

CITY OF AINSWORTH COMMUNITY HOUSING REHABILITATION PROGRAM GUIDELINES

PURPOSE

It is the main goal of the City of Ainsworth Housing Rehabilitation Program to assist low-income persons of this community in improving the health and safety of their living conditions through housing rehabilitation. It is also an important goal to increase the number of good, habitable dwelling units and improve the housing stock by providing low-interest loans to homeowners to rehabilitate their housing units. The program will prevent the spread of blight and its influence, provide assistance to those persons of the greatest need, improve the availability and desirability of housing in this community, discourage the abandonment or neglect of residential dwelling units, promote continued home ownership, increase the attractiveness of existing neighborhoods, and increase local employment. This program will be operated by the City of Ainsworth through its five (5) member City of Ainsworth Housing Rehabilitation Board (AHB). This board is responsible for the establishment of the following guidelines.

This program is in compliance with the Fair Housing Act. The City of Ainsworth will comply with the following Sections of the Fair Housing Act and the following regulations:

Sec. 818. [42 U.S.C. 3617] Interference, coercion, or intimidation; enforcement by civil action. The City of Ainsworth's housing rehabilitation program does not coerce, intimidate, threaten, or interfere with any person seeking housing rehabilitation funds from the City of Ainsworth. The City of Ainsworth does not discriminate when loaning housing rehabilitation funds based on race, color, religion, sex, handicap, familial status, or national origin and has in fact adopted a Fair Housing Resolution. The City of Ainsworth will follow the following CFR regulations for implementing the Fair Housing Act for HUD funded programs:

Title 24 CFR 100 Subpart C provides the City of Ainsworth's housing rehabilitation program with interpretations of conduct that is unlawful under section 805. The City of Ainsworth will follow these interpretations when providing financial assistance for the rehabilitation of a dwelling. The City of Ainsworth does not discriminate when loaning rehabilitation funds based on race, color, religion, sex, handicap, familial status, or national origin and has, in fact, adopted a Fair Housing Resolution.

Title 24 CFR 100 Subpart D provides the City of Ainsworth's housing rehabilitation program with guidance to permit handicapped persons reasonable modifications of the existing dwelling that is being rehabbed.

Title 24 CFR 100 Subpart F provides the City of Ainsworth's housing rehabilitation program with guidance of conduct that is unlawful under Section 818 of the Fair Housing Act.

Title 24 CFR 107 is used to take action necessary and appropriate to prevent discrimination because of race, color, religion, sex, handicap, familial status, or national origin. Under this section the City of Ainsworth insures that all legal documents contain provisions regarding discrimination. The City of Ainsworth maintains racial, national origin and sex data required by the department in connection with its programs.

Title 24 CFR 110 sets forth regulations regarding the purpose and location of posters. The City of Ainsworth has its posters prominently displayed, and of proper size, so they can be read by all persons seeking housing. The City of Ainsworth's letterhead and all housing brochures bear the Fair Housing Logo.

1.0 APPLICANT ELIGIBILITY

1.1 General (Conflict of Interest)

No member of the governing body, official, employee, agent or member of their immediate family of the City of Ainsworth who exercises policy, decision-making functions or responsibilities in connection with the planning and implementation of the Housing Rehabilitation program shall directly or indirectly benefit from this program, unless the Nebraska Department of Economic Development (NDED) has granted written exception to that member. This prohibition shall continue for one year after an individual's relationship with the City of Ainsworth ends. Any other employee, officer, or board member may be eligible, but will be treated no differently in the determination of applications accepted for funding. Enclosed with this person's application shall be a statement of disclosure, which outlines the nature of possible conflict and a description of how the public disclosure was made. Included will also be verification that the affected person has withdrawn from the active involvement in any Housing Rehabilitation grant related issues.

1.2 Income Eligibility

Those persons receiving assistance under this program will be of low to very low income by standards established by the Department of Housing and Urban Development (HUD) for lower-income assisted housing. These limits will be updated within 30 days of US Census or HUD notification of a revised median income for this area. Income eligibility, through the use of 3rd party verifications, will be determined using the Anticipated Annual (Gross) Income Definition found at 24 CFR 5.609.

2.0 PROPERTY ELIGIBILITY

2.1 Location

The housing units to be rehabilitated will be located within the City limits of the City of Ainsworth and are subject to limitations set by individual NAHP grant rules. The units must also abide by all other policies set forth in these guidelines.

2.2 Unit Characteristics

Only owner-occupied, single family housing units, which are currently in a substandard condition, will be eligible for rehabilitation. Mobile homes, housing connected to other space used for commercial purposes, and rental properties are not eligible for assistance. Duplexes are eligible for assistance if one unit is owner-occupied and rent is charged for the other half of the duplex, which counts toward the applicant's household income. Land contracts or real estate contracts are not eligible for the housing rehabilitation program. Homeownership is determined by obtaining and reviewing a copy of the filed property deed. The homeowner is responsible for the completion of the Homeowner Property Title Verification Form included in the application.

2.3 Taxes

Property taxes must be paid current at the time that the City of Ainsworth and the homeowner sign the housing rehabilitation agreement. Property taxes must be kept current throughout the homeowner's loan or forgivable loan repayment period in order to remain eligible for the program.

2.4 Insurance

Owner-occupants are required to carry a basic property insurance policy of at least eighty percent (80%) of the unit's replacement cost. Units located in a designated special flood hazard must also be covered by flood insurance. Any insurance payment of a claim over \$1,000 will require a review of the AHB. The above-referenced insurance coverage(s) must be carried on the unit for the entire duration of the rehabilitation loan term. The City of Ainsworth will be named loss-payee on all insurance policies.

3.0 MINIMUM HOUSING REHABILITATION STANDARDS/CODE ENFORCEMENT

3.1 Condition

At the completion of rehabilitation, units will comply with local Housing Codes and NDED Minimum Rehabilitation Standards – whichever requires the higher standard. The unit's condition must be such that it can be rehabilitated at a reasonable cost.

3.2 Lead-Based Paint Hazard Evaluation and Reduction

1. For work under \$5,000 – “Do No Harm”

Safe work practices must be followed for all rehabilitation activities, and paint disturbed during the rehabilitation project must be repaired. Clearance of the worksite must be performed.

2. For work between \$5,000 and \$25,000 – Risk Assessments and Interim Controls

Interim controls must be performed on hazards identified by the risk assessment and paint disturbed during the rehabilitation project must be repaired. Interim controls include paint stabilization, dust removal, preventive maintenance that keeps lead hazards from developing, treating some or all friction and impact surfaces, and covering contaminated bare soil. If there is more than 9 ft² of bare soil, which has not been tested, soil treatment is required. (24 CFR 35.1330). Bare soil can be covered with appropriate treatments such as gravel, wood chips, sod or permanent covering.

OR Presume Lead and Perform Standard Treatments

If lead-based paint and/or lead-based paint hazards are presumed or exist, standard treatments must be carried out for the entire unit. Standard treatments include:

- paint stabilization;
- making horizontal surfaces smooth and cleanable;
- correction of dust generating conditions;
- treatment of bare soil exceeding 9 ft²;
- safe work practices while the work is being performed; and
- the unit must pass clearance.

Workers performing interim controls and standard treatments must be trained or supervised by either a lead-based paint abatement contractor/supervisor or by someone who has successfully completed one of the following courses:

- Lead-based paint abatement contractor/supervisor course in accordance with 40 CFR 745.225;
- Lead-based paint abatement worker course accredited in accordance with 40 CFR 745.225;
- *The Lead-Based Paint Maintenance Training Program – Work Smart, Work Wet and Work Clean to Work Safe*, by the National Environment Training Association for EPA and HUD;
- *The HUD/NARI Lead Remodeler’s Training Program*, prepared by HUD and the National Association of the Remodeling Industry;
- Other HUD-approved state or local course (after consultation with EPA); or
- EPA-funded Renovation and Remodeling Course

3.3 For work over \$25,000 – Interior Risk Assessment and Abatement and Exterior Stabilization

Surfaces painted with lead-based paint that is disturbed during rehabilitation and those hazards identified by the risk assessment must all be abated. Abatement includes removing lead-based paint from surfaces, enclosure methods, removing and replacing components painted with lead-based paint and removing and replacing contaminated bare soil exceeding 9 ft² in area. Abatement methods that last 20 years are considered to be permanent.

Interim controls may be performed on exterior surfaces if those surfaces are not undergoing rehabilitation.

OR Presume Lead and Perform Full Abatement

If you presume the presence of lead-based paint and/or lead-based paint hazards, the surfaces being disturbed during rehabilitation and all applicable surfaces – deteriorated, friction, impact and accessible (chewable) surfaces and bare soil surfaces in excess of 9 ft² - must be abated.

3.3 Relocation Policy

The Program will pay up to \$500 for out of pocket expenses, if it is deemed necessary through the Risk Assessment, that temporary relocation is mandatory during rehab to ensure the health and safety of the residents. The owner-occupant must provide receipts and the receipts must be reviewed and approved by housing administrator in order for the owner-occupant to be reimbursed.

3.4 Environmental Concerns

Agencies requiring compliance with historic designations, floodplains, archeological significance, etc will be consulted prior to action or rehabilitation being implemented on any unit. A unit determined by such agencies to have compliance issues will be rehabilitated only in accordance with predetermined guidelines for such actions.

4.0 TYPES OF IMPROVEMENTS

4.1 All units must be improved to meet the NDED Minimum Rehabilitation Standards at the completion of rehabilitation. The following listed items are eligible expenditures to bring a unit up to Minimum Rehabilitation Standards:

Structural Repairs to:

Foundations
Sagging or rotting beams, joists, columns
Stairs and porches
Roofs and chimneys
Floors

General Interior Renewal and Modernization:

Wall, ceiling and floor repair
Painting and paneling
Room rearrangement
Additions to alleviate overcrowding conditions

Modernization of:

Plumbing and plumbing fixtures
Furnace and water heaters
Lighting and wiring

Energy Conservation and Weatherproofing, including:

Ceiling and wall insulation
Window and door repair or replacement
Caulking and weather-stripping
Installation of storm windows and doors
Roof covering removal and installation
Siding and trim painting or replacement

Lead-Based Paint Hazard Control:

Lead-based paint removal or remediation will be completed in accordance with HUD's Lead Safe Rule.

Hazardous Conditions:

Hazardous conditions are subjective, but generally are defined as urgent health and/or safety issues as determined by the Housing Specialist on a case-by-case basis.

The correction of Minimum Rehabilitation Standard deficiencies is given top priority in the rehabilitation process.

The following items will be included in the rehabilitation work if funding is available and these items contribute to the health, safety and/or well-being of the occupant, or the items contribute to the structural integrity or long-term preservation of the unit:

- a) handicap accessibility items
- b) painting
- c) paneling
- d) carpeting
- e) improving clothes closets or shelving
- f) improving kitchen cabinets
- g) air conditioning
- h) Sidewalk repair

5.0 TYPES OF FINANCIAL ASSISTANCE

5.1 Loan Program

An applicant's gross annual income and net worth of assets will be calculated based upon the Technical Guide for Determining Income and Allowances for the HOME Program, Second Edition, Chapter Three – Calculating Annual (Gross) Income. An Annual Income Worksheet based upon the applicant's anticipated gross annual income will be created and appropriate loan level determined. The maximum interest rate for the program is six percent (6%).

The housing administrator will provide current income thresholds to the applicant. These thresholds are set annually by HUD. Current income thresholds can be found at www.hudclips.org.

The loan programs are as follows:

- **Level A:** (66% - 80% of median) consists of a 2% interest rate loan for 100% of rehabilitation costs. The loan term is up to 20 years (240 payments).
- **Level B:** (51% - 65% of median) consists of a 1% interest rate loan for 100% of rehabilitation costs. The loan term is up to 20 years (240 payments).

- **Level C:** (50% or less of median) consists of a 0% interest rate loan for 100% of rehabilitation costs. The loan term is up to 20 years (240 payments).
- **Level D:** (Age 62 or older and 50% or less of median) consists of a 0% interest rate forgivable loan for 100% of rehabilitation costs. This loan will be forgiven at a rate of 1/10 of the principal per year starting from the date the rehabilitation work was completed and the loan paperwork and amortization schedule have been generated. The loan term is 10 years (120 forgivable payments).

The maximum loan amount of \$20,000.00 can be waived by the AHB after consideration of all relevant information. Although decisions of the AHB in such cases are based upon some subjective considerations, there must be a sound factual basis for the AHB to approve expenditures of more than \$20,000.00 per dwelling unit. Such decisions shall be made only upon recommendation of the Housing Specialist who must ensure that adequate documentation is in the file to show the rationale behind such decision.

A Deed of Trust, in the amount equal to the loan amount will be placed upon the property at the time that the homeowner(s) signs the promissory note. This lien, in favor of the City of Ainsworth, will take a subordinate position to all existing liens. At the request of the borrower, future equity loans that require a release or subordination of the City lien will require the balance to be paid off unless the AHB board receives a written explanation of need and issues a waiver of this clause. All subordinations must require an 80% loan-to-value (LTV) ratio. The homeowner will be required to pay all closing and filing costs associated with the refinance and subordination. The AHB will determine whether a request for loan subordination is approved or denied.

In the event that the borrower(s) or his/her heirs shall sell or transfer said property, the net sale proceeds, less the owner's equity established at the time of application, and less all other superior loans and liens on the property will be applied to satisfy the unpaid balance of the loan. In the event that the unit becomes non-owner occupied, is vacant for a period of more than 90 days, or is converted to rental property, the loan is due and payable within 90 days of such event. The Housing Specialist may re-inspect the property, at any time throughout the duration of the loan term, to ensure that the property is the borrower(s)' primary residence.

In the case of unforeseen hardship or incapacitation, loan recipients may request a review of their annual gross income and repayment ability. The Housing Specialist, on a case-by-case basis, may recommend to the AHB an adjustment of the terms of the rehabilitation loan, such as forgiving accrued interest or adjusting the terms of the loan and/or interest rate until such time as the crisis has passed and the recipient is able to commence their regularly scheduled payment. It is the sole responsibility of the loan recipient to ask for such review of their income and to provide documentation of the hardship.

5.2 Loan Payments

Loan recipients who are to make payments to the City of Ainsworth are required to use the Automated Clearing House (ACH) method for monthly loan installments. Recipients are required to fill out and submit the ACH form to the City of Ainsworth, thus authorizing this payment method. Payments will start on the 1st of the month, as indicated in the loan closing documents.

Late Payments: If the principal of the Note is not paid during the calendar month which includes the date due, the loan recipient shall pay a \$10.00 late fee per calendar month. If a loan payment is late on three occasions, the loan will be in default.

5.3 Periodic Income Review

The City of Ainsworth reserves the right to perform periodic income reviews of all loan recipients. Upon notification by letter, the recipient(s) will be required to submit all requested information by the deadline listed in the letter. The information will be reviewed in accordance with current HUD income guidelines to determine if the recipient(s) still qualify for the same program level. Those recipients who no longer qualify at the same level will receive new loan paperwork and amortization schedule, and they will be notified by letter of their new loan payment amount. Recipients who are determined to be over program Level A will be required to repay the loan at 6% interest for a term of up to 20 years. If a recipient fails to submit the required information in a timely manner, the AHB will review the case and determine appropriate action.

5.4 Leveraged Income Sources

Additional funding may be available for applicants through other sources, such as USDA Rural Housing Programs: Direct Loan Program (Section 502), Home Repair Loan and Grant Program (Section 504), Nebraska Energy Office Low Interest Loan, Goldenrod Hills Community Services Weatherization Program and Central Nebraska Community Services Programs and Making Homes Accessible. The Housing Specialist will determine possible eligibility and assists applicants in securing funding through these programs. Participation in these programs is strongly encouraged

and may be required. If USDA Home Repair Loan and Grant Program (Section 504) funds are available at the rehab project start date, these funds will be utilized before any Nebraska Affordable Housing Program (NAHP) funds are utilized.

5.5 Economic Feasibility for Rehabilitation

If it is determined that the cost of rehabilitation of a unit is so great that the expenditure of program funds upon it is not justified, the project is deemed not economically feasible. The determination shall be made by the AHB after reviewing the opinion of the Housing Specialist.

A unit is generally not economically feasible for rehabilitation if any of the following criteria apply (criteria are intended as a guide and not as absolute determinants):

1. The estimated cost of rehabilitation exceeds \$20,000.00
2. The estimated cost of rehabilitation exceeds \$20 per square foot of floor space (considering livable floor space of the entire unit).

If the unit exceeds any of the above listed criteria, the AHB shall review the application. The AHB render one of the following decisions:

1. The project is deemed not economically feasible and ineligible for funding. If the AHB renders the decision of not economically feasible, the applicant may request reconsideration at which time he/she may present evidence in favor of the project.
2. The project may be approved with a funding limitation for energy efficiency or/and health or safety factors. Funding limitation and unit would still meet HQS/NDED rehabilitation standards.
3. The project may be delayed for further study and possible consideration.
4. If the project is deemed not economically feasible, the AHB will consider utilizing the funds for demolition of the unit, temporary relocation and down payment assistance for either an existing unit in the community or for new housing construction at the existing unit location or within the City limits. Newly constructed homes will meet or exceed the 2003 International Energy Conservation Code. Building specifications must be approved by the Nebraska Energy Office

5.6 Per Unit Rehabilitation Limitations

1. The estimated cost of the rehabilitation will not exceed the maximum per unit NAHP subsidy as found on the NDED website.
2. The after-rehabilitation value can not exceed the Section 203(b) Single Family Mortgage Limit as found on the NDED website.

5.7 Foreclosure

Lender shall give the notice in writing to Borrower(s) following Borrower's breach of any covenant or agreement in the Note and the Deed of Trust of which it secures. The notice shall specify (a) the default, (b) the action required to cure the default, (c) a date not less than thirty (30) days from the date the notice is given to Borrower(s) by which the default must be cured and (d) failure to cure the default on or before the date specified in the notice may result in acceleration of the sum secured, the deed of trust and resale of the property. Upon acceleration of the sum secured and resale of the property, the City of Ainsworth shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale including, but not limited to, City of Ainsworth's fees as permitted by Nebraska law and reasonable attorney fees; (b) to all sums secured by this security agreement; and (c) any excess to be recaptured by the City of Ainsworth.

6.0 LOAN CLOSING

6.1 Pre-Construction Loan Documents

The Housing Specialist prepares the pre-construction loan closing documents. The following documents are executed by the borrower:

A. Rehabilitation Loan Agreement

B. Memorandum of Understanding

- C. Notice of Right of Rescission
- D. Acknowledgment

- E. Deed of Trust
- F. Promissory Note
- G. Loss Payee Request
- H. Primary Residence Certification Form

Upon signing of the above-listed documents, the Deed of Trust is filed at the Register of Deeds Office in the county in which the unit is located.

6.2 Post-Construction Loan Documents

Upon completion of construction, the Housing Specialist determines the final dollar amount spent. Loan closing paperwork is prepared and the borrower executes the following documents:

- A. Regulation Z Loan Disclosure
- B. Promissory Note

The filed Deed of Trust, from the pre-construction closing, establishes a lien against the unit, which is maintained until the loan is paid in full or the unit is sold or conveyed in any manner to another party/entity. If the loan is paid off, or the unit is sold or conveyed to another party/entity, a Deed of Reconveyance is filed at the Register of Deeds Office in the county in which the unit is located, thus removing the lien established by the filed Deed of Trust.

6.3 Close Out

The City shall maintain and keep all applications as well as all other required documents, records and other evidence in conformance with NAHP regulations.

7.0 APPLICATION PROCESS

7.1 Application

In order to obtain an application, the applicant must call or visit the City Office, or contact the City of Ainsworth's housing administrator. The application will consist of sections regarding family size and composition, income, legal description of property and net worth. During the application review, staff will recommend and refer those applicants who qualify for other programs, to agencies such as Goldenrod Hills' weatherization program, Central Nebraska Community Services' rehabilitation program and USDA Rural Development Housing Loans

7.2 Return Beneficiaries

Owner-occupants are eligible to come back into the program on a unit that was rehabilitated, provided that the owner-occupant(s) have not received the maximum subsidy allowed. If an owner-occupant requests additional funding, priority is given to units that have not already received funding. Owner-occupants, who satisfy current program requirements and move in to another unit in the community, will be considered eligible for the program on a case-by-case basis.

7.3 Preliminary Inspection

Once income eligibility has been determined, the applicant will be contacted by the Housing Specialist to arrange a time to conduct the preliminary inspection. At the time of the preliminary inspection, the Housing Specialist will obtain any additional information needed to complete the application process. The Housing Specialist performs the preliminary inspection to provide more specific information for the Work Write-Up form. The Work Write-Up form is a detailed listing of all improvements to be made to the unit. It enumerates all materials, labor needed, and the estimated cost of materials/labor. The preliminary inspection provides the AHB with a good indication of whether the house is economically feasible for rehabilitation, the extent of repairs needed and an estimated cost of these repairs.

7.4 Procedure for Approval or Denial

Completed applications will be presented to the AHB in the order in which they are received. Applications will not be presented to the AHB until the applicant has signed the Housing Rehabilitation Guidelines Acknowledgment form and it has been returned to the Housing Specialist. The application is then reviewed and approved/denied by the City council based upon the recommendations of the AHB. Approved applicants

are notified in writing. Denied applicants are notified in writing with an explanation of why the unit was not selected.

8.0 CONSTRUCTION PROCESS

Upon decision by the AHB to fund a rehabilitation projects and based upon the priority ranking, the following steps will be taken:

1. After the preliminary inspection, the Housing Specialist prepares a Work Write-Up of improvements along with a cost estimate. A copy of the Work Write-Up is sent to the applicant for his/her approval and signature.
2. Applicant signs the Work Write-Up form indicating that he/she understands the work that the City is funding and cost limitations.
3. Applicant obtains a minimum of two official bids of contracted work to be performed. At the request of the applicant, the Housing Specialist may assist the applicant in obtaining these bids. All work must be performed according to specifications prepared by the Housing Specialist. Contractors are required to provide proof of worker's compensation insurance and general liability insurance in the amount of \$500,000.00, in addition to furnishing the Housing Specialist with two verifiable references from prior rehabilitation/remodeling jobs that have been satisfactorily completed.
4. Homeowner selects a contractor from bids received. The Housing Specialist approves all bids before any work commences. The City will only fund the dollar amount of the accepted/approved bid. All charges above and beyond the accepted/approved bid can only be funded if an approved Change Order form (provided in the contract as Appendix D) is executed and adequate funding is available. The Change Order form must be signed by the homeowner, the contractor and the Housing Specialist. If a Change Order is not executed and/or funding is not available, the additional charges are the responsibility of the homeowner.
5. The Housing Specialist enters into a loan agreement with the applicant. No action is taken by program staff until the Right of Rescission period (not less than 3 business days) has expired. After that time, housing staff will file all necessary liens, etc.
6. A pre-construction conference is held with the applicant and selected contractor(s), at which time the applicant and contractor enter into a contract. The original contract is filed with the Housing Specialist. Only contracts prepared and approved by the City of Ainsworth's housing administrator will be accepted.
7. The Housing Specialist issues the Notice to Proceed (Appendix E) to the contractor.
8. The contractor(s) perform work and documented inspections are performed throughout the project by the Housing Specialist. As work progresses, the Housing Specialist will perform frequent unscheduled inspections.
9. Contractors are paid on a monthly basis by the City unless otherwise notified. To receive payment, contractors are required to submit a Payment Voucher Form (provided in the contract as Appendix F) and an original invoice to the homeowner who must sign the Payment Voucher Form. The Payment Voucher Form is then filed with the Housing Specialist. Upon approval by the Housing Specialist, the City of Ainsworth will issue a check payable to the contractor and mail it directly to the contractor. No payment will be made for materials that are stored on site. The Housing Specialist can authorize payment to the contractor, without prior approval of the homeowner, if an inspection of the work is completed and it is determined by the Housing Specialist that the work meets project specifications and NDED Minimum Housing Standards.

10. Change Order: If necessary, a Change Order form is completed if changes in the scope of work are agreed upon subsequent to contract signing. These written change orders require concurrence of the Housing Specialist, the homeowner, and the contractor.
11. The Housing Specialist will perform a final inspection to ensure that all repairs have been completed according to contract specifications. Upon completion of this final inspection, the Housing Specialist and the homeowner(s) will sign the Certificate of Final Inspection / Acceptance of Work (Appendix H). If the Housing Specialist determines that the work has not met contract specifications or NDED Minimum Rehabilitation Standards, the contractor is not approved for final payment. The Housing Specialist conducts a meeting with the homeowner and contractor at which time a list of necessary corrections/modifications is discussed. The Housing Specialist allows a specific amount of time for the contractor to make the corrections/modifications. If the corrections/modifications are not made by the contractor within the timeframe agreed upon, the Housing Specialist will hold payment in the dollar amount of the items that do not meet NDED Minimum Rehabilitation Standards. This dollar amount will be made available to the homeowner to pay for another contractor or for a Self-Help Contract to make the corrections/modifications.
12. Final pay request is filed. The contractor must file a Lien Waiver (provided in the contract as Appendix G) with the final Payment Voucher Form.
13. Final payment to the contractor is made.
14. The contractor is required to warranty all workmanship for a period of one (1) year from the date of work completion. The contractor will forward all material warranties to the homeowner upon completion of work. Once the Certificate of Final Inspection / Acceptance of Work (Appendix H) has been signed by the homeowner(s) and Housing Specialist, all discrepancies or disputes in regard to completed work / warranties shall be resolved between the contractor and the homeowner(s).

9.0 GRIEVANCE PROCEDURES

In the event that an applicant feels that he/she has been unfairly treated or discriminated against during the process of selection of projects to be funded, or during any other process of the housing rehabilitation program, he/she may appeal the Housing Specialist's decision to the AHB for their consideration. The written appeal must be received by the mayor of the AHB within 14 calendar days of the Housing Specialist's decision. The AHB will then act to support or overturn the Housing Specialist's action within 30 calendar days of the receipt of the written appeal. The AHB has final authority in the consideration of an appeal.

10.0 AMENDMENTS TO THE GUIDELINES

In an ongoing effort to improve the quality of the City of Ainsworth Housing Rehabilitation Program, the AHB will accept suggestions from the public, program participants, contractors, program staff, or members of the AHB with regard to program guidelines amendments. All suggestions received will be taken under consideration by the AHB. Upon approval of NDED and adoption by the AHB and the City of Ainsworth, the amendment will be included in the program guidelines.

11.0 OFFICIAL CONTACT OFFICE

The place of contact for this program shall be the Ainsworth City office. Any grievances, suggestions, or requests for information should be directed to this office. This in no way shall be construed to limit other interested parties from distributing information about the program or receiving suggestions for amendments to the program. All grievances shall be directed to the City Clerk's office in writing.

12.0 LEAD BASED PAINT BROCHURE

Program participants shall receive, as part of the application packet, a copy of the HUD brochure on lead-based paint. The receipt of this brochure by the program participant shall be documented.

13.0 INCOME VERIFICATION

For the purpose of confidentiality, a statement by the Housing Specialist that he/she has been presented with adequate documentation to verify that the program participants are low income as defined by HUD shall be deemed sufficient to document low income status.

14.0 PROGRAM INCOME REUSE PLAN

A need for continued housing rehabilitation may exist in the area after the grant period has ended; therefore, it is planned for the program to remain in effect for future rehabilitation needs. With the additional support of the City of Ainsworth and the AHB, the program will be in existence for an undetermined number of years. Program income (reuse funds) generated through the repayment of loans and interest earned will be used, after the grant period has ended, to continue the housing program or other eligible HUD Housing Development activities including acquisition and demolition needed for replacement housing. Acquisition and demolition may include occupied or vacant properties. A property owner may choose to participate in the demolition only of the substandard structure, maintaining title to the property. A willing seller may negotiate a purchase price with the City of Ainsworth and AHB. Title of the property will then be transferred to the City of Ainsworth, which will have all substandard structures demolished and removed using program income funds and in-kind contributions. The City of Ainsworth may then sell it on the open market for sealed bids or at public auction. The proceeds from the sale will be used to continue the housing rehabilitation program. Any demolition that triggers replacement will be followed by a new unit in the service area within 12 months. Program income may also be utilized for surveys, site-specific studies, and other housing-related activities, which will help continue and further housing development in the service area. Further loans at the 2 percent interest rate will be made to those persons having an income not greater than 80% of the median income of the county in which they reside by Section 8, Part 5 standards established by HUD for lower-income assisted housing and meeting all of the criteria previously defined. Types of loans may include no-interest loans, deferred loans, etc. The type of loan afforded the applicant will be determined by the AHB as detailed in the program guidelines. Priority of program income funding will be determined by the City of Ainsworth Housing Board on a case-by-case basis. Items not covered under the Program Income Reuse Plan will require approval by the Nebraska Department of Economic Development prior to implementation.

The application process and the operation of the program cannot be amended, except when needed, to better the program benefits to the area. No amendments to the program or reuse plan can be made without prior approval by the Nebraska Department of Economic Development. The program will continue to work with the State Historic Preservation Officer to assure the preservation of the historic or architectural character of all rehabilitated houses. Funds will not be used for any general governmental purpose and will be utilized in an activity which clearly and directly promotes improved housing for the very low and low-income persons in the community. This will remain the primary goal of the program. Up to 10% of the reuse funds may be used for general and housing administration costs. These percentages will not exceed the maximum percentages allowed in the original grant.