siding and/or porches
 - Emergency interior or exterior handicapped accessibility improvements, such as installation of a ramp
 - Structural damage that creates an emergency safety situation
 - Any item where the homeowner's insurance may be cancelled if not addressed

All work will be performed per the construction standards in Chapter 5 (Construction Management) of the CDBG Policy Manual and will meet all State and local requirements.

2. Housing Preservation may include:

- Installation and/or repair of sanitary water and waste disposal systems, together with related plumbing and fixtures, which will meet local health department requirements.
- Energy conservation measures such as: Insulation; Combination screen-storm windows and doors.
- Repair or replacement of the heating system including the installation of alternative systems such as: wood burning stoves or space heaters, when appropriate and if local codes permit.
- Electrical wiring.
- Repair of, or provision for structural supports and foundations.
- Repair, or replacement of the roof.
- Replacement of severely deteriorated siding, porches or stoops.
- Alterations to the unit's interior or exterior to provide greater accessibility for any handicapped person.
- For properties listed on or eligible for the National Register of Historic Places, activities associated with conforming repair and rehabilitation activities to the standards and/or design comments resulting from the consultation process contained in 1944.673 of the Rural Development HPG program guidelines.
- Additions to any dwelling only when it is clearly necessary to alleviate overcrowding or to remove health hazards to the occupants.
- HPG Funds may be used where they do not contribute to the health, safety and well-being of the occupant or do not materially contribute to the structural integrity or long-term preservation of the unit. The percentage of the funds to be used for such purposes must not exceed 20% of the total funding for the dwelling, and such work must be combined with improvements listed as eligible under the rest of this Section 2. These improvements may include, but are not limited to the following:
 - a. Painting;
 - b. Paneling;
 - c. Floor covering, including carpeting;
 - d. Improving clothes closets or shelving;
 - e. Improving kitchen cabinets;
 - f. Air conditioning; or
 - g. Landscape plantings.

3. Administrative funds may be used for the following:

- Payment of reasonable salaries or contract for professional, technical and clerical staff actively assisting in the delivery of the Program.
- Payment of necessary and reasonable office expenses such as office rental, supplies, utilities, telephone services and equipment. Any item of non-expendable personal property having a unit value of \$1,000 or more, acquired with State and/or Federal funds will be specifically identified to the grantor in writing. An inventory of equipment purchased will be kept for five (5) years. After

five (5) years from date of purchase, equipment will become the property of Alpena County.

- Payment of necessary and reasonable administrative costs such as workers' compensation, liability insurance, and the employer's share of Social Security and health benefits. Payments to private retirement funds are permitted if the grantee already has such a fund established and ongoing.
- Payment of reasonable fees for necessary training of grantee personnel.
- Payment of necessary and reasonable costs for an audit upon expiration of the grant agreement.
- Other reasonable travel and miscellaneous expenses necessary to accomplish the objectives of the specific grant, which were anticipated in the individual grant proposal and which have been approved as eligible expenses at the time of grant approval.

4. Administration funds may not be used for:

- Preparing housing development plans and strategies except as necessary to accomplish the specific objectives of the Program.
- Substitution of any financial support previously provided or currently available from any other source.
- Buying property of any kind from families receiving assistance from the grantee under the terms of the program.
- Reimbursing personnel to perform construction related to HPG assistance (See Rural Development instructions 1944.666(b) for more information).
- Paying for or reimbursing the grantee for any expense or debts incurred before the grantor executes the grant agreement.
- Paying any debts, expenses, or costs, which should be the responsibility of the individual families receiving grant funds, outside the cost of repair and rehabilitation.
- Any type of political activities prohibited by OMB Circular A-87.
- Other costs including contributions and donations, entertainment, fines and penalties, interest and other financial costs unrelated to the assistance to homeowners, legislative expenses and any excess of costs from other grant agreements.

HOME IMPROVEMENT PROGRAM AUTHORITY

The Program has the authority and may, at its discretion and upon prior MSHDA and/or Rural Development approval, exceed any of the guidelines it has imposed in any case where the Board determines that the program purpose will be served best by doing so. The Program retains the right to re-determine any applicant based on change of income status.

FINANCIAL MECHANISMS

1. Alpena County will provide a grant for projects not exceeding \$15,000 per occurrence. A grant will be

available to all households having income not exceeding 80% of area median income (AMI). If the full amount of the necessary repairs exceeds \$15,000, the full project will be subject to a lien pursuant to the following paragraph.

2. Alpena County elects to lien projects exceeding \$15,000 through Deferred Loans. This will apply to all emergency repair projects and housing preservation projects for households having low or very low income not exceeding 80% of AMI. A lien in the form of a mortgage will be placed on the property for the duration of the loan. The lien amount will become due and payable when the property is no longer the applicant's primary residence, upon applicant's death, or transfer of ownership through sale of the property.

HOMEOWNER APPLICATION GUIDELINES

ELIGIBILITY PRIORITY

The Housing and Community Development Act of 1974 requires that priority be given to very low, low and moderate income persons in making a rehabilitation or emergency repair loan on residential property. This is interpreted to mean persons whose income is at or below 80% of the area median income (AMI) for the Alpena targeted area.

The income guidelines adopted by the Program are in accordance with the Section 8 Income Limit guidelines as established by the Department of Housing and Urban Development (HUD). Income eligibility will be determined by the use of these guidelines on an individual basis by the Program.

NOTE: See Appendix A (Income Eligibility Guideline Chart).

APPLICANT REQUIREMENTS

1. Applicant must be an individual or family who has ownership and occupies a single-dwelling residential property.
2. Applicant must meet income requirements, combining gross income of the applicant and family and any other persons related by marriage or operation of law who share the same dwelling unit. This includes those persons living together who are not married. It excludes the income of those persons under the age of 18 or full-time students, and mentally or physically disabled children whatever their age (this does not exclude Social Security, disability, or child support payments received for minor children). Third party verification of income is required. (See Appendix A)
3. Applicant must have occupied the premises for one (1) year prior to making application. Applicant must reside in the premises for the term of the loan.
4. Applicant's total liquid assets must not exceed \$50,000. Liquid assets are simply defined as monies an applicant has immediate access to (savings and checking accounts).
5. Applicant and all other joint owners of the property must agree to sign a mortgage and note for the total amount of the loan, when applicable, including all related costs of the loan.
6. Applicant will be required to maintain loss payable insurance on the property for the duration of the terms of the loan and provide proof annually. The Program will be placed on the insurance policy as lien holder if the project is approved.

7. Applicant will be required to keep property tax payments current for the duration of the term of the loan and provide proof annually.
8. Upon termination of ownership, whether by death, sale of property or title transfer, the balance of the mortgage must be paid in full. Heirs will be granted a reasonable amount of time to market and sell the rehabilitated property.

Note: If the home is deeded to another family member upon applicant's death, that person's income shall be verified and if he/she qualifies, payments will be determined by the Program. If the beneficiary's income is above 80% of AMI, payment in full will be required.

9. Applicant's home must be at least five (5) years old.
10. Applicants related to Board members or any County staff must disclose their relationship on the application. This application must have prior grantor approval. (Conflict of Interest Regulations.)

SPECIAL CIRCUMSTANCES:

1. Land Contracts for Homeowner Rehabilitation Projects (Housing Preservation Only):
 - An enforceable lien would require the signatures of all parties with a legal interest in the property. The homeowner applicant(s) and all land contract holder(s) in the chain of title must sign the lien agreement. Only the borrower(s) would sign the mortgage note. An alternative to the land contract seller(s) signing the lien agreement would be for them to sign a Land Contract Subordination Agreement. This document would be recorded and would give the Program a superior lien position to the land contract seller(s).
2. Life Estate: The individual granted the life estate must sign the lien, along with any beneficiary that would receive the property upon the death of the occupant. Income for eligibility does not include the income of the beneficiary person(s).
3. Subordination of Liens: Subordination of liens is discouraged, however will be reviewed on a case-by-case basis. Under no circumstance will the Program subordinate if it is in a first mortgage position. In all other circumstances, subordination will only be considered for applicants who are refinancing for a lower interest rate and/or a more affordable monthly payment, and when no additional funds will be included in the refinance.
4. Assumption of Liens: Typically no assumption will be allowed, however exceptions may be made on a case-by-case basis by a review of the Program and the Board.

APPLICATION PROCESSING

Applications will be accepted at the Program's office located in the Alpena County Annex Building at times specified by the Program. Notification as to when applications will be accepted shall be published in the local newspapers.

1. Applications will be accepted from all applicants who meet the requirements as outlined in the Applicant Requirements section on Pages 6 and 7 of these guidelines.
2. The Housing Director will interview applicants to ensure they are aware of the program scope, the requirement of a mortgage placed on the property to secure the loan, if applicable, and other pertinent information.
3. Applicants will be provided lead-based paint informational materials. If any home built before 1978 requires work to be performed on any surface which may contain lead-based paint, the applicant must agree to have a lead-based paint assessment performed prior to any work beginning.
4. The Housing Director or staff will verify the following items:
 - Eligibility of all requested improvements
 - Household Income
 - Employment status
 - Homeowner's insurance
 - Proof of ownership
 - Property taxes current
 - Asset verification through banks or other depositories
 - Market value and any lienholder(s) on applicant's property
 - Credit check (optional)
 - Length of occupancy/ownership and age of home
 - Written and notarized consent from land contract holder agreeing to sign the mortgage (if applicable)
5. If applicant meets the above requirements, the application process will continue as follows:
 - Title search (optional and as necessary)
 - Title opinion (optional and as necessary)
 - Housing Inspector is notified to conduct inspection
 - Housing Inspector files report with Housing Director, including specifications detailing improvements to be made. Specifications shall include an item by item cost estimate.
 - Housing Director proceeds as follows:
 - a. Receives Specification Approval and Authority to Proceed from Applicant. Invites contractors

- to bid or provide estimates; OR
- b. Presents application and Housing Inspector's report with specifications to the Board for approval and determination of loan or grant eligibility (*see Note at the end of this section). If approved, the Applicant is contacted for Specification Approval and Authority to Proceed. Contractors are then invited to bid or provide estimates.
6. If application is approved, the applicant will be informed of the following:
 - The Program's determination as to whether the applicant will receive a deferred loan or a grant
 - Total estimated costs of the work to be performed
 - Date for which bids or estimates are due by contractors
 7. If applicant decides not to proceed, he/she will indicate so in writing. This will be filed and the file closed.
 8. If the applicant accepts the determination of the Program, a letter will be sent to the applicant outlining the terms of the determination. If an applicant withdraws his/her application for any reason, but later wants it reconsidered, the application will be placed at the end of other pending application submittals. The application will be re-evaluated when it recirculates for review. It will not receive priority over those already in the process of being evaluated.

*Note: The Housing Director has the authority to proceed, with support by the County Administrator, with applications within the Program prior to Board meetings, providing the applicant meets all program requirements and the project is not anticipated to exceed \$15,000. This information must be presented at the next available Board meeting.

PROJECT MANAGEMENT

SITE INSPECTION

1. The initial inspection will be conducted by the Program's Housing Inspector. The Housing Director may accompany the Inspector if time allows or visit the home after the initial inspection has been made.
2. If it is determined by the Inspector that building, plumbing, mechanical, electrical or health department permits are necessary, the permits will be issued by the appropriate inspector and the charge shall be the same as those enforced in those departments. The contractor will be instructed to contact the local zoning administrator to determine whether a zoning permit is required.
3. The Housing Inspector shall be compensated from the Administrative budget at a fixed fee rate (which includes all mileage) as follows:
 - Initial inspection (including walk through, inspection report and rough cost estimate) - \$125.00
 - Bid Specification/Final Cost Estimate (itemized per item plus cost breakdown) - \$60.00
 - All other inspections - \$65.00

BID SPECIFICATIONS

1. The Program's Housing Inspector will prepare the work specifications. Items to be placed in specifications will come from the inspection report from the initial inspection of the housing unit. Items will first be approved by the Program, then by the homeowner.
2. Homeowner must sign an Authority to Release Bids/Cost Estimates form and Contractor Selection Notification. The homeowner is advised to question those items that are unclear and inform the Housing Director of any additional work to be done (if eligible).
3. Any home built prior to 1978 that will require work to be performed on any surface which may contain lead based paint will be required to have a lead based paint assessment performed by a certified lead based paint inspector before the project is let for bids.

BIDS AND/OR ESTIMATES

1. Bid packages will be mailed to each interested licensed and insured contractor on the Program's Contract List for each project.
2. The Housing Director will accept bids/cost estimates for consideration. The homeowner will normally

accept the lowest responsive bid. If the homeowner chooses to select a higher bid, they will be required to pay the difference between the low bid and a higher bid. This difference must be paid prior to the start of any work. An exception to the rule will be reviewed if the low bidding contractor is unable to begin the work in a timely manner. At that point, the bid of the next lowest bidder can be awarded and the homeowner will not be responsible to pay the difference.

3. The Program and homeowner reserve the right to reject any or all bids, or those in excess of 10% of the Housing Inspector's estimate.
4. The successful contractor is notified of the project award. If the low bidder was not selected due to a choice by the homeowner, the low bidder will be notified of this in writing. All other contractors who were unsuccessful will be notified and sent a copy of the bid sheet.
5. Once the bid is chosen, a meeting will be called including the homeowner, contractor, Housing Director and Inspector to review the bid specs at length. It is the intent of the Housing Director to make the homeowner completely aware of all work required by the Program along with what the homeowner would like done.
6. To prevent unnecessary change orders and cost over-runs on projects, contractors will be asked to bid projects on an item by item basis.
7. Typically two (2) or more bids will be required for each project. In the event only one (1) bid is received, this bid can be accepted only if it is within 10% of the Housing Inspector's estimate. A written estimate by the Housing Inspector of all work needed is mandatory for each project receiving any Home Improvement funds.
8. Emergency Repair and Housing Preservation projects do not require a formal/sealed bid process, and for purposes of this program, estimates will be sufficient to move forward on such projects. The term "bid" as used within these guidelines shall mean the same as "cost estimate" when allowed. A minimum of two estimates is desired, however, in the event only one (1) estimate is received, refer to Paragraph 7 in this section immediately above.

CONTRACT AWARD

The following forms will be signed at the meeting of the homeowner, contractor, Housing Director and Housing Inspector:

1. By the Homeowner/Applicant (with a lien):
 - Mortgage
 - Promissory Note

- Truth in Lending Disclosure Statement
 - Notice of Right to Cancel: Homeowner has (3) three working days to cancel after signing the contract.
 - Release from Liability: This form must be signed by the homeowner and is for the protection of the Program as well as the contractor. This is to prevent the homeowner from requesting any additional work that is not part of the bid specifications.
 - Homeowner Certification Form
 - Insurance Change Agreement
 - Subordination Agreement Policy
 - Proceed Order
2. By the Homeowner/Applicant (with no lien – grant only):
- Release from Liability: This form must be signed by the homeowner and is for the protection of the Program as well as the contractor. This is to prevent the homeowner from requesting any additional work that is not part of the bid specifications.
 - Proceed Order
3. By the Contractor:
- General Contractor Requirements form
 - Contractor Certification (2)
4. By the Homeowner/Applicant and the Contractor:
- Home Improvement Contract: This contract is mandatory for code enforcement and spot rehabilitation housing projects. The contract will include the total project cost, the date the work is to start and number of days for completion.
 - Complaint Policy
 - Amendment to Housing Rehabilitation Program Contract (if applicable): This form must be signed and attached to the original Contract.

CONTRACTORS

CONTRACTOR REQUIREMENTS

1. Contractor will provide all materials, equipment and labor necessary to perform the work stated in the bid specifications.
2. Contractor will be responsible for obtaining any required work permits and arranging for subsequent permit inspections through the local building inspector and providing the Program with copies before work commences.
3. Contractor will conform to all applicable local codes and ordinances, whether or not specifically stated in the specifications.
4. Contractor will furnish evidence of a current builder's license, comprehensive public liability insurance of \$1,000,000 protecting the homeowner in the event of bodily injury, including death, and \$50,000 in the event of property damage arising out of the work performed by the contractor or any sub-contractors.
5. Contractor will furnish evidence of Workers' Compensation Insurance and any other coverage required by Michigan statutes, or as required by the County.
6. Contractor will submit the names of all sub-contractors performing work on the job to the Program for clearance.
7. Contractor must sign the contractual agreement with homeowner, as prepared and approved by the Program.
8. Contractor will be required to begin work within thirty (30) days from the date of the Proceed Order issued by the homeowner, or if unable to do so, Homeowner and Contractor will agree in writing when work is expected to begin.
9. Contractor shall disqualify his/her bid or estimate by specifying material not otherwise specified, unless approved by the Program or Housing Inspector. Contractor must bid/estimate each numbered item and show total of all items.

WORK PERFORMANCE

1. Contractor will begin work within thirty (30) days after signing of contract, or sign a document with the Homeowner agreeing on an expected start date.

2. Homeowner or Contractor will notify the Housing Director the day the work is started. This date will be documented in the file.
3. Contractor will notify the Housing Director of any problems occurring during performance of work.

Note: All necessary work change orders less than 10% of the total contract amount may be approved by the Housing Director. When the project is 100% completed, the Board must be informed of all addendum, and the new project cost must be incorporated in the meeting minutes. Addendum which exceeds 10% of the total project requires Board approval. An addendum will be issued by the Housing Director and signed by both the contractor and the homeowner(s).

CONTRACTOR FORMS

1. Job Cost Breakdown: The Job Cost Breakdown should be a part of the Contract. This records the contractor's intention of who is providing services/supplies. Homeowner and the Program can use this against Notice of Furnishing submittals. Job Cost Breakdown should correlate to the Contractor Sworn Statement at time of invoice.
2. If applicable, Partial Unconditional Waiver of Lien: Each interim contractor invoice will be accompanied by a Partial Unconditional Waiver of Lien for the total invoice amount. Each sub-contractor/worker/supplier will submit a Partial Unconditional Waiver for their portion of the contractor's invoice.
3. Full Unconditional Waiver of Lien: At the final payment or invoice, the contractor must submit a Full Unconditional Waiver of Lien. All sub-contractors/workers/suppliers must submit a Full Unconditional Waiver for their portion of the final invoice. The Program must have a copy of all Full Unconditional Waivers in the project file.
4. Contractor Sworn Statement: The contractor will provide a Sworn Statement breaking down the cost of each sub-contractor, laborer and supplier for whom payment is due at the time of invoice. The Sworn Statement will correlate between the Job Cost Breakdown and the Partial and Full Unconditional Lien Waivers. Program must have all interim and full Sworn Statements in the project files.

PAYMENTS TO CONTRACTOR

1. Contractor will notify the Housing Director when project is complete.
2. Housing Director will arrange for the Housing Inspector to conduct an inspection. The Director or Inspector will take photos of completed work and include in the applicant's file. The Housing Inspector

must ensure that all items on the specifications were completed to code and in a satisfactory manner. The Inspector must complete a Final Inspection Report form.

3. Contractor must sign a Contractor's Final Invoice, Release of Liens and Warranty. All work performed will be guaranteed for a period of eighteen (18) months.
4. The homeowner must sign a Work Completion Statement form, as well as the Housing Inspector and Housing Director, to release 100% of the contract amount.
5. The Housing Director will then prepare a voucher and submit for payment.

HOMEOWNER/CONTRACTOR COMPLAINT POLICY

1. Upon written complaint from either homeowner or contractor, the Housing Director shall commence the following actions:
 - Contact the homeowner, contractor and Housing Inspector to obtain necessary information for the Board of Commissioners within fifteen (15) days of the date of receipt of written complaint.
 - Ask the Housing Inspector to visit the site to view firsthand the items cited in the written complaint.
 - Advise the Board of complaint and report findings. (Housing Inspector may attend Board meeting to report his findings.)
2. Upon hearing the complaint and findings from the Housing Director and Housing Inspector, the Board will then:
 - Invite the contractor and the homeowner to discuss the complaint in front of an arbitration committee.
 - Arbitration committee is to be appointed from members of the Board, or at least three persons knowledgeable in the field of housing rehabilitation such as carried out by the Program.
 - Once the owner and the contractor have had ample opportunity to air their concerns that are appropriate to the complaint, the arbitration committee will compile all input and decide the steps necessary to resolve the outstanding complaint.
 - Resolution of the complaint will be put in writing within 15 days and given to both the homeowner and the contractor, asking for their signatures and return of the resolution form.
 - If the homeowner refuses to accept the determination of the arbitration committee, the Housing Director will be instructed to provide information on other avenues of resolution to the homeowner.
 - If the contractor refuses to accept the determination of the arbitration committee, the Housing Director will be instructed to inform the contractor that the following step will be taken: Final 10% payment, or such funds deemed necessary, will be retained to pay another contractor to perform needed repairs that may be called for by the arbitration committee.

3. Should the above listed efforts fail to resolve all outstanding issues, the Program will seek the services of the closest Dispute Resolution/Mediation Program. The cost, if any, for using mediation to seek resolution of the dispute are eligible administrative costs.

Michigan Department of Licensing, P.O. Box 30018, Lansing, MI 48909 (517) 373-0678

Community Mediation Services, 114 E Main St., Gaylord, MI 49735 (989) 732-1576

USDA, Rural Development, Attn: Civil Rights Manager, 3001 Coolidge Rd., Ste. 200, Lansing, MI 48823
(Contact is only required when HPG Funds are used)

Hearing impaired or disabled applicants can call Michigan Text Relay System by dialing 1-800-649-3777 for telephone assistance

MORTGAGE/LOAN ADMINISTRATION (Applicable Only to Projects Requiring a Lien)

PROJECT CLOSE-OUT/LOAN PROCESS:

Following are the procedures to be followed once a project is completed:

1. Mortgage must be recorded with the Alpena County Register of Deeds.
2. Letter must be sent to insurance company informing them that the applicant has signed a mortgage and that the Alpena County Home Improvement Program must be listed on the homeowner's policy as "loss payee."

REPAYMENTS

All applicants qualifying and receiving a deferred loan will require a lien in the form of a mortgage placed on the property. No payment will be required during the life of the loan, however, applicants may choose to make payments at any time they choose to reduce the balance of the lien.

The full lien amount will become due and payable when the property is no longer the applicant's primary residence; upon applicant's death or transfer of ownership through sale of the property.

All payments must be made payable to the Alpena County Home Improvement Program. Payments may be dropped off or mailed to either of the following locations:

Alpena County Home Improvement, 719 W. Chisholm St., Ste. 5, Alpena, MI 49707
Alpena County Treasurer, 720 W. Chisholm St., Ste. 3, Alpena, MI 49707

Cash payments MUST be made in person at the Alpena County Treasurer's Office.

COLLECTION POLICY

The following policy statement shall be utilized by the Housing Director to facilitate equitable and efficient retirement and payoff of all debt obligations owed to the Program by any individual or entity:

1. At such time as the debtor of the Program shall become delinquent by thirty (30) days in any obligation he/she may have with the Program, the Housing Director shall notify the debtor of the delinquency and request immediate compliance.
2. At such time as the debtor of the Program shall become delinquent by sixty (60) days in any obligation

he/she may have with the Program, the Housing Director shall notify the debtor by registered mail of the delinquency and demand immediate compliance within ten (10) days of receipt of the registered letter.

3. In the event that step 1 or step 2 as outlined above resolves the delinquency of the debtor's account, the matter will be closed.
4. In the event that step 1 and step 2 as outlined above does not resolve the delinquency, the debtor's account shall be referred to legal counsel. Legal counsel will then take the following two (2) steps:
 - Contact the debtor and demand immediate resolution of the delinquency; and
 - Advise the Housing Director as to the appropriate legal course of action to follow for collection of the delinquent account.
5. Upon receipt of a course of action from legal counsel, the Housing Director will discuss the legal advice with the Board to seek approval or disapproval of the legal course of action recommended.
6. In the event that the legal course of action recommended is adopted by the Board, the Housing Director will notify legal counsel to go forward with his/her recommendation and further will take all steps reasonable and necessary to effectuate the recommendations of legal counsel.
7. The Housing Director will monitor the progress of all legal action undertaken by counsel and report said progress to the Board monthly.
8. In addition to the procedures outlined above, the following steps of the Housing Director will be mandated under the Collection Policy:
 - The collection procedure will be utilized without regard to the debtor's race, color, creed, national origin, sex, or religion, and
 - Any conflict of interest or relationships between a debtor and the Program will be identified by the Director and reported to the Board, and
 - A copy of the Collection Policy outlined above will be provided to each and every loan applicant of the Home Improvement Program. Furthermore, said collection policy will be expressly made a part of every mortgage and/or promissory note entered into by the Program.
9. The collection policy may be amended by further action of the Board; however, said amendments will only affect debt obligations entered into subsequent to the amendments.

PROGRAM ADMINISTRATION

The Housing Director has been appointed by the Board to be responsible for proper maintenance of books of account. Alpena County utilizes BS&A Software for budgeting and financial record-keeping for all County departments. Within the BS&A Software, the Program utilizes General Ledger, Miscellaneous Receivables, Accounts Payable, and Cash Receipting. Using the reporting capabilities built into each program, the Housing Director is responsible for tracking all revenue and expenditures and generating all necessary reports to properly maintain the Program's books of account.

The Housing Director shall monitor the administrative budget and bring any requests or concerns to the County's Finance Committee and/or Full Board per the County's established policy for doing so.

PAYMENT OF EXPENDITURES

The Housing Director has the authority to approve all routine bills, excluding his/her salary voucher and reimbursement for postage, supplies, legal fees, etc. A member of the Board must sign the vouchers to be paid to the Housing Director. All other bills will be presented to the Board for approval, if necessary.

All purchases of office equipment shall require Board approval. If over \$1,000, grantor approval is required (if using State and/or Federal funds). Any equipment purchased with CDBG funds will be inventoried and kept on an itemized list for five (5) years from date of purchase. After five (5) years, equipment will no longer need to be tracked and will become the property of Alpena County.

OFFICE PROCEDURES AND REPORTING

1. The Housing Director will do the following on a monthly basis:

- Invoice homeowner loan payments due in Miscellaneous Receivables.
- Verify all loan payments collected and any other receipts using Miscellaneous Receivables and General Ledger.
- Obtain copies of all receipts and journal entries from the County Treasurer and ensure they are properly recorded in General Ledger.
- Verify all monthly expenditures from Accounts Payable.
- File all expense vouchers with copy of checks in appropriate files.
- Review Balance Sheet (cash and outstanding loan balances) in General Ledger.
- Review Revenue and Expenditure Report from General Ledger and compare to reports generated from Miscellaneous Receivables and Accounts Payable.
- Prepare supplemental report(s) from the above records sorting and identifying rehabilitation funds received and committed to date.
- Keep notes of monthly activities for reference when preparing progress report for meetings.

- Voucher mileage to be paid to Housing Director.
 - Verify paid property taxes, occupancy of premises, legal status of premises and current homeowner's insurance.
 - Send letter regarding any outstanding or delinquent matters to homeowner.
2. The Housing Director will do the following on a quarterly basis:
- Prepare quarterly report for the appropriate programs when required.
 - Prepare program goals for completed projects for Board meetings when required.
 - Report on number of persons requesting applications and/or information and those determined ineligible.
 - Report of loan repayments for all programs with a monthly average.
3. The Housing Director will do the following on an annual basis:
- Prepare and submit to MSHDA: Program Income Accomplishment Report.
 - Prepare and submit to MSHDA: Program Income Certification.
 - Prepare all other annual reports for any other programs when required.
 - Run customer loan reports to determine loan balances in Miscellaneous Receivables and compare all information with the General Ledger.
 - Complete all necessary audit documents, including the following:
 - a) Payments received (principal and interest)
 - b) Loan Balances
 - c) New Loans
 - d) Paid Off Loans
 - e) Contractor Payments
 - f) New Grant Funds (from all sources)

PREPARATION FOR BOARD MEETINGS

Following are the necessary steps to prepare for a Finance and/or Full Board meeting:

1. Prepare agenda item(s) and submit to Board of Commissioner's Office per the County's established submission deadlines.
2. Prepare progress report.
3. Prepare Statement of Revenues and Expenditures and Report of Monies Committed Year to Date.

LEGAL

The Program shall seek legal counsel to assist in its program efforts as needed. This could be the County

Prosecutor or outside counsel. Expenditures associated with legal counsel shall be chargeable to the administrative budget.

REIMBURSEMENT FOR HOUSING DIRECTOR

In accordance with countywide policy, mileage will be established for the Housing Director.

An automatic increase will take place in accordance with County employee mileage rate changes.

BOARD RESPONSIBILITY

The Board of Commissioners shall have the authority to hire personnel and/or expend the necessary funds to effectively administer the Home Improvement Program. The Board is also responsible for approving any loan/project based on a summary of the application presented by the Housing Director during a monthly meeting. It will also review the Program's budget on an annual basis and review program progress.

MARKETING PLAN

The purpose of this plan is to describe how the County will promote the Alpena County Home Improvement Program and how the Program will reach eligible participants.

1. **Market Identification:** This marketing plan will target low and very low-income homeowners in need of housing rehabilitation within the target area.
2. **Marketing Goal:** It is the goal of the Alpena County Home Improvement Program to reach as many qualified households with information in an effort to help solve their housing rehabilitation needs.
3. **Marketing Methods:**
 - Classified ads will be placed in local newspapers on an as needed basis.
 - Social Media will be utilized.
 - Public Service Announcements will be placed on radio and television as necessary in order to reach those hearing and visually handicapped individuals who may qualify for the program.
 - Brochures and fliers will be sent to the local Senior Citizens Center.
 - Upon request, the Housing Director will appear at local governmental meetings and organizational meetings to discuss the housing rehabilitation program.
4. **Marketing Budget:** Up to \$1,000 per year may be budgeted to market this program.

DISCRIMINATION COMPLAINT POLICY

The Alpena County Home Improvement Program will comply with all provisions of Title VI of the U.S. Act 220 of 1978, as well as: Elliot-Larson, Civil Rights Act, Public Act 453 of 1976; Section 4, Act 251, Public Acts of 1955 as amended; Section 4a of Act 349, Public Acts of 1966, and Section 4a, Public Acts of 1965, all four being laws of the State of Michigan. No person shall be denied participation in any program sponsored by the Alpena County Home Improvement Program on the basis of religion, race, color, national origin, age, sex, marital status, height, weight, arrest record or disability, except in those cases where such denial is mandated by Federal and/or State law or accompanying regulations. All discrimination complaints, whether from a contractor or an applicant, will be reviewed in the following manner:

1. Establishment of Equal Opportunity Committee: An Equal Opportunity Committee shall be designated consisting of members of the Alpena County Home Improvement Program and the Alpena County Board of Commissioners. In the event that any person on this Committee is directly involved in a discrimination complaint, that person shall be replaced by a non-biased member.

2. Duties and Powers:
 - The Committee shall hear all discrimination complaints.
 - The decision of the Committee shall be rendered within 10 working days.
 - If appealed, the Committee shall refer the complaint to the Alpena Board of Commissioners at its next full board meeting and the decision may be referred to the Michigan Department of Civil Rights for further action.
 - The Committee shall monitor Affirmative Action and Equal Opportunity activities and issue suggestions, as it deems necessary in the Civil Rights area.

3. Further, the Housing Director will provide information on other methods of resolving the matter, including the following address of the Civil Rights Service Center:

Michigan Department of Civil Rights, 3054 W. Grand Blvd., Ste. 3-600, Detroit, MI 48202
MDCRServiceCenter@michigan.gov, 1-313-456-3700 or 1-800-482-3604

Fair Housing Enforcement Center, Chicago Regional Office, US Dept of Housing and Urban Development
Ralph H Metcalf Federal Building, 77 West Jackson Boulevard, Room 2101, Chicago, IL 60604-3507
1-312-913-8453 or 1-800-765-9372 or TTY 1-312-353-7143

USDA, Rural Development, Attn: Civil Rights Manager, 3001 Coolidge Rd., Ste. 200, Lansing, MI 48823
(Contact is only required when HPG Funds are used)

Hearing impaired or disabled applicants can call Michigan Text Relay System by dialing 1-800-649-3777 for
telephone assistance

FAIR HOUSING POLICY

The Alpena County Home Improvement Program is committed to fair housing and will work aggressively to ensure that the County of Alpena will comply fully with all State, Federal and local fair housing laws. Nicki Janish, Alpena County Housing Director has been appointed as the fair housing contact person. Ms. Janish has an understanding of the Fair Housing Laws and will attend applicable training to remain informed.

The Alpena County Home Improvement Program has established a Fair Housing Log. The Fair Housing Log will be maintained by the Housing Director, and will disclose information regarding any and all fair housing concerns and their outcomes. Fair housing issues identified in the community, such as in the newspaper, will be recorded in the log. Persons wishing to file a housing related complaint or concern will be referred to the Michigan Department of Civil Rights, HUD, and their local Fair Housing Center. Persons wishing to file a complaint or concern that is employment related will be referred to the Equal Employment Opportunity Commission and the Michigan Department of Civil Rights.

The office of the Alpena County Home Improvement Program is accessible and barrier free. The Office makes every attempt to reasonably accommodate all customers.

The Home Improvement Program includes the Fair Housing Logo on all documents and advertisements. The Programs will post a Fair Housing poster in a place visible to the public. The Program will secure and distribute Fair Housing material. "Fair Housing, It's Your Right" brochures will be distributed to all applicants.

The Alpena County Home Improvement Program will consider all applicants and contractors based on qualifications. No applicant or contractor will be denied a rehabilitation contract based on their race, color, national origin, religion, age, sex, marital status, familiar status and/or disability. Persons raising concerns regarding discrimination will not be retaliated against.

The Alpena County Home Improvement Program is committed to affirmative marketing and will identify its fair housing needs and barriers. The Program will address these needs and barriers by establishing a plan to resolve and meet fair housing needs.

Hearing impaired or disabled applicants can call Michigan Text Relay System by dialing 1-800-649-3777 for telephone assistance.

CLIENT COMPLAINT POLICY

Upon written complaint from the applicant, the Housing Director shall commence the following actions:

1. The Housing Director will work with the applicant(s) to try and resolve the issue, if the issue can be resolved then the matter will be considered closed.
2. If the issue cannot be resolved, then
 - The Housing Director will establish a review committee consisting of at least three members of the County Board of Commissioners. The applicant(s) will be invited to discuss the complaint with the committee.
 - The Housing Director will respond to the applicant's written complaint within 15 working days of the committee's decision. A copy of all documents pertaining to the complaint will be placed in the applicant(s) file.
3. If the applicant(s) is/are satisfied with the committee's decision then the matter will be considered resolved.

CONFLICT OF INTEREST

Alpena County will comply with Federal Conflict of Interest regulations when awarding contracts and/or assisting households, regardless of the funding source. Conflict of Interest guidelines for CDBG programs can be found in 24 CFR 570.489 and 24 CFR 570.611.

In the procurement of supplies, equipment, construction and services, the more restrictive conflict of interest provisions of the State of Michigan Ethics laws, or of the Contractor shall apply.

In cases not governed by the above, such as the acquisition and disposition of real property and the provision of CDBG or HPG assistance to individuals, businesses and other private entities, the following provisions shall apply.

1. Except for eligible administrative or personnel costs, the general rule is that no person who is an employee, agent, consultant, officer, or elected or appointed official of the County of Alpena who exercise or have exercised any function or responsibilities with respect to CDBG or HPG activities assisted herein or are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder either for themselves or those with whom they have family or business ties during their tenure or for one year thereafter. Exceptions may be granted by the State on a case by case basis as requested upon full disclosure in writing.
2. In addition, no person identified in the preceding paragraph shall accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or applicants and/or homeowners seeking assistance.
3. Should any contractor, subcontractor, or employee, agent, consultant, officer, or elected or appointed official of the County of Alpena know or perceive any breach of ethical standards or conflict of interest, they shall immediately notify in writing the MSHDA (CDBG) or Rural Development (HPG). If the State finds any circumstances that may give rise to a breach of ethical standards or conflict of interest, they will notify the County of Alpena and the State Ethics Commission as appropriate. The State and/or Rural Development may undertake any administrative remedies it deems appropriate, where there is a breach of ethical standards or conflict of interest under the regulations governing the CDBG and HPG Programs.

Alpena County Home Improvement Program

Appendix A – Income Guidelines

2024

Household Size	50% AMI (for statistical purposes)	80% AMI (eligibility for all grants and deferred loans)
1	\$27,900	\$44,600
2	\$31,850	\$51,000
3	\$35,850	\$57,350
4	\$39,800	\$63,700
5	\$43,000	\$68,800
6	\$46,200	\$73,900
7	\$49,400	\$79,000
8	\$52,550	\$84,100