

Alpena Home Improvement Program Improvement Program

PROCEDURAL GUIDELINES For Local Program Income Emergency Repair

**Prepared For:
Alpena Housing/Finance Committee
and
Alpena County Board of Commissioners**

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An Equal Opportunity Lender



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ATTACHMENT A – 2018 Income Guidelines

INTRODUCTION

These policies were adopted by the Alpena County Board of Commissioners to administer Alpena Home Improvement Programs. Amendments to this policy can only be made by a majority vote of the Alpena County Housing/Finance Committee.

Source of Funding: Program Income
Effective July 1, 2018, only eligible activity for expenditure of PI received Of \$35,000 and above will be for emergency repairs only.

Program Income: Loan repayments/recaptured funds from CDBG State programs after 7/1/2013 (only if PI is \$35,000 or more is it PI) (July 1st through June 30th) and must be spent throughout duration for of the program on emergency repairs. Eighteen percent (18%) of all CDBG Program Income can be utilized to help defray the cost of administering the Alpena County Home Improvement Program.

1. GENERAL PROVISIONS

1.1 **PURPOSE OF PROGRAM:** This program is intended to provide funds for Emergency Repairs.

1.2 **EMERGENCY REPAIR:** The entire unit will not be brought up to code. However, The individual repair needed to alleviate any condition that would create a hazard to health or safety will meet state and county codes. These repairs may consist of, but are not limited to: furnace replacement, roof replacement, well, septic and/or drain field replacement, etc. Program Income from CDBG will be used to underwrite Emergency Repair projects. A lien in the form of a deferred or local loan will be required for all Emergency Repair project.

2. ALLOWABLE AND UNALLOWABLE COSTS

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

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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: Replacement of the heating system including the installation of alternative systems such as: wood burning stoves or space heaters. All will meet state and local requirements. Items must be permanent fixtures.

Electrical wiring

Repair of, or provision for structural supports and foundations

Replacement of roof

Replacement of severely deteriorated siding and/or porches

Alterations of the unit's interior or exterior to provide greater accessibility for any disabled household family members.

Any item which the homeowner's insurance may be cancelled if not addressed

3 Administration Costs

- Payment of reasonable salaries or contract for professional, technical and clerical staff actively assisting in the delivery of the Home Improvement Programs.
- 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 will be kept of equipment purchased with for 5 years. After 5 years from date of purchase equipment will become the property of Alpena County.
- Payment of necessary and reasonable administrative costs such as worker's 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. This may include contract or fee inspection where necessary pursuant to Section 1944.665 of the Rural Development instructions or activities outlined in the OMB Circular No. A-87 Costs Principles for state and local governments.

2.4 Administration funds may not be used for:

- Preparing housing development plans and strategies except as necessary to accomplish the specific objectives of the Home Improvement Programs.
- 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.
- 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.
- 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.

4 HOUSING/FINANCE COMMITTEE AUTHORITY

The Housing/Finance Committee has the authority and may, at its discretion, upon prior MEDC approval exceed any of the guidelines it has established and disregard any of the restrictions it has imposed in any case where the Housing/Finance Committee determines that the program purpose will be served best by doing so. The Committee retains the right to redetermine any applicant based on change of income status.

5. APPLICANT REQUIREMENTS

1. Applicant must be an individual or family who has ownership and occupies a single-dwelling residential property, or is a purchaser of such property under a land contract or mortgage. The land contract or mortgage **must be recorded and must be signed by the land contract holder.**
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). (See attached income guidelines per program). All proof of income will require third party verification.
3. Applicant must have occupied the premises for one (1) year prior to making application. However, this can be at the discretion of the Housing Board depending on each applicant's specific situation. **Applicant must reside in the premises for the term of the loan.**
4. Applicant's total liquid assets must not exceed \$10,000. State Equalized Property Value (SEV) is excluded in the asset check. This requirement applies only to applicants with very low income (50% at or below area median income limits), which would qualify them for a deferred loan.
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, including all related costs of the loan. If applicant is purchasing his/her home on a land contract, the land contract holder must also sign the mortgage.

5.1 Land Contracts for Homeowner Rehabilitation Projects

- An enforceable lien would require the signatures of **all parties with a legal interest** in the property. The HOME 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 Housing Committee a superior lien position to the Land Contract Seller(s).

5.2 Life Estate:

The person granted the life estate must sign the lien, and the remainder (the person(s) who would receive the property upon the death of the occupant) must also sign the lien. Income for eligibility does not include the income of the remainder person(s).

5.3 Subordination of Liens

Subordination of Liens will only be available to applicants who are refinancing to seek a lower interest rate. Each applicant will be reviewed on a case-by-case bases by the Housing/Finance Committee.

5.4 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 Alpena Housing/Finance Committee.

5.5 Other Applicant Requirements

1. 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. Alpena County will be placed on the insurance policy as lien holder if the project is approved.
2. Applicants will be required to keep property tax payments current for the duration of the term of the loan and provide proof annually.
3. 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 Alpena County Housing/Finance Committee. If beneficiary's income is above 80% of area median income, payment in full will be required.

4. Applicants home must be at least five (5) years old.
5. Applicants, if successful in obtaining a Home Rehabilitation loan, may not apply for another loan for a period of five (5) years.
6. Applicants related to Finance Committee members or any county staff must disclose their relationship on the application. This application must have prior grantor approval. (Conflict of Interest Regulations.)

6. CONTRACTOR REQUIREMENTS

1. Contractor will provide all materials, equipment and labor necessary to perform the work stated in the specifications. All materials and workmanship must meet minimum standards as set forth in the Michigan Uniform Builders Code, the Michigan Energy Code and the HUD Section 8 Existing Property Standards.
2. Contractor will be responsible for obtaining any required work permits and arranging for subsequent permit inspections through the County Building Inspector and providing the Committee 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 Comprehensive Public Liability Insurance (\$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 Subcontractors or as required by the County.
5. Contractor will furnish evidence of Worker's Compensation Insurance and any other coverage required by Michigan Statutes, or as required by the County.
6. Contractor will submit the names of all Subcontractors performing work on the job to the Alpena Housing/Finance Committee for clearance.
7. Contractor must sign the contractual agreement with Homeowner, as prepared and approved by the Alpena Housing/Finance Committee.
8. Contractor will be required to begin work within thirty (30) days from the date of the "Proceed to Work Order" issued by the Homeowner, or show just cause for not beginning work.
9. Contractor shall disqualify his bid by specifying material not otherwise specified in bid specifications, unless approved by the Housing Director or Building Inspector. Contractor must bid each numbered item and show total bid of all items.

7. ELIGIBILITY PRIORITY

The Housing and Community Development Act of 1974 required that priority be given to very low, low and moderate-income persons in making an emergency repair loan on residential property. This is interpreted to mean persons whose income is less than 80% of the median income for the Alpena targeted area.

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

NOTE: See attached Income Eligibility Guideline Chart.

8. PROCESSING

1. Applications will be accepted at the office of the Alpena Housing Program at the Alpena County Courthouse Annex at times specified by the Housing/Finance Committee. Notification as to when applications will be accepted shall be published in the local newspapers.
2. Applications will be accepted from all applicants who meet the requirements as outlined in section 5, page 8
3. The Housing Director will interview the applicant(s) to ensure they are aware of the program scope; the requirement of mortgage placed on the property to secure the loan and other pertinent information.
4. The Housing Director or staff will verify the following items:
 - A. Income
 - B. Employment or Unemployment
 - C. Credit Check – through banks, credit bureaus, etc. (Optional)
 - D. Asset Check – through banks or other depositories. Lien holder on applicant's property, market value of property through Tax Equalization Department.
 - E. Homeowner's insurance on home.
 - F. Property taxes must be paid to date.
 - G. Must have occupied home for over one (1) year and home must be five (5) years old or older.
 - H. If home is being purchased on a land contract, homeowner must submit written consent from land contractor holder agreeing to sign mortgage. This form must be notarized.
 - I. Make sure all improvements are eligible.
 - J. If the home was built before 1978 the owner must agree to have a lead-based paint assessment performed prior to any work beginning.
 - K. Proof of ownership - Recorded Warranty Deed (Quit Claim Deed not sufficient as proof of ownership).

5. If applicant meets the above requirements, the application papers will continue as follows:
 - A. Title Search through the Thunder Bay Title (Optional)
 - B. Title Opinion through Housing/Finance Committee attorney (Optional)
 - C. Housing Inspector is notified to conduct inspection.
 - D. Housing Inspector files report with Housing Director (includes detailed set of bid specifications)
 - E. Housing Director presents application and Housing Inspector's report (specifications) to the Committee for approval and determination of loan eligibility. If approved, date will be set for bids.
 - F. Applicant notified as to approval or rejection of application.

6. If application is approved, the applicant will be informed of the following:
 - A. The Housing/Finance Committee's determination as to whether the applicant will receive a loan.
 - B. Total estimated costs of the work to be performed.
 - C. Date the bids 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 Housing/Finance Committee, 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 the application file. The application will be renumbered and re-evaluated when the new number is reached. It will not receive priority over those already in the process of being evaluated.

9. INSPECTION

1. The initial inspection will be conducted by the Program's Building Inspector. The Housing Director may accompany the Inspector if time allows, or visit the home after the initial inspection has been made, to check for any additional repairs needed.

2. If it is determined by the Housing Inspector that building, plumbing, mechanical, and 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 now enforced in those departments. The contractor will be instructed to contact the township zoning administrator to see if a zoning permit is required.

3. The total fee for all projects shall be:
 - A. Initial Inspection (including mileage, walk through inspection report and cost estimate) **\$100.00**

 - B. Bid Specification/Final Cost Estimate (includes preparation of bid specifications, final cost estimates, and mileage). Bid specification shall be itemized per item plus cost breakdown.
\$60.00

 - C. Bid Specification/Final Cost Estimate: **\$100.00** includes all of item B, plus the HUD Requirements Regarding Lead-Based Paint.
50% Completion - \$50.00
100% Complete - \$50.00
Other Inspections - \$50

All inspection fee charges and costs incurred from code rehabilitation and emergency repair projects by the Housing Program Inspector will be charged against the administration budget category.

Total per project - \$360.00

10. BID SPECIFICATIONS

The Building Inspector will prepare the bid specifications. Items to be placed in specifications will come from the work write-up (Building Inspector Report Form) of the initial inspection of the housing unit. Items will first be approved by the Housing/Finance Committee, then by the owner. Homeowner must sign "Approval of Bid Specifications" forms. 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). Also any house built prior to 1978 will require a Lead Base Paint Assessment **before** the project is let for bids.

BIDS

1. Bid packages will be mailed to each interested licensed contractor on the Contractor's Bidding List for each project. The Contractor Requirements form and Housing/Finance Committee Requirements and Instructions to Contractor **must** accompany all bid packages. Bids to be presented to the Director within 14 to 21 days of invitation.
2. Housing Director will present bids to the Commissioner's office for opening. The homeowner will normally accept the lowest responsible bid. However, if the homeowner chooses to pay the difference between the low bid and a higher bid, he/she is entitled to do so. 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 based on too much work being awarded. At that point the bid of the next lowest bidder can be awarded and the homeowner **will not be responsible to pay the difference upfront. 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 office to make the homeowner completely aware of all work required by the program along with what the homeowner would like done.
3. Successful contractor is notified of bid 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.
4. The Housing/Finance Committee and homeowner reserve the right to reject any or all bids, or those in excess of 10% of the County Housing Inspector's estimate.
5. To prevent unnecessary change orders (addendum) and cost over-runs on projects, contractors will be asked to bid projects on an item by item basis.
6. Typically 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.**

DEFERRED & LOCAL LOANS

Financial Mechanisms:

- 12.1 Deferred Loans:** Single Family Owner Occupied Rehabilitation. This mechanism will be used to provide emergency repair assistance to households having very low income at or below 50% of area median income (AMI).
- 12.2 Local Loans:** This option will provide loan assistance for emergency repairs ranging from 0-3% interest. This assistance will be provided to households having income than 50% of County AMI, but no to exceed 80% AMI – see income guideline chart.

12.3 Financial arrangements and necessary forms

A. Approval of Bid Specifications

The homeowner will sign the form before the bid is awarded to the contractor.

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

B. Homeowner Approval of Bid Award

- C. Proceed to Work Order
- D. Rescission Notice
This form must be executed for all loans. Used to annul or cancel all rehabilitation work, the owner has **(3) three working days to cancel** after signing the contract.
- E. Promissory Note
This note will be executed for all loans and will outline terms and conditions of repayments.
- F. Truth in Lending Disclosure Statement
This form will be used for all loans.
- G. Housing Rehabilitation Program 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.
- H. Release of Liability
This form must be signed by the homeowner and is for the protection of the Housing Committee, as well as the contractor. This is to prevent the homeowner from requesting any additional work that is not part of the bid specifications.
- I. Amendment to Housing Rehabilitation Program Contract (if applicable)
This form must be signed and attached to the original Contract
- J. Homeowner Certification & Program Agreement
- K. Insurance Change Agreement
- L. Subordination Agreement Policy

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

- A. Mortgage must be recorded with the Alpena County Register of Deeds.
- B. Homeowner must sign Final Inspection Report and Homeowner Approval Form.
- C. Letter must be sent to insurance company informing them that the applicant has signed a mortgage and that the Housing/Finance Committee must be listed on the homeowner's policy as "loss payee."
- D. Order amortization schedules if necessary.
- E. One amortization schedule is to be sent to the applicant and one maintained in the office file.
- F. Lien Protection Procedure

Using the proper Lien Procedure protects the Homeowners, workers, suppliers, contractors/builders and grantees. Using the proper Lien Forms and time line submittals will provide full lien protection.

LIEN FORMS

Job Cost Breakdown

The Job Cost Breakdown should be a part of the Rehab. Contract. This records the contractor's intention of who is providing services/supplies. Homeowner(s) and Housing Offices can use this against Notice of Furnishing submittals. Job Cost Breakdown should correlate to the Contractors Sworn Statement at time of invoice.

Partial Unconditional Waiver of Lien

Each Interim Contractor Invoice will be accompanied by a Partial Unconditional Waiver for the total invoice amount. Each sub-contractor/worker/supplier will submit a Partial Unconditional Waiver for their portion of the contractors invoice.

Full Unconditional Waiver of Lien

At the final payment or invoice, the contractor must submit a Full Unconditional Lien Waiver. All sub-contractors/workers/suppliers must submit a Full Unconditional Waiver for their portion of the final invoice. The Housing Commission must have a copy of all Full Unconditional Waivers in the grant file.

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, Partial and Full Unconditional Lien Waiver. The Housing Commission must have all interim and full sworn statement in the grant files.

14. REPAYMENTS

Deferred Loan: All applicants qualifying and receiving a deferred loan will require a lien in the form of a mortgage placed on the property. The full amount of this mortgage will become due and payable upon sale of the home, transfer of the property, or death event.

Local Loan: The following amortization schedule will be utilized to determine the term and monthly payment for all loans at the interest rate of 0-3%. The maximum term for any loan will be 20 years and the minimum payment will be \$25 per (unless otherwise approved by the Home Improvement Program).

All project will require a lien placed on the property for the term of the loan.

15. ALPENA HOUSING/FINANCE COMMITTEE COLLECTION POLICY

The following policy statement shall be utilized by the Director of the *Alpena Housing/Finance Committee* to facilitate equitable and efficient retirement and payoff of all debt obligations owed to the *Alpena Housing/Finance Committee* by any individual or entity.

1. At such time as the debtor of the *Alpena Housing/Finance Committee* shall become delinquent by thirty (30) days in any obligation he/she may have with the *Alpena Housing/Finance Committee*, the Director shall notify the debtor of the delinquency and request immediate compliance.
2. At such time as the debtor of the *Alpena Housing/Finance Committee* shall become delinquent by sixty (60) days in any obligation he/she may have with the *Alpena Housing/Finance Committee*, the 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 either 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 either step 1 or 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.
 - a. Contact the debtor and demand immediate resolution of the delinquency and;
 - b. Advise the Director of the *Alpena Housing/Finance Committee* 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 Director of the *Alpena Housing/Finance Committee* will discuss the legal advice with the *Alpena Housing/Finance Committee*. Thereafter, the *Alpena Housing* Director will receive 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 Housing Board of the *Alpena Housing/Finance Committee*, the Director, upon receipt of approval, 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 Director of the *Alpena Housing/Finance Committee* will monitor the progress of all legal action undertaken by counsel and report said progress to the Housing Board monthly.
8. In addition to the procedures outlined above, the following steps of the Director will be mandated under the Collection Policy:
 - a. The collection procedure will be utilized without regard to the debtor's race; color; creed; national origin; sex; or religion, and;
 - b. Any Conflict of interest or relationships between a debtor and the *Alpena Housing/Finance Committee* will be identified by the Director and reported to the Housing Board and;
 - c. A copy of the Collection Policy outlined above will be provided to each and every loan applicant of the *Alpena Housing/Finance Committee*. Furthermore said Collection Policy will be expressly made a part of every mortgage and/or promissory note entered into by the *Alpena Housing/Finance Committee*.
9. The Collection Policy may be amended by further action of the Housing Board. However said amendments will only affect debt obligations entered into subsequent to the amendments.

Homeowner: _____ Date: _____

Co Owner _____ Date: _____

Director: _____
Alpena Housing/Finance Committee

WORK PERFORMANCE

1. Contractor will begin work within thirty (30) days after signing of contract.
2. Homeowner 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.
4. 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 the total project by 10%, must require board approval. Addendum will be issued by the Housing Director and signed by both the contractor and homeowners.

17. PAYMENTS TO CONTRACTOR

1. Contractor will notify the Housing Director when emergency project is complete.
2. The Housing Director will then arrange for the Housing Inspector to conduct an inspection. The date and findings of the inspection must be noted in the file.
3. If owners are satisfied with the work, they are required to sign a "Work Completion Statement" form, as well as the contractor, Housing Inspector and Housing Director, to release 100% of the contract amount. The Housing Director will then prepare a voucher and submit for payment.
4. The Housing Inspector must ensure that all items on the bid specifications were completed to code and in a satisfactory manner. He must complete and sign a "Final Inspection Report" form.
5. 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.

ALPENA HOME IMPROVEMENT HOMEOWNER/CONTRACTOR COMPLAINT POLICY

Upon written complaint from either homeowner or contractor, the Housing Director shall commence the following actions:

1. Contact the homeowner, contractor and Housing Inspector to obtain necessary information for the housing Board within 15 days of the date of receipt of written complaint.
2. Ask the Housing Inspector to visit the site to view firsthand the items cited in the written complaint.
3. Inform Chairman of the County Board of Commissioners of complaint.
4. Advise the Housing Board of complaint and report findings to the Housing Board. (Housing Inspector may attend committee meeting to report his findings.)

Upon hearing the complaint and findings from both, the Housing Director and Housing Inspector, the Housing Board Committee will then:

1. Invite the contractor and the homeowner to discuss the complaint in front of an arbitration committee.
2. Arbitration committee is to be appointed from members of the Housing Board, or at least three persons knowledgeable in the field of housing rehabilitation such as carried out by the Housing Rehabilitation Program.
3. 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.
4. 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.
5. 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.

6. 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.

7. Should the above listed efforts fail to resolve all outstanding issues the Housing/Finance Committee 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 CDBG administrative costs.

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

**Community Mediation Services
989/732-1576
989/354-8025
1-800-873-7658
Fax: 989/705-1337**

Any complaint regarding HPG Funds will be passed on to:

**USDA, Rural Development
Attn: Civil Rights Manager
3001 Coolidge Road
Suite 200
Lansing, Michigan 48823**

**Hearing Impaired and/or disabled applicants can call
Michigan Relay System Text Telephone
1-800-649-3777**

19. PAYMENT OF EXPENDITURES

1. 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 Housing/Finance Committee must sign the vouchers to be paid to the Housing Director. All other bills will be presented to the Finance Committee for approval.
2. All purchases of office equipment shall require Finance Committee approval. If over \$1,000, grantor approval is required (only when using state and federal funds to purchase equipment is approval required). Any equipment purchased with CDBG 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 Home Improvement Program.
3. The Housing Director has been appointed by the Housing/Finance Committee to be responsible for proper maintenance of books of account. The Housing Director will do the following:
 - A. Keep a ledger of expenditures by voucher number.
 - B. List all revenues and expenditures in the ledger on as needed basis.
 - C. Verify all receipts received from the Treasurer's office.
 - D. Record all journal entries made by the Treasurer into the General Journal by number.

20. OFFICE PROCEDURES

1. The Housing Director will do the following on a monthly basis:
 - A. Request copies of all receipts and journal entries from the County Treasurer and record in General Journal.
 - B. Verify total of monthly expenditures from Treasurer's statement.
 - C. File all vouchers with copy of checks in appropriate files.
 - D. Compare balance of Administration (Cash Operating) with County Treasurer's Balance Sheet/Income Statement.
 - E. County Treasurer posts totals in Cash Disbursements Journal to individual ledger accounts (optional).
 - F. Prepare financial statement of actual expenses for the month, Quarterly Report and Rehabilitation Monies Committed to Date.
 - G. Record all payments on amortization schedules from deposit slips received from lending institution, comparing this total with the Treasurer's statements.
 - H. Verify property taxes are paid, occupancy of premises, legal status of premises, and current homeowner's insurance receipt.
 - I. Keep notes of monthly activities for reference when preparing Progress Report for meetings.
 - J. Verify homeowner(s) insurance, if not up to date, send a letter.
 - K. Update Activity Goal Report, Program goals Per Project, Applicant Status Report and Bids Awarded.
 - L. Mileage with be paid to Housing Director.

2. The Housing Director will do the following on a quarterly basis:

- A. Prepare Quarterly Report for the appropriate programs. CDBG PI Emergency Repair
- B. Prepare Program Goals for Completed Projects for Board meeting.
- C. Report on number of persons requesting applications and/or information and those determined ineligible.
- D. Report of loan repayments for all programs on a monthly basis and monthly average.

3. Following procedures are done annually:

- A. Verify all loan applicant balances from amortization schedules with Treasurer's Balance Sheet/Income Statement.
- B. Prepare Loan Status Reports to show current balances.
- C. Verify all loan applicant balances from amortization schedules with Treasurer's Balance Sheet/Income Statement. This is done along with the annual audit.

21. PREPARATION FOR COMMITTEE MEETINGS

1. Following are the necessary steps to prepare for a Board meeting:
 - A. Post meeting notice on entrance door to building 18 hours prior to meeting.
 - B. Prepare agenda to distribute at meeting – completed by Board of Commissioner’s secretary.
 - C. Prepare Monthly Statement of Revenues and Expenditures, Quarterly Report and Monies Committed Year-to-Date.
 - D. Prepare vouchers to pay bills.
 - E. Prepare bid sheet if bid opening is to be held.
2. Once the Committee and homeowner(s) have approved the project and awarded the bid, the Housing Director will arrange a meeting to sign contracts and be responsible for preparing Grant Payment Request to draw these monies.
3. The Housing Director shall monitor the administrative budget and should additional monies be needed; project future expenditures and request increase from Board.

22. LEGAL

The Housing/Finance Committee shall seek Legal Counsel to assist them in their program efforts if they so desire. This could be the County Prosecutor or other counsel as they see fit. Expenditures associated with legal counsel shall be chargeable to the administrative budget.

23. REIMBURSEMENT- DIRECTOR AND HOUSING/FINANCE COMMITTEE

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

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

24. COMMITTEE RESPONSIBILITY

The Housing/Finance Committee shall have the authority to hire personnel and/or expend the necessary funds to effectively administer the program. The Committee is also responsible for approving loan/project based on a summary of the application presented by the Housing Director during the monthly meeting. They will also review the housing commissions budget on an annual bases and review program progress.

25. ALPENA HOME IMPROVEMENT PROGRAM MARKETING PLAN

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

Market Identification

This marketing plan will target low and very low-income homeowners in need of housing rehabilitation within the target area.

Marketing Goal

It is the goal of the Alpena Home Improvement Program to reach as many qualified households with information in an effort to help solve their housing rehabilitation needs.

Marketing Methods

1. Classified ads will be placed in local newspapers on an as needed basis.
2. 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.
3. Brochures and fliers will be sent to the local Senior Citizens Center.
4. Upon request, the Housing Director will appear at local governmental meetings and organizational meetings to discuss the housing rehabilitation program.

Marketing Budget

\$1,000 will be budgeted to market this program

26. ALPENA HOME IMPROVEMENT PROGRAM DISCRIMINATION COMPLAINT POLICY

The Alpena 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:

Establishment of Equal Opportunity Committee

- a. An Equal Opportunity Committee shall be designated consisting of members of the Alpena Housing/ Finance Committee and the Alpena County Board of Commissioners.
- b. 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.

Duties and Powers

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

Further, the Housing Director will provide information on other methods of resolving the matter, including the following address of the

**Civil Rights Service Center and/or
State of Michigan Plaza Bldg., Fifth Floor
1200 Sixth Avenue
Detroit, MI 48226
313/256-2578
1-800-482-3604**

**USDA, Rural Development
Attn: Civil Rights Manager
3001 Coolidge Road
Suite 200
Lansing, MI 48823**

**Hearing impaired or disabled applicants can call Text
Telephone 1-800-649-3777 – TDD Operator will assist you**

27. FAIR HOUSING POLICY

The Alpena 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. Christina Skiba, Alpena County Housing Director has been appointed as the fair housing contact person. Ms. Skiba has an understanding of the Fair Housing Laws and will attend applicable training to remain informed.

The Alpena Home Improvement Program has established a Fair Housing Log. The Fair Housing Log will be maintained by the 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 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 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 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 locally 711 or 1-800-649-3777 – TTY Michigan Relay Center.

28. 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.

If the issue **can not** be resolved then,

2. The Housing Director will establish a review committee consisting of at least three members of the housing commission and/or County Board of Commissioners. The applicant(s) will be invited to discuss the complaint with the committee.
3. 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.**
4. If the applicant(s) is satisfied with the Committee's decision then the matter will be considered resolved,

ALPENA COUNTY 2018

CDBG INCOME GUIDELINES

Household Size	Deferred Loan 50% AMI	0%	1%	2%	3% 80% AMI
1	\$20,550	\$23,637	\$26,724	\$29,811	\$32,900
2	\$23,500	\$27,025	\$30,550	\$34,075	\$37,600
3	\$26,450	\$30,413	\$34,376	\$38,339	\$42,300
4	\$29,350	\$33,750	\$38,150	\$42,550	\$46,950
5	\$31,700	\$36,462	\$41,225	\$45,987	\$50,750
6	\$34,050	\$39,162	\$44,275	\$49,387	\$54,500
7	\$36,400	\$41,862	\$47,324	\$52,788	\$58,250
8	\$38,750	\$44,562	\$50,374	\$56,188	\$62,000

200% poverty		2018 Weatherization HPG Income Limits			PIP
Household Size	Income	Family Size	Loan Limits 50% Area Median	Income Limits	PI Percentage
1	\$24,280				
2	\$32,920	1	\$20,550	Up to - \$19,999	4%
3	\$41,560	2	\$23,500	\$20,000-\$39,999	6%
4	\$50,200	3	\$26,450	\$40,000-\$72,250	8%
5	\$58,840	4	\$29,350	See On-Line Manual for detailed Information	
6	\$67,480	5	\$31,700		
6		6	\$34,050		
7		7	\$36,400		
8		8	\$38,750		

**Weatherization is
Based on the last
3 months of income**

**Use adjusted gross income
when figuring HPG Eligibility**

- Deduct \$480/senior in the home (62+)
- Deduct \$400 per child under the age of 18
- Deduct all out of pocket child care expense