

CHAPTER 10 -- CDBG Non-competitive Housing Rehabilitation

OVERVIEW.....	10-2
A. Chapter 1 Project Start-Up.....	10-2
B. Chapter 2 Environmental Review	10-3
C. Chapter 3 Procurement Standards.....	10-3
D. Chapter 4 Financial Management.....	10-3
E. Chapter 5 Civil Rights	10-3
F. Chapter 6 Labor Standards	10-3
G. Chapter 7 Acquisition & Relocation	10-4
H. Chapter 8 Economic Development.....	10-6
I. Chapter 9 Construction Management.....	10-6
J. Chapter 10 Housing.....	10-6
K. Chapter 11 Involving the Public.....	10-9
L. Chapter 12 Project Monitoring	10-9
M. Chapter 13 Project Closeout.....	10-9
N. Chapter 14 Project Audits.....	10-9
EXHIBITS.....	10-9

CHAPTER 10

CDBG Housing Rehabilitation

OVERVIEW

For those grantees working specifically on housing rehabilitation projects, please note that the entire CDBG / NSP *Grant Administration Manual* (GAM) is for the use of the rehabilitation program. Because most CDBG requirements are addressed in other chapters, housing rehabilitation projects should use all the other GAM chapters to meet the requirements of the project. However, this chapter specifically focuses on housing rehabilitation requirements that may not be addressed in another chapter.

This chapter has been designed with the user in mind. Each GAM chapter will be discussed to clearly outline where there are updates specific to the housing rehabilitation. Additionally, following the narrative of this chapter, there are a number of specific exhibits that are solely for the administration of housing rehabilitation project.

A. Chapter 1 Project Start-Up

Please use Chapter 1 of the Grant Administration Manual regarding the project start up steps that may not be addressed below for the housing rehab project.

Process to secure firm commitment of housing rehab funds

Once the grantee has received certification approving access to CDBG housing rehabilitation funds, the grantee can begin working toward securing funding on individual units. In order to receive a firm, fixed amount of funds, the grantee should submit a Project Request Form (exhibit found at end of chapter). The grantee must follow the rehab property specific checklist provided in the exhibit at the end of this chapter. This checklist provides a general guide for specific items that must be submitted in order to firmly award funds and carryout project activities. Also once the individual project has been identified, a general and detailed project budget must be submitted as part of securing firm commitment of funds through the Project Request Form. The general budget is an overview of the use of funds impacting the entire project, while the detailed budget identifies specific health and safety items associated with rehabilitation activities (exhibits found at the end of this chapter).

To further assist CDBG Rehab grantees with the collection of necessary documentation requested by staff before funds are secured on site-specific units involving acquisition, staff will use the pre-acquisition property specific checklist to guide the firm commitment of funds. Additional forms, as required on the checklist, are also included in the exhibits at the end of this chapter.

To reduce the risk of recipients obligating funds, without the firm commitment of funds from MDOC, applicants should communicate that all award of bids or assistance that is provided is contingent upon an individual property contract executed with MDOC. Please note that it is very important that any individual or property that is being considered receive the URA General Information Notice, which is more thoroughly discussed in Chapter 7, but is also provided as an exhibit at the end of this chapter.

For proposed new construction, infill development projects, Commerce may require the grantee to commission a Preliminary Architectural Report (PAR). The PAR needs to be submitted and reviewed before the Project Request Form.

B. Chapter 2 Environmental Review

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

C. Chapter 3 Procurement Standards

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

D. Chapter 4 Financial Management

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance along with the two specific notes below.

Program Income Plan

The Program Income plan must be approved prior to contracting any individual units under the housing rehab program.

Affordability and Income Eligibility Reporting

Because the housing rehab funds require affordability periods on all assisted housing units, MDOC requires annual reporting on the use of funds until the expiration of the affordability periods, which can be completed in conjunction with the program income report.

E. Chapter 5 Civil Rights

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

F. Chapter 6 Labor Standards

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

G. Chapter 7 Acquisition & Relocation

The following guidance should be used in addition to Chapter 7 of this Grant Administration Manual.

I. Guidance on Rehabilitation work – Voluntary Agreements

Owner-occupied units are eligible for housing rehab funding, however, no construction activities are allowed to take place until voluntary agreements regarding the proposed work activities are signed by the homeowner (exhibits found at the end of this chapter). CDBG grant funds are subject to the Uniform Relocation Act (URA). The implementing regulations in 49 CFR Part 24 are more fully discussed in chapter 7. These regulations and exhibits are intended to help clearly communicate the agreed upon actions taken with housing rehab funds between the grantee and beneficiary.

1. The grantee must ensure that the owner/beneficiary is fully informed that their participation in this program is completely voluntary but will result in a lien on their property. If the owner chooses not to participate in the program, they will not be provided assistance. Exhibits are provided at the end of this chapter to clearly communicate the voluntary participation in the program and the voluntary agreement with potential construction work items.
2. If CDBG Rehab funds are used to acquire a home or residential property (other than through donation), the grantee must ensure that the purchase price is established by an appraisal that meets the following requirements:
 - a. The appraisal must be completed within 60 days of the offer made for the property (we advise that an initial offer can be made, subject to the completion of the appraisal within 60 days of a final offer).
 - b. The appraisal must meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):
 - i. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
 - ii. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.
 - iii. A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
 - iv. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.

- v. The effective date of valuation, date of appraisal, signature, and certification of the appraiser.
 - c. The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.
 - d. If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at §24.2(a)(24)) of the retained improvement.
3. The grantee has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem. HUD's guide to preparing an appraisal scope of work under the URA is available in HUD Handbook 1378- Appendix 19 or through the following link:
- <http://www.hud.gov/offices/adm/hudclips/handbooks/cpdh/1378.0/1378x19CPDH.pdf>
4. The grantee shall establish criteria for determining the minimum qualifications and competency of appraisers. Qualifications shall be consistent with the scope of work for the assignment. The grantee shall review the experience, education, training, certification/licensing, designation(s) and other qualifications of appraisers, and use only those determined by the grantee to be qualified.

II. Uniform Relocation Act (URA) Notices

Voluntary Acquisition

The grantee is required to provide written notice to the owner (Real Estate Owned (REO) title holder) that the terms of the acquisition comply with the URA voluntary acquisition requirements (49 CFR 24.101(b)(1)-(5)). These requirements apply to anyone who uses CDBG funds (or any Federal financial assistance) to acquire property including any Agency, non-profit, or individual homebuyer who uses federally-funded down-payment or other financial assistance. To convey voluntary acquisition in accordance with the URA, the owner of record must be notified in writing that Federal financial assistance will be used in the transaction and that if agreement cannot be reached through negotiation, the acquisition will not take place; and be informed of the estimated market value of the property. Agencies with the power of eminent domain must also document that the property is not a necessary part of a proposed project and is not part of an intended, planned, or designated project area where substantially all of the property within the area is to be acquired.

There are URA exception criteria, referred to as voluntary acquisition, to be used to demonstrate that the purchase will be conducted through terms of negotiation with no threat of eminent domain. Specific URA voluntary acquisition requirements that must be met, depending on whether or not the buyer has the power of eminent domain and will not use it (see 49 CFR 24.101(b)(1)(i)-(iv)), or if the buyer does not have the power of eminent domain (see 49 CFR 24.101(b)(2)). Any acquisition under possible threat of eminent domain, cannot be considered a "voluntary acquisition" (even if the seller is willing to negotiate). MDOC has stated that as a state agency it will not exercise its power of

eminent domain, nor will any funds be contracted with a local government who intends to exercise its power of eminent domain.

To assist grantees with the written notice HUD has developed a number of sample guide forms to assist grantees in meeting these requirements. MDOC requires that one of the following notice(s) be sent to the REO holder for each property acquired (staff will provide guidance as to which notice is appropriate):

- Voluntary Acquisition Notice of Foreclosed Property, Agencies/Persons Without Eminent Domain Authority
- Voluntary Acquisition Notice of Foreclosed Property, Agencies/Persons With Eminent Domain Authority

General Information Notice

To assist grantees with the written General Information Notice (GIN) (discussed in further detail in chapter 7 of this GAM), there is an exhibit at the end of this chapter that can be specifically used for housing rehab and must be sent to all residents of an occupied structure. Please use the GIN notice. Documentation of the date and confirmed delivery of this notice must be placed in the grantees project files and sent to MDOC.

H. Chapter 8 Economic Development

This chapter does not apply to the CDBG Rehab projects.

I. Chapter 9 Construction Management

The housing rehab program does not necessitate any procedural changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

Please note the updated sub-recipient agreement exhibit from chapter 9 has been modified for the housing rehab program. This exhibit is included at the end of this chapter.

J. Chapter 10 Housing

I. Eligible Households

a. Income Certification

All households assisted with housing rehab funds or who become occupants or owners of a CDBG-assisted housing unit must be determined as eligible according to the HUD income guidelines. All projects must provide documentation of eligibility as outlined in the income verification checklist (exhibit found at the end of this chapter).

Grantee project files must contain documentation that certification of the residents income occurred prior to rehab work beginning or at the initial purchase or occupancy (if the assisted property is sold). These files must be kept throughout the period of

affordability and at least 3 years after the expiration of the period of affordability.

b. Homebuyer Counseling Courses

New Homeowners or owners of occupied housing will need to complete and provide a certificate, from a HUD-approved housing counseling agency, that they have attended the homeowner counseling course. Grantees will be expected to maintain copies of these certificates to demonstrate compliance with this requirement.

c. Continued Affordability

MDOC is requiring that CHDO's provide assistance to all beneficiaries to ensure that all financial requirements, necessary to clearly place recapture restrictions on individual properties for the period of affordability, are carried out. Each grantee must identify the type of affordability restrictions for the entire program, including recapture processes and procedures. Individual recapture agreements must be reviewed and approved prior to execution with the beneficiary. At a minimum, all CDBG assisted rehabilitation projects must adhere to the affordability requirements listed below.

Homebuyer Long-Term Affordability

All homebuyer units assisted with CDBG Rehab funds must include provisions for long-term affordability restrictions meeting at least the following requirements:

Subsidy Amount <i>(amount of CDBG Rehab assistance provided to a homebuyer)</i>	Minimum Affordability Period	Minimum Restriction
Under \$15,000	5 years	Subsidy recapture, 20% forgiveness each year
\$15,000 – \$40,000	10 years	Subsidy recapture, 10% forgiveness each year
Over \$40,000	15 years	Subsidy recapture, 6.6% forgiveness each year
New Construction or Acquisition of Newly Constructed Single Family Housing (any \$ amount)	20 years	Subsidy recapture, 5% forgiveness each year

While these are minimum requirements, the applicant may choose to implement more stringent affordability requirements than the minimum listed here to ensure that the properties remain affordable for as long as possible.

An abstract of the agreement must be recorded on each property assisted with housing rehab funds. A sample abstract agreement is available at the end of this chapter. Documentation of recorded agreement must be provided.

II. Rehabilitation Standards

MDOC has established the following Rehabilitation Standards for the CDBG rehabilitation program. "Rehabilitation" includes using funds to make improvements to substandard residential structures. Housing

rehabilitation or related redevelopment projects focus on bringing housing units up to basic code standards by addressing structural deficiencies, improving electrical systems, plumbing and roofing, and incorporating energy conservation measures.

Such improvements must meet or exceed requirements contained in current editions of the HUD Section 8 Housing Quality Standards (or FHA equivalent standards) and the following most current codes adopted by the Building Codes Bureau of the Montana Department of Labor and Industry (MDLI):

- International Building Code,
- International Residential Code, (one and two-family dwellings and townhouses up to three stories in height)
- International Existing Building Code,
- Uniform Plumbing Code,
- International Mechanical Code,
- International Fuel Gas Code,
- National Electrical Code,
- International Energy Conservation Code; and
- American Society of Engineers, Boiler and Pressure Vessel Code.

Note on Energy Conservation: Communities proposing rehabilitation or new construction of residential housing units should pay particular attention to the most current edition of the International Energy Conservation Code. This code was adopted by the Building Codes Bureau of the Montana Department of Labor and Industry. The code establishes energy conservation standards for improvements to existing residential structure or construction of new residential housing units, as well as standards for other types of construction.

For all areas permits must be obtained from the MDLI, Building Codes Bureau for electrical and/or plumbing work unless the grant recipient has been certified by the Bureau to enforce the codes cited above. In such cases, some permits will be obtained locally. The Building Codes Bureau maintains a listing of Montana counties and incorporated municipalities, which are certified to enforce building, electrical, mechanical, and plumbing codes. In those cases where the Building Codes Bureau has not certified the grant recipient, permits must be obtained from the Bureau when rehabilitation involves structures with five or more units, or any commercial or public buildings.

Grantees will be responsible for assuring that proper authorities inspect such work and an inspection report is provided to the beneficiary and MDOC once completed. Options to provide code inspection may include agreements with governments that have existing building departments, arrangements with MDLI's Building Codes Bureau, or by contracting with qualified, private sector persons. Where possible, to preserve independence, local governments are encouraged to utilize the services of a separate individual to perform inspection services. All electrical and/or plumbing work must be done only by electricians and/or plumbers licensed by the State of Montana.

For further information, please contact:

Building Codes Bureau/Montana Dept of Labor & Industry
301 South Park, Room 430 -- P.O. Box 200517
Helena, MT 59620-0517
Phone: (406) 841-2300

Website: http://mt.gov/dli/bsd/bc/bs_index.asp

K. Chapter 11 Involving the Public

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

L. Chapter 12 Project Monitoring

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

M. Chapter 13 Project Closeout

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

N. Chapter 14 Project Audits

The housing rehab program does not necessitate any changes to this chapter of the Grant Administration Manual. Please use the existing chapter for relevant guidance as there is no updated housing rehabilitation guidance.

CHAPTER 10

EXHIBITS

- 10-A Sample Abstract of Sub Recipient Agreement**
- 10-B CDBG PAR Guidance**
- 10-C CDBG Pre-Acquisition Checklist**
- 10-D CDBG Property Specific Rehab Checklist**
- 10-E Sample CDBG Rehab Project Request**
- 10-F CDBG Rehab Income Verification Form**
- 10-G Sample CDBG Rehab Sub Recipient Agreement**
- 10-H Sample CDBG Rehab Detailed Site Budget**
- 10-I Sample CDBG Rehab Preliminary General Site Budget**
- 10-J Sample CDBG Rehab Property Specific Implementation Schedule**
- 10-K Sample CDBG Rehab URA GIN Notice**
- 10-L Sample Voluntary Construction Statement for Rehab by Homeowner**
- 10-M Sample Voluntary Rehab Participation Form**
- 10-N Sample CDBG Rehab Owner Notice of Voluntary Acquisition – No Eminent Domain**
- 10-O Sample CDBG Rehab Owner Notice of Voluntary Acquisition – with Eminent Domain Authority**

Exhibit 10-A

Return to:

[NAME, TITLE]

City of _____

[ADDRESS, CITY, MT, ZIP]

ABSTRACT OF AGREEMENT

THIS ABSTRACT is made this _____ day of _____, 20xx, by and between by and between the [City/Town/County] of _____, Montana, hereinafter referred to as “the [City/Town/County]” and the _____, a private, non-profit corporation incorporated under the laws of Montana, hereinafter referred to as “the Center.”

WITNESSETH:

This is an abstract of a written agreement between the City and the Center, whereby the Center, on the _____ day of _____, 20xx, agreed to encumber the real property situated in _____ County, Montana, to-wit:

[INSERT LEGAL DESCRIPTION]

The Agreement requires the performance of certain grant obligations; namely, that said property shall be used for specific purposes for the period of affordability, which may be up to twenty (20) years from the date of completion, of said grant from the Montana Department of Commerce, or, in the alternative, that certain market value will be made by the Center to the City in release of such obligations. These obligations and the terms and conditions are more specifically set forth in the Agreement. The Center will provide a full and complete copy of the Agreement, without cost, upon request of any person.

Community Development Block Grant (CDBG)
Montana Department of Commerce

CDBG/NSP ADMINISTRATION MANUAL
October 2013

ABSTRACT OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year hereinabove written.

CITY OF _____

_____, 20xx

BY: _____

[NAME, TITLE]

ATTEST:

[NAME], [TITLE]

APPROVED AS TO FORM:

[NAME], City Attorney

STATE OF MONTANA)

:

County of _____)

On this _____ day of _____, 20xx, before me _____, a Notary Public for the State of Montana, personally appeared _____, known to me to be the [TITLE] and [NAME], known to me to be the [TITLE] of the City of _____, a Montana municipal corporation duly organized and incorporated and existing under the laws of the State of Montana, who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said municipal corporation and acknowledged to me that such municipal corporation executed the same.

PRINTED NAME: _____

(NOTARY SEAL)

Notary Public for the State of Montana
Residing at _____
My Commission expires _____

<Name of non profit organization>

_____, 20xx

BY: _____
[NAME, TITLE]

STATE OF MONTANA)

:

County of _____)

On this _____ day of _____, 20xx, before me _____,
a Notary Public for the State of Montana, personally appeared, [NAME, TITLE] of the
_____ in _____, Montana, and acknowledged to me that he/she executed
the written instrument on behalf of said Organization.

(NOTARY SEAL)

PRINTED NAME: _____
Notary Public for the State of Montana
Residing at _____
My Commission expires _____

Exhibit 10-B

PRELIMINARY ARCHITECTURAL REPORT REQUIREMENTS MONTANA CDBG Rehabilitation Program

A. A PAR MUST:

- be prepared by a professional architect licensed to practice in the State of Montana;
- adequately describe existing building conditions (if applicable to the proposed project) and problems and propose a specific course of action for solving the identified problems or meet other identified needs;
- provide sufficient information to adequately assess the need for, feasibility, and general, estimated cost of the proposed project; and
- thoroughly address all of the other issues identified in this PAR outline.

The PAR outline presented here is by no means all-inclusive. The architect should use his or her professional judgment to present sufficient information during preparation of the PAR, taking into account that different projects require varying levels of detail (rehabilitation of an existing building versus construction of a new building) and consideration of the specific course of action for solving the identified problems or meeting identified needs.

- The architect should provide appropriate documentation, wherever possible, to support the analysis of the condition of the property and the final proposal submitted.
- The public should be involved in the selection of the specific course of action for solving the identified problems or needs, especially representatives or members of any groups that are expected to be the principal users of the proposed structure or facility.
- Architects and project representatives can call staff (406/841-2770) to request clarification and guidance regarding this PAR outline.

B. ENVIRONMENTAL CONSIDERATIONS RELATED TO THE PAR

All Montana state and CDBG funded projects are subject to the **Montana Environmental Policy Act (MEPA)** and the **National Environmental Policy Act of 1969 (NEPA)**.

Both laws seek to avoid adverse impacts on the environment by mandating careful consideration of the potential impacts of any development assisted with federal funds or approved by a Montana state agency.

- **NEPA** establishes national policy, goals, and procedures for protecting, restoring, and enhancing environmental quality within the United States as a whole;
- **MEPA** seeks to avoid or mitigate adverse impacts on the natural and human environment by mandating careful consideration of the potential impacts of any development assisted with state funds or approved by a Montana state agency;
- Architects and project representatives should consult the Environmental Checklist, Environmental Assessment, and/or Environmental Review Record that has been completed by the sponsoring unit of general local government.

- In order to avoid delays, all applicants to state or federal infrastructure or housing funding programs should consider potential environmental impacts during project planning. As a result, local officials may be able to avoid or mitigate potential environmental impacts through project design or location decisions by carefully considering potential, adverse environmental consequences of projects and the actions that could be required to mitigate any identified adverse consequences.
- Various funding agencies have different requirements related to the environmental review process, the selection of the preferred alternative, and adoption of the preliminary architectural report. Applicants should contact those agencies that they are considering applying to so that each agency's specific requirements can be met concurrently and avoid any unnecessary delays in project completion.

C. PRELIMINARY ARCHITECTURAL REPORT OUTLINE

I. PROBLEM AND/OR NEED DEFINITION - DESCRIBE AND DOCUMENT THE PROBLEM(S) TO BE SOLVED OR NEED(S) IDENTIFIED.

A. IDENTIFY THE PLANNING AND SERVICE AREA OF THE FACILITY.

Using narrative and drawings, describe the planning and service area. The description should include the following information:

1. **LOCATION** - Indicate legal and natural boundaries, major obstacles, environmental constraints (such as floodplains), etc., using maps, photographs, and sketches of the planning and service area for the structure or facility.
2. **GROWTH AREAS AND PROJECTED POPULATION TRENDS** - Identify specific areas of projected, concentrated population growth and relate these to the forecasted growth in the clientele to be served by the proposed NSP project.

Provide population projections for the project's planning and service area (and for the persons and/or groups the facility will serve) for the projected design period (i.e., the anticipated useful life of the proposed facility).

Base projections for the clientele to be served upon historical records, Census data, or economic projections, citing recognized sources.

B. EVALUATE THE CONDITION OF THE EXISTING FACILITY OR STRUCTURE (IF APPLICABLE TO THE PROPOSED NSP PROJECT). Describe the existing facility or structure, including at least the following information:

1. **HISTORY** - Provide a brief history of the facility or structure, including when the unit was constructed, major improvements implemented in the past, and any past problems.
2. **CONDITION OF FACILITIES** - Describe the present condition and any problems such as code deficiencies, general structural decay, presence of asbestos, mold or moisture, lead based paint, subsidence issues, overcrowding, or handicapped accessibility. Describe the adequacy or capacity of the existing facility(ies) or structure(s) to meet existing and long-term needs.
3. **HEALTH AND SAFETY** - Describe concerns and deficiencies, compliance issues, and relevant regulations such as the International Building Code, (and other codes as listed in "Special Requirements Concerning Code and Standards Enforcement" in Chapter V of the

Application Guidelines), asbestos, lead-based paint, handicapped accessibility, zoning ordinances, and other federal, state, local, or tribal requirements concerning the existing facility.

Attach pertinent correspondence to or from appropriate federal, state, and local regulatory agencies, especially information that provides documentation of health and safety concerns and deficiencies.

II. FINAL PROPOSAL

A. DESCRIPTION OF SELECTED SITE

- 1. IF PROPOSING REHABILITATION OF EXISTING BUILDINGS** - Describe existing buildings within the selected site that could be modified or rehabilitated to accommodate the proposed facility or structure.

Describe the potential benefits and possible deficiencies with the proposed design, building or site, including code compliance issues, floor space, handicapped accessibility, and potential for long-term expansion, as applicable.

- 2. IF PROPOSING NEW CONSTRUCTION** - If proposing new construction, describe the selected building site for new construction, any existing structures on the site(s), potential for long-term expansion, proximity to other services, environmental constraints, etc.

- B. REGULATORY COMPLIANCE AND PERMITS.** Describe issues that must be addressed regarding compliance (for either a new building or a rehabilitated building) with appropriate regulations such as the International Building Code and other relevant codes, zoning, asbestos, lead-based paint, special permits, handicapped accessibility (American Disabilities Act and HUD 504 regulations), designated 100-year floodplains, and any other applicable federal, state, local or tribal requirements.

- C. LAND ACQUISITION ISSUES.** Identify sites to be purchased or leased and any easements needed, if applicable.

- D. CONSTRUCTION SITE PROBLEMS OR ISSUES.** Discuss potential concerns such as geological constraints, limited access, underground storage tanks, floodplains, high water table, asbestos, lead-based paint, contaminated soil, noise, odors, or other conditions that may affect cost of construction or long-term operation of the (new or rehabilitated) facility or structure.

E. COST ESTIMATES FOR THE SELECTED SITE.

- 1. PROJECT COSTS** administrative, financial, engineering, architecture, and anticipated construction costs and
- 2. PROJECTED ANNUAL OPERATION AND MAINTENANCE COSTS.** In responding to items 1 and 2 for Housing projects, consult Section C (Financial Analysis, Parts I-VI) of the Uniform Application for Montana Housing Loan, Grant & Tax Credit Programs previously submitted with the NSP application.
- 3. OPERATIONAL REQUIREMENTS.** Discuss the expertise required to operate the facility or structure and any unique operational requirements or benefits of the proposed NSP activity and project.

Exhibit 10-C

PRE-ACQUISITION PROPERTY SPECIFIC CHECKLIST

Prior to Acquisition –Environmental

Property Location: _____

Census Tract: _____

Property Type: Foreclosure / Abandoned / Vacant

1. _____ Environmental Statutory Checklist _____ Date completed
a. _____ Site Specific Checklist _____ Reviewed/Approved
2. _____ Documentation that property is vacant/occupied (3rd party (appraiser) statement, utility bills, photos, etc.. (combination of two items)(See Vacancy Verification Form))
a. _____ Is the property occupied (Uniform Relocation Act – General Information Notice)

Project Request

3. _____ Project Request draft form (unsigned, approximate budget amount)
4. _____ Copy of Buy / Sell Agreement
5. _____ Project Request Form (signed, final budget amount)
6. _____ Project Budget and Uniform Status of Funds Spreadsheet (accumulative)
a. Use of Funds -- Purchase _____ Financing _____ Rehab _____ 10% contingency _____ Other _____
7. _____ Implementation Schedule included
8. _____ Listing of details for planned rehabilitation work (rehab limited to necessary items to meet HQS minimums) (if applicable)
9. _____ Contract Amendment Executed
i. _____ Correct Contract Number ii. _____ Correct Amendment number
10. _____ Appraisal completed (within 60 days prior to offer to acquire property)
a. _____ Date of appraisal (must be provided before purchase)
11. _____ Purchase Price \$ _____
12. _____ Uniform Relocation Act acquisition notice (with or without eminent domain)
13. _____ Trustee Deed (proof of foreclosure, must be provided before purchase)
14. _____ Title Insurance Commitment or Title Insurance Binder (must be provided to NSP staff before the closing of any foreclosed purchase)

Immediately following Closing

15. _____ Settlement statement
16. _____ Recorded Abstract of Sub-Recipient or Developer Agreement

Near end of rehabilitation work

17. _____ Certification of prospective occupant as:
a. _____ Income eligible at 80% AMI or less
b. _____ Completed HUD Certified Home Ownership Counseling

Exhibit 10-D

REHAB PROPERTY SPECIFIC CHECKLIST

This list is a guide to identify major items to be completed, but does not include a full list of tasks that are needed to be completed in order to secure funds.

Prior to Project Request Form

Property Location: _____

1. _____ Eligibility of Unit determined
 - a. _____ Previous projects are 50% complete
 - b. _____ Previous projects over 50% complete are no more than 30 days over the implementation schedule
2. _____ Eligibility of beneficiary determined
3. _____ Voluntary Participation form executed
4. _____ Uniform Relocation Act – General Information Notice provided to beneficiary
5. _____ Environmental Statutory Checklist _____ Date completed
 - a. _____ Site Specific Checklist _____ Reviewed/Approved
6. _____ DRAFT Project Request draft form (unsigned, approximate budget amount – to reserve funds)

Project Request Approval Process

7. _____ Documentation of inspection establishing necessary health and safety work items
 - a. _____ this an include ADA accessible improvement
 - b. _____ scope of work is defined
 - i. Use of Funds: _____ Purchase _____ Demolition _____ Rehab
8. _____ General budget, includes _____ includes 10% project contingency _____ Admin doesn't exceed 10% _____ Other _____
9. _____ Listing of details for planned rehabilitation work (detailed rehab budget)
10. _____ Implementation Schedule included
11. _____ Activities include temporary relocation costs
 - a. _____ URA temporary relocation documents completed
12. _____ Project Request Form (signed, final budget amount)
13. _____ Contract Executed

Rehab Activity Items

14. _____ Documentation of housing counseling course being completed by eligible beneficiary
15. _____ Voluntary acknowledgment of construction work to be completed
16. _____ Abstract Filed
17. _____ Procurement of contractor
18. _____ Certificate of Occupancy completed
19. _____ Inspection post-construction completed
 - a. _____ documentation provided to Commerce
 - b. _____ documentation provided to beneficiary
20. _____ Appraisal or Broker's Price Opinion (BPO) completed (within 60 days after rehab)

Exhibit 10-E

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REHABILITATION PROGRAM

PROJECT REQUEST FORM [Name of Local Government] [Date of Certification]

This project request from _____ is intended to obligate funds from Montana Department of Commerce CDBG Rehabilitation Program in the amount of \$_____ to complete activities at (property location) described as:

(please list the major components of the activity for this specific property location)

- _____
- _____
- _____

This project request confirms that the purchase price of the property will be at least 1% less than the current market appraisal price as required by NSP regulations. The appraised price is _____ and the anticipated purchase price is _____.

The site specific checklist has been completed by _____ for the property address listed above.

_____ confirms that this property is vacant and will supply the appropriate documentation to CDBG.

_____ confirms that this property is occupied and will supply the appropriate documentation to CDBG.

_____ confirms rehabilitation work will not exceed the median housing price in the area as supported by documentation supplied to CDBG.

Anticipated project completion date: _____

Notes:

Signature _____ Date _____

Exhibit 10-F

INCOME VERIFICATION FOR DIRECT BENEFICIARIES OF CDBG REHAB FUNDS

The following information is necessary to be eligible for assistance under the Community Development Block Grant (CDBG) Non-competitive housing rehabilitation program. CDBG is a federal program intended to assist households at or below 80% of Area Median Income or low and moderate income households. All information collected will be kept confidential and will not be available to the general public. Providing false information is a serious matter and may constitute fraud under federal law.

It is important to understand the **federal definition of "annual income"** which are all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor (a minor is defined as a person under age 18). Further information is found in the Income Eligibility Standards from the U.S. Housing Act of 1937 (pages 4 & 5). Income includes:

1. The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
2. The net income from operation of a business or profession or from rental or real or personal property (this includes gross receipts, minus operating expenses, received from the operation of an unincorporated farm or ranch);
3. Interest and dividends;
4. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
6. Public assistance;
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and
8. All regular pay, special pay and allowances of a member of the armed forces (whether or not living in the dwelling) who is head of the family or spouse.

Please complete the following information to verify income and eligibility of the potential CDBG beneficiary. The following information is broken into four parts and must be completed by the sub-recipient/developer and the CDBG beneficiary.

Additionally, all income must be verified by comparing the beneficiary's income with the most

current HUD approved income limit tables for the appropriate county. These tables are available on the CDBG website: <http://comdev.mt.gov> or by contacting the program at DOCCDBG@mt.gov or 406.841.2770.

FOUR PART INCOME AND ELIGIBILITY VERIFICATION PROCESS & CHECKLIST

PART 1. INCOME TYPE

Please select the income type used to determine income eligibility of the beneficiary:
(completed by sub-recipient or developer)

1. Adjusted Gross Income
2. Gross Income

PART 2. INCOME DOCUMENTATION

Please select the income documentation used to determine income eligibility:
(completed by sub-recipient or developer)

1. Copy of past year taxes
2. Copy of past three months of wage stubs
3. Other forms of income documentation
 - a. Narrative describing what other forms of income documentation was used to determine income eligibility:

PART 3. ELIGIBILITY VERIFICATION OF BENEFICIARY

Please mark items that have been received and verified
(completed by sub-recipient or developer)

1. Signature of Certification provided (Part 4: completed by beneficiary)
2. Copy of Beneficiary(s) Driver's License
(copy retained by sub-recipient or developer)
3. Documentation of Income (Part 2: completed by sub-recipient or developer)
4. Verification of Income and Eligibility (completed by sub-recipient or developer)

- a. County: _____
- b. Number in Household _____
- c. Total Household Annual Income _____
- d. Percent of Median Income _____
- e. Income Calculation Notes:

PART 4. SIGNATURE OF CERTIFICATION BY CDBG BENEFICIARY

(completed by beneficiary)

I / we, _____, have received a copy of the definition of income. Additionally I / we, as a CDBG-assisted beneficiary certify that my/our family's annual income of \$_____ is correct and complete to the best of my/our knowledge. Documentation of my family's income was provided to _____(sub-recipient/developer) for the purposes of determining income eligibility for the CDBG Non-competitive housing rehabilitation program.

Beneficiary #1 Signature

Beneficiary #2 Signature (if applicable)

Date

NOTE: Anyone who knowingly provides false or incomplete income information may be subject to penalties for fraud under federal law.

**INCOME ELIGIBILITY STANDARDS FROM THE U.S. HOUSING ACT OF 1937
for CDBG Beneficiaries**

Section 889.103 Determination of income for eligibility.

For purposes of determining whether a family is income eligible, income shall be determined in accordance with Section 889.104, except that where a family has net family assets in excess of \$5,000, income shall include the actual amount of income, if any, derived from all of the net family assets or 10 percent of the value of all such assets, whichever is greater. For purposes of this section, net family assets means value of equity in real property, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded.

Section 889.104 Computation of annual income.

(a) Except as provided in paragraph (b) of this section, all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:

- (1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
- (2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);
- (3) Interest and dividends;
- (4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay (see paragraph (b) (3) of this section).
- (6) Public Assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
 - (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
 - (ii) The maximum amount that the public assistance agency could in fact allow for the family for shelter and utilities.
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling:

- (8) All regular pay, special pay and allowances of a member of the armed forces (whether or not living in the dwelling) who is head of the family or spouse (see paragraph (b) (5) of this section).

(b) The following items shall not be considered as income:

- (1) casual, sporadic or irregular gifts;
- (2) amounts that are specifically for or in reimbursement of the cost of medical expenses;
- (3) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses;
- (4) amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans, not used for the above purposes of which are available for subsistence are to be included in income;
- (5) the special pay to a serviceman head of a family away from home and exposed to hostile fire;
- (6) payments received pursuant to participation in the following volunteer programs under the ACTION Agency:
 - (i) National Volunteer Antipoverty Programs that include VISTA, Service Learning Programs and Special Volunteer Programs.
 - (ii) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

Exhibit I0-G

SUB-RECIPIENT HOUSING REHABILITATION AGREEMENT

**[LOCAL GOVERNMENT]
AND [SUB-RECIPIENT/NON-PROFIT]**

THIS AGREEMENT is entered into on the ___ day of _____, 20XX, by and between the [Local Government], hereinafter referred to as “the City/County” and [Sub-recipient/non-profit], a private, non-profit corporation incorporated under the laws of Montana, hereinafter referred to as “the Center.”

WITNESSETH THAT

WHEREAS, the Center desires to contract with the City/County to carry out Community Development Block Grant (CDBG) Housing Rehabilitation activities to _____ [please list activities identified in the CDBG Contract under Scope of Work] (the “Grantee’s CDBG Program”); and

WHEREAS, the Center agrees to operate, manage, and maintain the Program in a manner so as to be available to all residents of the greater City/County area without regard to race, color, religion, creed, political ideas, gender, age, marital status, physical or mental disability, or national origin and with granting agencies required guidelines; and

WHEREAS, the City/County has applied for and been awarded a grant under Montana’s CDBG Program; and

WHEREAS, the parties to this Agreement understand that neither party has in any way abrogated any of its individual powers, and that this Agreement does not create any new organization or legal entity.

NOW, THEREFORE, THE CITY/COUNTY AND THE CENTER MUTUALLY AGREE AS FOLLOWS:

SUB-RECIPIENT Housing Rehab AGREEMENT

[NAME OF LOCAL GOVERNMENT]

Community Development Block Grant (CDBG)
Montana Department of Commerce

[ORGANIZATION/NON-PROFIT]

CDBG/NSP ADMINISTRATION MANUAL
October 2013

I. Responsibilities Delegated to the Center

- A. The Grantee agrees to carry out its CDBG Program in accordance with the terms and conditions of Contract #MT-CDBG-_____ between the Montana Department of Commerce (MDOC) and the City/County, attached hereto and specifically incorporated herein by this reference; the MDOC Community Development Block Grant (CDBG) / Neighborhood Stabilization Program (NSP) Grant Administration Manual; all applicable sections of 24 C.F.R. Parts 85 and 570; and any other requirements for CDBG as set forth by HUD, including but not limited to OMB Circular A-110, OMB Circular A-122, and any revisions thereto.

- B. The Center agrees to carry out the duties and responsibilities assigned to it in the Project Management Plan, approved by the MDOC on _____, 20xx, attached hereto and specifically incorporated herein by this reference.

- C. Following the completion of the Project, the Center will submit annual reports to the City/County, on a date to be specified by the City/County, unless later excused by new regulation or agreement. These annual reports shall include:
 - (1) a copy of the Center’s annual IRS 990 tax form; and
 - (2) a copy of the Center’s annual Treasurer’s report; and
 - (3) proof of adequate insurance on each facility acquired in whole or in part with Grantee’s CDBG Program funds.

- D. The Center will comply with the applicable procurement requirements set forth 24 CFR §85.36. The Center will provide copies of all quotes and any other construction documents as requested by the City/County and MDOC. The Grantee shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A-110, Procurement Standards.

II. Duration of the Agreement

- A. This Agreement takes effect when the following conditions are satisfied:

1. The MDOC and the City/County have executed the CDBG Grant Contract;
 2. The MDOC has approved the City's/County's "Request for Release of Funds and Certification";
 3. The attorney for the City/County and the attorney for the Center have approved this Agreement as to form and content; and
 4. The City/County Manager and the Center's Executive Director have each reviewed this Agreement, agreed fully to its terms and conditions, and executed the same.
- B. This Agreement will be in effect for the period of affordability for activity, which may be up to twenty (20) years from the date of completion of the City's/County's CDBG Program, depending on the amount of assistance provided, as referenced in CDBG Housing Rehabilitation application and guidelines.

III. Administration

- A. The Center does not assume the City's/County's environmental responsibilities described at 24 CFR Part 58.
- B. The Center does not assume the City's/County's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

IV. Disposition of Real Property or Acquired Equipment

- A. The Center will manage the Project during the term of this Agreement in accordance with the terms set forth herein.

- B. With respect to any real property or any equipment under the Center’s control that was acquired or improved in whole or in part with funds from CDBG Grant #MT-CDBG-____-____-____ in excess of \$50,000, the Center will either:
1. use the property to meet one of the national objectives contained in 24 CFR 570.208 during the period of affordability;
 2. dispose of the property or equipment in a manner that reimburses the City/County in the amount of the current fair market value of the property or equipment, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvements to, the property or equipment, subject to all CDBG program income requirements. Reimbursement is not required after the period of time specified in subparagraph (B)(1) of this section.
- C. With respect to any real property or any equipment under the Center’s control that was acquired or improved in whole or in part with funds from CDBG Grant #MT-CDBG-____-____-____ totaling less than \$50,000, the City/County may require the Center, with approval of MDOC, to payback Grantee’s CDBG Program funds to MDOC, up to the total amount of the grant award.
- D. Upon the expiration of this Agreement, the Center will transfer to the City/County any of the Grantee’s CDBG Program funds on hand at the time of expiration of this Agreement and any accounts receivable attributable to the use of CDBG funds.
- E. The parties agree that concurrent with execution of this Agreement, as security for the performance of the obligations set forth herein, an abstract of this Agreement will be duly recorded with the [Insert specific county] County Clerk and Recorder’s office against each property acquired in whole or in part with Grantee’s CDBG Program funds.

V. Indemnification

The Grantee shall indemnify and hold harmless the City/County, the City/County Community Development Department, and their agents and employees from and against all claims, damages, losses and expenses, including attorney fees arising out of, or resulting from, the performance of the work, provided that any such claim, damage, loss, or expense which is:

1. attributable to bodily injury, sickness, disease or death or to damage or destruction of tangible property, other than the work itself, including the loss and use resulting there from; and,
2. is caused in whole or in part by any negligent act or omission of the contractor(s), and subcontractor(s), or anyone directly or indirectly employed by any one of them or anyone else, for whose acts any of them may be liable, regardless whether or not it is caused in part or by party indemnified hereunder.

VI. Debarment

The Center certifies and agrees to ensure during the term of this Agreement that neither it nor its principals, contractors, subcontractors, or subrecipient entities are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily or otherwise excluded from or ineligible for participation in this Agreement by any governmental department or agency or in any Federal assistance programs under Executive Order 12549, “Debarment and Suspension.”

VII. Access to and Retention of Records

- A. In accordance with the requirements of 24 C.F.R. § 85.37, the Center shall create and retain records supporting the services covered by this Agreement, including but not limited to financial records, supporting documents, and such other records as are required by law or other authority, for a period of four (4) years after either the completion date of this Agreement or the conclusion of any claim, litigation, or exception relating to this Agreement taken by the State of Montana, the City/County,

or third party, whichever is later. These records will be kept in the Center's offices in _____, Montana.

- B. In accordance with the requirements of 24 C.F.R. § 85.37, the Center shall provide the Department, HUD, Comptroller General of the United States, Montana Legislative Auditor, or their authorized agents access to any records necessary to determine compliance with the Agreement and to make audits, examinations, excerpts, and transcripts.

VIII. Progress Reports

The Center shall submit regular Progress Reports to the City/County in the form, content, and frequency as required by the City/County and the MDOC.

IX. Assignment, Transfer, and Subcontracting

The Center may not assign, transfer, or subcontract any portion of this Agreement without prior written approval by the City/County and MDOC. If such approval is granted, the Center accepts responsibility for the adherence to the terms of this Agreement by such contractors, subcontractors, or subrecipient entities and by any public or private agents or agencies to which it delegates authority to carry out any portion(s) of this Agreement.

X. Payment Procedures

The City/County will pay to the Center funds made available under the City's/County's CDBG Program based upon information submitted by the Center and consistent with any approved budget and MDOC policy concerning payments. Payments will be made for eligible expenses actually incurred by the Center, and not to exceed actual cash requirements. In addition, the City/County reserves the right to liquidate funds available under this Agreement for costs incurred by the City/County on behalf of the Center.

XI. Suspension or Termination

In accordance with 24 CFR 84.61, the City/County may suspend or terminate this Agreement if the Center materially fails to comply with the terms and conditions of this Agreement, or if CDBG Grant #MT-CDBG-____-____-____ is terminated by the MDOC in accordance with the terms of the City's/County CDBG contract with MDOC, attached hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the _____ day of _____, 20xx.

CITY/COUNTY

BY: _____ DATE: _____
_____, City/County Manager

ATTEST:

_____, City/County Clerk

APPROVED AS TO FORM:

_____, City/County Attorney

[SUB-RECIPIENT/NON-PROFIT]

BY: _____ DATE: _____
_____, Executive Director

STATE OF MONTANA)

:

County of _____)

On this _____ day of _____, 20xx, before me _____, a Notary Public for the State of Montana, personally appeared, _____ of the _____ in Montana, and acknowledged to me that he/she executed the written instrument on behalf of said Business.

(NOTARY SEAL)

PRINTED NAME: _____

Notary Public for the State of Montana

Residing at _____

My Commission expires _____

				As of	
		Project Name: CDBG Rehab			
		Project Address:			
			Example		
		PROPERTY ACQUISITION	84,000		
		CLOSING COSTS	2,000		
		PRE-CONSTRUCTION	86,000		
01	020	Site clearing	400		
01	030	Permits			
01	041	Demolition-Labor			
01	045	Demolition-Subcontractor			
		demo kitchen	320.00	1 MD	
		demo bathroom	320.00	1 MD	
01	050	Asbestos evaluation	350.00		
		LBP evaluation	300.00		
		Camera sewer line	275.00		
01	063	Architect/Engineering fees			
01	073	Water hookup			
01	083	Sewer hookup			
01	093	Gas Service			
01	103	Temp power			
01	113	Portopotty			
01	123	Waste removal	400.00		
01	135	House lifting/moving			
01	140	Equipment/tool rental			
01	999	Miscellaneous			
		Subtotals	2,365.00		
		FOUNDATION			
02	001	Foundation- Labor			
02	010	Foundation-Materials			
02	015	Foundation-Subcontractor			
02	020	Excavation-Materials			
02	022	Excavation-Equipment			
02	025	Excavation-Subcontractor			
02	035	Utilities-Subcontractor			
02	999	Miscellaneous			
		Subtotals			
		FRAMING			
03	001	Framing- Labor			
03	002	Framing- Equipment			
03	010	Floors-Materials			
03	015	Framing-Subcontractor			
03	020	Framing Materials			
03	040	Fasteners-Materials			
03	999	Miscellaneous			
		Subtotals			
		EXTERIOR			
04	001	Exterior Finish- Labor			
04	005	Exterior Finish-Subcontractor	4,240.00		
		Paint exterior house/garage (LBP)		3,600.00	estimate
		Install and repair windows		320.00	1 MD
		Install exterior doors		320.00	1 MD
04	010	Windows-Materials	1,000.00		

				As of	
		Project Name: CDBG Rehab			
		Project Address:			
			Example		
		PROPERTY ACQUISITION	84,000		
		CLOSING COSTS	2,000		
04	020	Exterior doors-Materials	400.00		
04	030	Roofing-Materials			
04	035	Roofing-Subcontractor (House)	2,600.00		estimate
04	040	Exterior trim-Materials			
04	050	Soffit/facia-Materials			
04	060	Siding-Materials			
04	070	Replace Gutters	400.00		
	080	Steps/Deck-Materials			
	999	Miscellaneous			
		Subtotals	8,640.00		
05		INTERIOR FINISH			
05	001	Interior Finish- Labor			
	005	Interior Finish-Subcontractor	2,240.00		
		Install new kitchen/bath cabinets		640.00	2 MD
		install interior doors		320.00	1 MD
		frame mechanical room/door		320.00	1 MD
		frame BR closet/bathroom		320.00	1 MD
		frame laundry closet		320.00	1 MD
		dry wall repairs/finish		320.00	1 MD
05	015	Electrical-Subcontractor	1,200.00		
		install smoke alarm circuit		1,200.00	
05	025	HVAC-Subcontractor	3,600.00		
		install new furnace/change ducts		3,600.00	
	035	Plumbing-Subcontractor	4,800.00		
		pressure test plumbing and repair			
		install water heater			
		install kitchen sink			
		install bathroom fixtures			
		replumb laundry closet			
		repair handyman plumbing			
05		Insulation-Materials			
05	040	Insulation-Subcontractor	1,200.00		
		blow in additional ceiling R-38		600.00	
		insulate crawl space and rim joists		600.00	
05	045	Drywall-Materials	120.00		
05	050	Drywall-Subcontractor			
05	055	Tape/Texture-Materials			
05	060	Tape/Texture-Subcontractor			
05	065	Paint-Materials			
05	070	Paint-Subcontractor	2,400.00		
05	075	Flooring-Materials	200.00		
		kitchen sub flooring		200.00	
05	080	Flooring-Subcontractor			
05	085	refinish 765 sqft hardwood floors	2,100.00		
		vinyl 235 sqft kitchen, bathroom	600.00		
05	090	Interior trim-Materials			
		7 interior doors	420.00		
05	100	Bathroom Access-Materials	200.00		
05	110	Cabinets/Counter tops-Materials	2,800.00		
05	120	Light fixtures-Materials	300.00		
05	130	Appliances-Materials	1,500.00		

Exhibit 10-1

CDBG Non-Competitive Rehabilitation Project Budget	
Property Address:	
PROJECT ADMINISTRATION	
Personnel	
Professional Services	
Accounting/Auditing	
Travel	
Training	
TOTAL PROJECT ADMINISTRATION COSTS	
PROPERTY ACQUISITION	
Purchase Existing Structure	
Inspections for acquisition	
TOTAL ACQUISITION COSTS	
CONSTRUCTION/REHAB	
New Construction	
Demolition (only eligible in conjunction with new construction)	
Rehabilitation	
Inspections: pre-construction and post-construction	
Contingency	
Homeowner Counseling Costs	
TOTAL CONSTRUCTION/REHAB	
TOTAL ACTIVITY COSTS	
GRAND TOTAL PROJECT COSTS	

Exhibit 10-J

Community Development Block Grant (CDBG) Non-competitive Housing Rehab Program

PROJECT IMPLEMENTATION SCHEDULE <property address>

Please complete the following chart as it applies to your project activity

TASK	
<u>PROJECT IDENTIFICATION AND ASSESSMENT</u>	
Documentation of eligibility of unit	Month/year
Income verification completed	Month/year
Voluntary agreement of participation in the program executed with owner	Month/year
Uniform General Information Notice sent	Month/year
Environmental Site Specific Checklist	Month/year
Receive environmental release and notice to reserve funds	Month/year
All Start Up conditions (civil rights, program income plan & all Chapter 1 requirements)	Month/year
Submit Project Request form	Month/year
<u>PROJECT IMPLEMENTATION</u>	
Property Inspection completed	Month/year
Voluntary agreement for construction executed with owner	Month/year
Procurement for Rehab to be completed	Month/year
Debarment of contractor(s)	Month/year
Confirm Davis-Bacon wage rates (when applicable)	Month/year
Begin rehab work	Month/year
Labor Standards reporting (when applicable)	Month/year
Rehab work completed	Month/year
Inspection of final work completed	Month/year

Submit draw down requests for eligible expenses	Month/year
Submit necessary project reports	Month/year
<u>PROJECT CLOSEOUT</u>	
Submit closeout reports / final draw	Month/year
Submit program income report(s)	Month/year

Exhibit 10-K

GUIDEFORM GENERAL INFORMATION NOTICE RESIDENTIAL TENANT WHO MAY BE DISPLACED (NSP)

Grantee or Agency Letterhead

(date)

Dear _____:

_____ (City, County, State, Public Housing Authority (PHA), other) _____, is interested in _____ (acquiring, rehabilitating, demolishing) _____ the property you currently occupy at _____ (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) Program.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under federal laws known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and section 104(d) of the Housing and Community Development Act of 1974, as amended. You may be eligible for relocation assistance and payments under either the URA or section 104(d), if the proposed project receives HUD funding and if you are displaced as a result of acquisition, rehabilitation, demolition or conversion for the project.

- **This is not a notice to vacate the premises.**
- **This is not a notice of relocation eligibility.**

If you are determined to be eligible for relocation assistance in the future, you may be eligible for: 1) Relocation advisory services including help to find another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent or purchase a comparable replacement home. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochures, "Relocation Assistance To Tenants Displaced From Their Homes" and "Relocation Assistance to Persons Displaced from Their Homes (section 104(d))" provide an explanation of this assistance and other helpful information.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance under the URA, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move for reasons unrelated to the proposed project or if you are evicted for cause prior to receiving a formal notice of relocation eligibility, you will not be eligible to receive relocation assistance. It is important for you to contact us before making any moving plans.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact (name)_____, (title)_____, (address)_____, (phone)_____.

=====

NOTES to Guideform General Information Notice

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3 J of Handbook 1378)
2. This is a guideform. It should be revised to reflect the circumstances.

Exhibit I0-M

[business letterhead]

VOLUNTARY AGREEMENT (to be used for homebuyer rehabilitation assistance)

I/We, the undersigned, (printed name of owner/s) of the following property:

(description by general location and address)

do hereby voluntarily agree to participate in the housing rehabilitation program, and is being assisted by the Community Development Block Grant (CDBG) through the (name of Grantee's program). These CDBG funds will be used to complete rehabilitation activities beginning on (date of construction estimated to begin), and acknowledge that the program will place a lien on my/our property at (address) for (#) number of years according to the period of affordability.

With the signing of this agreement by the owner, I/We (printed name of owner/s) acknowledge that:

- Housing counseling is required to receive assistance under this program and a certificate of completion will be required prior to construction work beginning,
- All rehabilitation work will be carried out through the CDBG program processes and grant administrator,
- An inspection will be completed and report provided to the owner prior to any construction work beginning,
- A detailed list of items that will be rehabilitated will be provided and signed prior any construction work beginning,
- An inspection will be completed and report provided to the owner to ensure that all rehabilitation work is completed according to national and international building codes,
- Signature of acknowledgement of inspection report must be provided to grant administrator,
- Once the inspection has been completed, any further maintenance or upgrades on the property remains the sole responsibility of the owner.

I/We understand that I/We cannot be required to sell the (property description) to (printed buyer's name) for less than the appraised Fair Market Value.

Owner(s)

CHDO

Exhibit 10-N

GUIDEFORM
- CDBG VOLUNTARY ACQUISITION OF VACANT PROPERTY -
- Informational Notice -
(Agencies/Persons **Without** Eminent Domain Authority)

Grantee or Agency Letterhead

(date)

Dear _____:

(Name of Agency/Person) _____, is interested in acquiring property you own at (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant Program (CDBG).

Please be advised that (Name of Agency/Person) _____ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

Under the CDBG program, we are required to purchase the property at fair market value. Our appraisal indicates the property's market value is \$_____. We are prepared to offer you \$_____ to purchase your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for a federally-assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If your property is currently tenant-occupied or a tenant lawfully occupied your property within the past 3 months prior to our offer, we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____, (address) _____, (phone) _____.

NOTES to Voluntary Acquisition Notice (Agency/person without Eminent Domain authority).

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3 J of Handbook 1378)
2. Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2(a)(15)(iv) – Initiation of negotiations, and 49 CFR 24 Appendix A - 24.2(a)(15)(iv).
3. See 49 CFR 24.206 regarding eviction for cause.
4. This guideform may only be used if all of the requirements of 49 CFR 24.101(b)(2)(i) and (ii) or 49 CFR 24.101(b)(3) are met.
5. This is a guideform. It should be revised to reflect the circumstances.

Exhibit 10-O

GUIDEFORM

- VOLUNTARY ACQUISITION OF FORECLOSED PROPERTY -

- Informational Notice -
(Agencies With Eminent Domain Authority)

Grantee or Agency Letterhead

(date)

Dear _____:

(City, County, State, other) _____, is interested in acquiring property you own at (address) _____ for a project receiving funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant Program (CDBG).

Please be advised that, (City, County, State, other) _____ possesses eminent domain authority to acquire property, however, in the event you are not interested in selling your property, or if we cannot reach an amicable agreement for the purchase of your property, we will not pursue its acquisition under eminent domain. Your property is not a necessary part of the proposed project and is not part of an intended, planned, or designated project area where substantially all of the property within the area is to be acquired.

Under the CDBG, we are required to purchase the property at fair market value. Our appraisal indicates the property's market value is \$_____. We are prepared to offer you \$_____ to purchase your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. A tenant-occupant who moves as a result of a voluntary acquisition for a federally-assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If your property is currently tenant-occupied or a tenant lawfully occupied your property within the past 3 months prior to our offer, we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____, (address) _____, (phone) _____.

NOTES to Voluntary Acquisition of Foreclosed Property Informational Notice

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3 J of Handbook 1378)
2. Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2(a)(15)(iv) – Initiations of negotiations, and 49 CFR 24 Appendix A - 24.2(a)(15)(iv).
3. See 49 CFR 24.206 regarding eviction for cause.
4. This guideform may only be used if all of the requirements of 49 CFR 24.101(b)(1)(i)-(iv) are met.
5. This is a guideform. It should be revised to reflect the circumstances.