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ATTENTION: Ginger Hamilton @ 928-373-1104
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TYPE OF DOCUMENT:

RESOLUTION NO. 2019-36

County Administration/Grants:

Adopting amendments to the Yuma County Owner Occupied Housing Rehabilitation Program Policies and Guidelines.

The new Owner Occupied Housing Program Policies and Guidelines shall supersede all previously adopted versions of the *Housing Rehabilitation Program Policies & Guidelines* adopted 08/21/2006, 02/05/2007, 12/13/2010, 01/19/2016, 01/23/2019 and 03/18/2019.

DOCUMENT APPROVAL:

Approved by Yuma County Board of Supervisors:
December 16, 2019, Consent Item No. 7.



YUMA COUNTY BOARD OF SUPERVISORS

RESOLUTION NO. 2019-36
ADOPTING AMENDMENTS TO THE YUMA COUNTY
OWNER OCCUPIED HOUSING PROGRAM POLICIES AND
GUIDELINES.

WHEREAS: Yuma County has an owner occupied housing rehabilitation program currently being implemented with Community Development Block Grant and HOME Investment Funds to assist low income families in the repair of their homes; and

WHEREAS: The State requires that every local government requesting funds for housing rehabilitation adopt specific policies and guidelines for such a program; and

WHEREAS: Yuma County has developed written policies and guidelines needed for implementation of the owner occupied housing program; and

WHEREAS: The County's current owner-occupied housing rehabilitation program policies and guidelines was adopted by the Board of Supervisors with specific minimum and maximum investments per unit; and

WHEREAS: By amending the verbiage to follow the Grantor(s)' allowable investment per home would allow flexibility as Grantor(s) adjust their investment allowances based on current construction cost; and

NOW, THEREFORE, BE IT RESOLVED THAT:

The Yuma County Board of Supervisors hereby adopts such *Owner Occupied Housing Rehabilitation Program Policies & Guidelines* as revised, which shall be effective immediately; and

The new Owner Occupied Housing Program Policies and Guidelines shall supersede all previously adopted versions of the *Housing Rehabilitation Program Policies & Guidelines*.

Adopted this 16th day of December, 2019



MARCO A. "TONY" REYES, Chairman

ATTEST:



SUSAN K. THORPE
County Administrator/Clerk of the Board

APPROVED AS TO FORM AND DETERMINED TO BE WITHIN THE SCOPE OF
PERFORMANCE OF DUTY OF THE YUMA COUNTY BOARD OF SUPERVISORS:

By: 
JON R. SMITH, County Attorney



YUMA COUNTY HOUSING REHABILITATION PROGRAM

Policies and Guidelines

**Originally Adopted by the Yuma County Board of Supervisors
Resolution No. 06-52,
August 21, 2006**

Revised: 2/5/2007, 12/13/2010, 1/19/2016, 1/23/2019, 3/18/2019, 12/16/2019



Title II of the Americans with Disabilities Act prohibits discrimination on the basis of disability in the programs of a public agency. Individuals with disabilities who need the information contained in this publication in an alternate format may contact Yuma County Administration, Grants Division at (928) 373-1010 or our TTY number, (800) 367-8939 to make their needs known. Request should be made as soon as possible to allow sufficient time to arrange for the accommodation.

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General Description:

Yuma County's Housing Rehabilitation Program is implemented through a collaborative team consisting of personnel from County Administration, the Housing Department and the Department of Development Services. The Program is available to income qualified homeowners to assist with their housing repair needs. Upon completion of the rehabilitation project, the home will meet all applicable building and zoning codes, weatherization and energy efficiency standards. These standards help preserve affordable housing stocks by extending the life of the units by 20-30 years and reduce energy cost for low income families. Overall cosmetic improvements are not eligible under this program.

Goals:

1. To eliminating unsafe and unsanitary housing conditions to moderate, low, and very low income families of Yuma County, thereby improving the quality of life for these families.
2. To improve and preserve the quality and appearance of the housing stock and the overall environment in residential neighborhoods.

Objectives:

1. To secure a variety of funds to implement a good owner-occupied housing rehabilitation program.
2. To eliminate health and safety hazards by bringing residential properties up to most current adopted building codes.
3. To provide persons with disability home modifications for accessibility.
4. To provide technical assistance to program beneficiaries to include but not limited to ownership responsibilities, property maintenance, energy conservation, and budgeting for property taxes and homeowner insurance.

Geographic Area:

The program is open to all eligible homeowners within Yuma County with the exception of those living in the City of Yuma and the Town of Wellton. Residents residing in these communities may apply for similar programs within their jurisdictions.

Some funds are restricted to a certain geographic area by the Grantor. This means investment of these funds can only benefit those property owners residing within the specified boundary.

Eligible Applicant:

Applicants must complete an application process and submit (but not limited to) the following documentations:

- ✓ Proof of household size (i.e. copies of social security cards, school records)
- ✓ Proof of Citizenship or Legal Residency
- ✓ Proof of all income / last 12 months (authorization to 3rd party verification)
- ✓ Proof of ownership (Title report / Mortgage) (Payment History, if applicable)
- ✓ Certification that the property is occupied as a principle and only residence.

Applicant must be income eligible at the time the rehabilitation commitment is made to the homeowner. Applications are accepted year round, and consist of two parts:

- A. Family Survey and Eligibility Requirements; and
- B. Preliminary Work Write-up and Cost Estimate

Work write up will be done for income qualified families only but is not a guarantee of assistance. A waiting list will be kept on file at the County for those applicants who did not receive assistance due to lack of housing funds. Due to shortage of funding, intake applications will be kept on file indefinitely. However the list will be updated periodically to ensure all applicants and applicant information is current. The process of updating the list will be done in accordance with regulation set forth in 4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204] which is included in the Housing Department's general policies.

Income Eligibility:

To be eligible for the Housing Rehabilitation Program assistance, household income must be equal to, or less than, the applicable HUD Income Guidelines (80% of area median income for Yuma County based on family size). The County will define "annual income" according to Section 8 Housing Assistance Payments definition (24 CFR Part 813), excluding the value of an applicant's principal residence. Yuma County will include the income of all residents, residing within the dwelling to be rehabilitated, as part of the annual household income calculations. Applicant must be re-certified if more than six (6) months have elapsed from the date of eligibility determination to the date of rehabilitation commitment.

Only the Grantor (i.e. Arizona Department of Housing), the Yuma County program staff, and the Sub-recipients' program staff will have access to private or confidential income information.

Property Eligibility:

The assisted unit must be owned and occupied by the applicant as a principal and only residence. No unit will be eligible if it is currently occupied by an income ineligible household. Property eligibility for assistance must meet (at minimum) the following:

- Definition of ownership: fee-simple title to property, or maintaining a 99-year leasehold interest in the property.
- All persons named on the deed must occupy the property and will be considered an applicant.
- The unit must have been owned and occupied by the applicant at least two (2) years prior to the date of application for loan.
- The unit to be assisted cannot be less than fifteen (15) years of age.
- Not located within a 100-year floodplain.
- Have valid Homeowner's Insurance Policy.

Properties must be free of any encumbrances such as liens or judgments. Properties may be encumbered by a mortgage in first position so long as a financial institution or other such mortgage company holds that mortgage; however, there must be sufficient equity remaining to justify placing a lien for the rehabilitation deferred payment loan in second position. Properties encumbered by mortgages held by individuals or partnerships are not eligible for this program. Mortgage payments, property taxes, utility payments and insurance premiums must all be current.

Property ownership will be verified via deed, tax notice, or property inquiry from the applicable assessor's office. When these avenues are exhausted, a preliminary title search may be conducted on the property. It is the homeowner's responsibility to clear up any title problems regarding the property prior to consideration for funding. Applicant will be deemed ineligible should he/she own other properties in addition to the primary property requiring assistance.

The applicant shall maintain homeowner's insurance on the property for the duration of the loan. This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the County as Loss Payee for the amount of the loan. A binder shall be provided to the County.

The property must be one of the following types of residences:

1. Single-family (one-unit structures)
2. Condominium units

3. Manufactured housing, including a mobile home, only if the unit is:
 - a. situated on a permanent foundation (requires certification) and is connected to permanent utility hookups; and
 - b. located on land that is held in fee-simple title, or long-term ground lease with a term at least 99 years; and
 - c. produced after June 15, 1976 and meets the construction standards of 24 CFR 3280; and
 - d. Owner-occupied for two years at the same location prior to the date of application for assistance. Recreation vehicles are not eligible for assistance.

When the cost to rehabilitate the existing housing unit is in excess of the cost to replace the unit, reconstruction of the unit may be warranted and will be determined on a case-by-case basis. Only those properties free of any liens or mortgages are eligible for reconstruction consideration. Due to high purchase price, manufactured homes are ineligible for replacement. However, where program funds are available and zoning allows the conversion of manufactured homes to site built, reconstruction of a unit may be approved with the homeowner's agreement. Reconstruction is eligible to the extent that the replacement unit will be situated on the same property as the existing and there is no lien or mortgage on the property.

Unsanitary conditions beyond what is considered acceptable living standards (i.e. animal feces/urine, excessive clutter, excessive debris on the property, hoarding) may cause the unit to be ineligible for assistance. The unit to be assisted may not exceed zoning requirements on the number of pet animals allowable on the premise. The Owner is responsible and is required to maintain sanitary conditions after completion of repair on the unit. Removal of excess debris, junk vehicles, etc. may be required as a condition to the applicant receiving assistance.

Preference:

It is Yuma County's intention to reach as many eligible households as possible in the most cost efficient and effective manner. Available funding is distributed on a first come first serve basis through an applicant waiting list with priority populations being served first. Priority populations are based on funding agency requirements and/or health and safety concerns.

Preference will be given to very low income persons who are also either elderly, persons with disabilities, or families with small children under the age of 18 based upon the availability of funding for the program. Preference may also be provided on an emergency health related situation (documentation and concurrence signed by a County Official or Department Director will be in the recipient file) such as a house fire or irreparable septic system. Except in the case of an emergency, assistance preference will be based on the criteria written within the application for funding.

Therefore, applicants not meeting the preference parameter may have a longer waiting period. Waiting list will be maintained by the Rehabilitation Specialist.

Financing:

Funds may be available through a variety of sources, mainly: Housing and Urban Development (HUD), Community Development Block Grant (CDBG), HOME funds, Housing Trust Funds, and USDA housing programs. If funds are passed through to local nonprofit agencies to provide repair to homeowners, the Housing Guideline adopted by the nonprofit agency will be used in implementation of the program.

All financial assistance will be in the form of a Deferred Payment Loan (DPL). The minimum and maximum assistance provided to a unit will be based on the amount set by the Grantor providing the funds and the availability of that resource.

Yuma County does not have a revolving loan fund program and no program income is anticipated with the owner occupied housing rehabilitation program. All recaptured funds will be returned to the Grantor. The housing rehabilitation program is not a self-help program; therefore sweat equity is not requirement for assistance.

Rehabilitation funding will be determined based upon the condition of the unit and the amount of work needed to correct code violations. Financial assistance will be provided in the form of a Deferred Payment Loan or “silent second” mortgage at zero-percent (0%) interest for the period of affordability, subject to recapture provisions, established by this guidance. The applicant will be required to sign a promissory note and the loan will be recorded as a lien against the deed to the property once the rehabilitation work has been completed to the satisfaction of the beneficiary.

Deferred-Forgivable Loans are no interest loans, secured by a Deed of Trust. A deferred-forgivable loan (a.k.a. deferred Payment Loan) is most commonly executed to maintain long term affordability and the length of the affordability period is based upon the invested amount as follows:

LOAN AMOUNT	AFFORDABILITY PERIOD
Under \$15,000	5 years
\$15,000– \$40,000	10 years
Over \$40,000	15 years

Occupancy conditions are required. Each year the principal will decrease by 1/loan term. For example: a \$15,000 loan has a 10-year loan term and will decrease by 1/10 of \$15,000 (or \$1,500) each year. If the homeowner defaults in the 5h year of the loan, the recapture amount will be \$7,500 (\$15,000 – [\$1,500 x 5]). Upon successful completion of the affordability period, the loan converts to a grant and is forgiven.

Voluntary payments can be made on a Deferred Payment Loan. All recipients of the deferred payment loans will be contacted on an annual basis in order to assure that the

conditions for the loan (primary residence, on-going home maintenance, insurance, etc.) are maintained during the life of the loan.

Units that are assisted with Yuma County HOME Consortium funds will be subject to all the requirements including a **different affordability period** as mandated by the Grantor.

Loan Servicing:

Yuma County will service all loans throughout their terms and at the time of expiration, release recorded liens, as applicable. At the time of the Pre-Construction Meeting, the Promissory Note (Loan Agreement) will be signed and notarized. Once the contractor has recorded the Notice of Completion, Rehabilitation staff will record the Deed of Trust (lien) and the Promissory Note.

On a regular basis, Yuma County staff will review the homes that are nearing the end of their Deferred Payment Loan period and becoming eligible for a Lien Release. At the time of eligibility, staff will file a "Request for Lien Release" with the Trustee who then contacts the homeowner and completes the recording of the release on behalf of Yuma County.

Rehabilitation Standards and Codes:

The rehabilitation of units (homes) will meet the following standards and codes upon completion:

1. The rehabilitated unit will meet the most recent State Rehabilitation Standards and Weatherization Standards required by the Arizona Department of Housing.
2. All weatherization work will be completed by a Building Performance Institute, Inc. ("BPI") certified weatherization professional.
3. International Energy Conservation Code ("IECC", 2012 edition or higher as adopted by the County Board of Supervisors).
4. Uniform Federal Accessibility Standards (Section 504 of the 1973 Rehabilitation Act) and the American with Disabilities Act, as applicable and needed by the owner.
5. The respective jurisdiction's local building codes as adopted by the jurisdiction applicable to the location of the unit.
6. All new appliances must be energy star rated.
7. All new plumbing fixtures must be "low-flow".

The Program will incorporate energy efficiency in retrofitting the unit wherever possible. Example of this might be:

- Use of low Volatile Organic Compound (VOC) paint.

- Installation of additional roofing or exterior/interior wall insulation and supply duct insulation.
- Replacement of HVAC unit with high efficiency Energy Star unit.
- Replacement of windows with dual pane, low e glass, energy star windows.
- Installation of low flow water fixtures.
- Installation of compact fluorescent light bulbs.
- Mitigation of structural air leakage.

The following are examples of work that are not eligible for inclusion under this Program:

- Items that exceed the quality of products as specified in the scope of work, i.e. carpet/tile upgrade.
- Luxury items, i.e. fireplace, swimming pool, etc.
- Room additions other than to accommodate family size and structure.

Marketing:

The County's Housing Program is to help those who want and need the assistance. Thus, participation in the program is voluntary. County staff does make every effort to inform and promote program awareness to every segment of the community. Outreach efforts are accomplished through the following methods:

1. Word of mouth – Staff has developed a strong network with residents throughout the County in developing Community Action groups and leaderships.
2. Brochures – A brochure will be developed specifically for the Housing Rehabilitation Program for the purpose of marketing distribution.
3. Nonprofits – Yuma County has a good network of nonprofits that routinely refer clients to each other for service. Information on the availability of program funds will be provided to these agencies.
4. Referral System – Referral from the Code Enforcement Officers. (i.e. During the course of inspection on a failing septic system notice the dilapidation of the home and the living standards of the family, etc.)
5. Door to door - Distribution of informational flyers and invitation to apply to certain targeted area of the community where housing rehabilitation is obviously needed.
6. Government Channel – Advertisement will be done on the local County Government television channel 77.
7. Advertisement in the local newspapers.

Yuma County will ensure that any marketing and advertising is consistent with 24 CFR 92.351; consisting of actions to provide information and otherwise attract eligible persons from all racial, ethnic, disability and gender groups as well as persons with

disabilities in the housing market area to the available housing and housing services. All notices and advertisements will contain either the Equal Opportunity logo and/or slogan.

Yuma County is sensitive to the needs of a variety of cultures and communities. In an effort to make Yuma County services as user friendly as possible, information pamphlets are written in both English and Spanish. Beyond this, bilingual staff members are available to assist applicants, presentations are given in both languages, and every effort is made to meet the needs of the Hispanic communities as appropriate.

Program Staffing:

The Yuma County Board of Supervisors is responsible for the oversight for the program. The Board of Supervisors' responsibilities and duties are as follows:

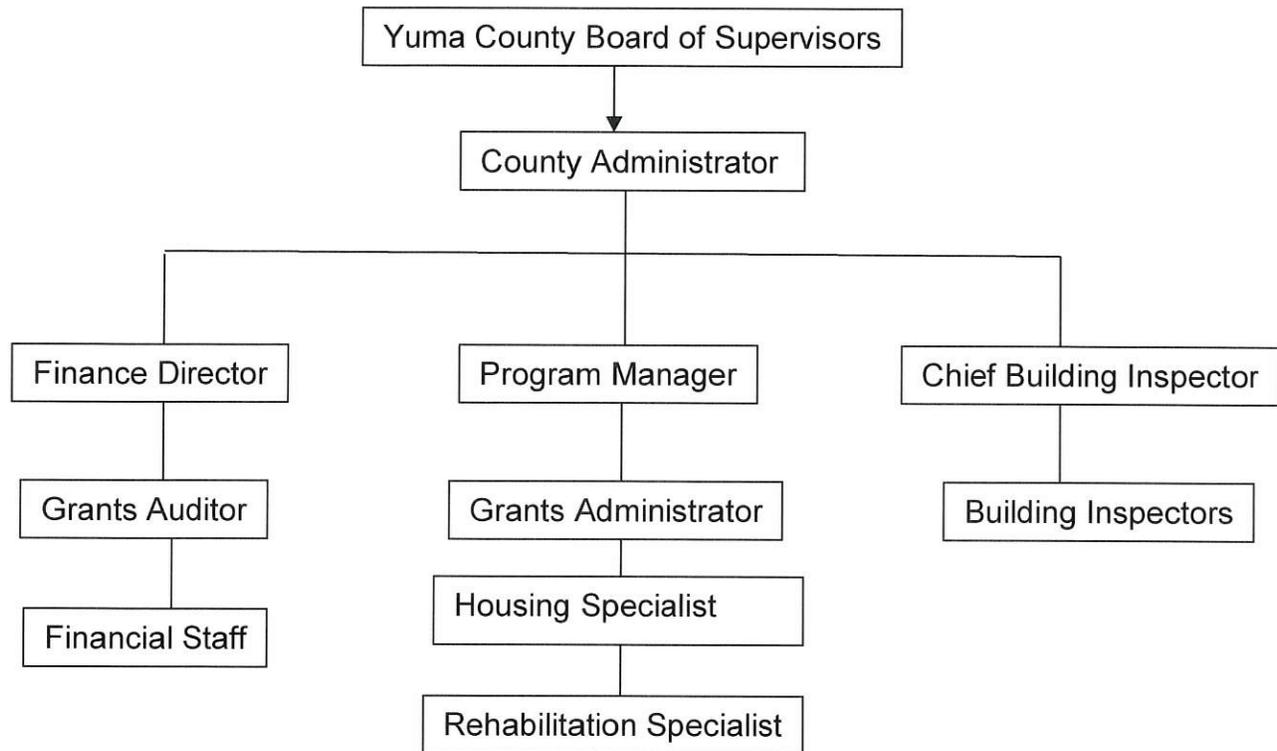
1. Provide staff with direction concerning the goals of the program;
2. Review and approve the Housing Rehabilitation Policies and Guidelines;
3. Approve the type of financing which will provide funding for the program;
4. Adopt ordinances and/or resolutions required for implementation of the program; and
5. Direct the monitoring and evaluation of the program and hold public hearings on the proposed program included in each year's grant applications submitted to the State.

All work related to the administration and rehabilitation services for the Program are done in-house except for the pre and post diagnostic testing for energy efficiency. Administration and Rehabilitation Program staff is responsible for the overall performance of the Housing Rehabilitation Program. The Rehabilitation Program is administered through a collaborative effort between County Administration, Development Services and Housing Department.

- The Program Manager is responsible for grant application and oversees policy implementation.
- The Grants Administrator is responsible for all communication with the Grantor and ensuring grant compliance. The Grants Administrator will coordinate with financial staff for all payables and receivables, communicate with Rehabilitation Specialist on client set up and construction needs, and coordinate with Building Officials and Contractors to ensure compliance with grant requirements. Responsibilities also include but are not limited to maintenance of grant records and necessary reporting to the Grantor.
- The Housing Specialist will maintain the initial applicant listing. The Housing Specialist will also conduct the initial interviews with the applicant and determine the applicant's income eligibility for the program.
- The Rehabilitation Specialist shall be responsible for all work related to the homeowner after eligibility determination. The Rehabilitation Specialist will

conduct property eligibility, procurement, make determinations for award of contracts and authorized completed work approvals.

- The Building Officials shall provide on-site assessments, work write-ups, and inspections.
- The Finance Department is responsible for account receivable and payables, maintenance of financial records, and ensure audit compliance.



Contractor Eligibility:

The rehabilitation staff will establish a list of pre-qualified, eligible contractors for the rehabilitation program on file and make every effort to invite new contractors to submit necessary information for pre-qualification. A request is sent out on an annual basis to update the Contractors information to maintain eligibility. Contractors wishing to be considered for contract under the rehabilitation program must provide a copy of their current Contractor's License, proof of insurance/bonds, tax number, DUNS number, and SAM.gov registration. Only those contractors who have been pre-qualified by the rehabilitation staff will be invited to bid on projects.

Conflict of Interest:

No member of the governing body of the locality and no other official, employee, or agent of Yuma County government who exercises policy, decision making functions, or

responsibilities in connection with planning and implementation of the Housing Rehabilitation Program, shall directly or indirectly be eligible for this program. This restriction shall continue for two years after an individual's relationship with the County ends.

After Rehabilitation Value:

To establish project eligibility, the after rehabilitation value must be established prior to any work being performed on the home. Section 215(b) of the National Affordable Housing Act ("NAHA") requires that the after rehabilitation value of homeownership units assisted with HOME funds not exceed ninety five percent (95%) of the area median purchase price for single family housing as determined and published by HUD. The after-rehabilitation value may be established by one (1) or more of the following methods:

1. Estimates of value: Estimates of value by the sub-recipient may be used. Project files must contain the estimate of value and document the basis by which the value estimates were derived (i.e. a real estate broker's price opinion with supporting comparable sales).
2. Appraisals: Appraisals, whether prepared by a licensed fee appraiser or by a staff appraiser of the participating jurisdiction, may be used. Project files must document the appraised value and the appraisal approach used.
3. Tax assessments: Tax assessments for a comparable property located in the same neighborhood may be used to establish the after-rehabilitation value if the assessment is current and accurately reflects market value after rehabilitation.

Change of Ownership:

Refinancing Subordinate Liens

In such cases where there is an existing lien on the property a subordinate lien is acceptable if it provides adequate security. In the event of refinancing (e.g. consolidation loan, equity loan, etc.) when Yuma County is in first or second position, the HOME/CDBG loan cannot be subordinated, except under unusual circumstances (i.e. medical costs, etc.), approvable on case by case basis.

Refinancing of existing debt or home equity loans after completion of rehabilitation and prior to expiration of the recapture period: (1) loan subordination will only be allowed when the refinancing results in a lower monthly payment; and (2) loan subordination will not be allowed under any circumstances for a cash-out refinancing.

Conversion

In the event that a borrower discontinues residence in the rehabilitated property and wants to convert it to a rental unit, Yuma County will deem this as the end of the loan term (affordability period); the unpaid principal balance must be repaid to Yuma County. The principal will decrease by the loan term (affordability period) as stipulated within the loan document. Should all owners of assisted property be deceased prior to satisfying the full terms of the loan, obligation for the loan may be considered repaid in full by submission of the death certificate(s). Should the property be transferred to the heir prior to the owner's death and heir or heirs, intending to become owner investor of the property, he/she will be required to seek new financing to satisfy the existing rehabilitation loan.

Property to be sold by Heir/Heirs

Heir(s) intending to sell property which has an existing housing rehabilitation loan with Yuma County will be given no less than six (6) months following end of probate period to satisfy the loan. At the end of the six (6) month period if the property is still unsold, lender retains the right to request the heir(s) to begin making payments on said loan and/or to seek remedial action through judicial process.

It is not the intent of Yuma County to create hardship for the heir(s) should all owners of record deceased prior to the expiration of the affordability period on the loan. Heir(s) has the right to request an appeal to the Yuma County Board of Supervisors for dismissal of the remaining loan balance. The request must be made in writing to the County Administrator with proper documentation as to the reason for the hardship (i.e. a letter of denial for a loan by a lender).

Default and Foreclosure

If an owner defaults on a loan, and foreclosure procedures are instituted, they shall be carried out according to the HUD Foreclosure Policy and/or the appropriate agency that provided the funding for investment to the property.

Lead-Based Paint:

HOME assisted projects as of January 10, 2002 will comply with HUD published Final Rule, 24 CFR Part 35 and thus the HOME program regulation at 24CFR 92.355. The goal of this regulation is to assist property owners and government agencies to reduce the exposure to lead significantly to children and families. The primary purpose of the regulation is to provide guidance to people involved in identifying and controlling lead-based paint hazards in target housing. Applicants will be provided with a copy of the Lead-Based Paint brochure.

Yuma County is currently not certified to perform activities such as risk assessment, lead-based paint inspection, or abatement supervision. Therefore, this function will be contracted to outside agencies certified to perform such activities.

HOUSING REHABILITATION PROCESS

Application:

The Housing Specialist is responsible for accepting initial intake documents. Typically, the initial inquiry is via telephone. The prospective applicant is invited to visit the Housing Department to pick up an application, or alternatively, an application can be mailed to the individual. Applicants can also download the application from the Yuma County website and return the application by mail or email. Interested parties may call (928) 373-1167 to schedule a meeting with the Rehabilitation Specialist to discuss the Housing Rehabilitation Program or obtain assistance in completing the intake application. Persons with disabilities will be provided accommodations upon request including alternate formats and in-home visits. The ethnicity of the population served in Yuma County are mainly Hispanic, program staff are bilingual and services can be provided in Spanish.

The initial application is used to determine the individual's preliminary eligibility, specifically:

1. Individual presently owns their home.
2. Location of the home.
3. Preliminary annual income and number of dependents, age, disability information.

After review of the initial application, the Housing Specialist will place the applicant's name on the waiting list based on the date the application was received and the provision of all necessary documents to verify the income of the household and that the applicant is the owner of the unit. Applications will be considered in order as to their placement on the waiting list and selection criteria authorized in the current grant awards. There is no ranking process for the applications (however, preference population is identified on Page 4). The program operates on a first qualified, first served basis, however, if an emergency situation is found at the home, it is given priority.

If after the initial intake documents are reviewed, it is determined that the applicant does not meet the requirements of the program, the Housing Specialist will review the application with the applicant to confirm the information. Should it be determined that the applicant does not meet eligibility requirements, a letter of non-approval to the applicant will be forwarded to the applicant.

Once funding is available, the Housing Specialist will contact all qualified applicants to confirm that there has been no change in the information submitted in the original intake document. Recertification is required if the income eligibility was completed more than 6-

months prior to receiving service. The Housing Specialist will meet in person with the applicant to complete a financial analysis for program qualification application reflecting their present situation and will provide various disclosures concerning the program, which will be explained to the applicant. The Housing Specialist will verify all income in accordance with Section 8 income requirements.

The following definitions aid the staff in the process:

1. Income: All wages, financial assistance from Social Security, Veteran's Administration, Department of Economic Services (including Food Stamps), Aid to Families with Dependent Children, Unemployment Insurance, Alimony, Child Support, and income from any other source by any member of the household.
2. Family/Household: All persons occupying the home, including permanent extended family, i.e., elderly parents, single children with children of their own. In the case of more than one family per unit, every effort is made to provide the non-owner with home ownership opportunity through other program to decrease over-crowding.

The initial application is then evaluated against four criteria before the application may be formally approved:

1. Family - the present income eligibility requirements and proof of lawful presence in the United States per ARS 1-501 and 1-502. Failure to provide documents requested in Information Bulletin 02-10 will result in the Yuma County Housing Rehabilitation Program reporting the individual to ICE at 1-866-DHS-2-ICE,
2. Home - the home is owned by the applicant
3. Property - the feasibility of the home for rehabilitation
4. Funding - the availability of funds for rehabilitation

The Housing Specialist will be responsible for the eligibility process. The Rehabilitation Specialist will be responsible for the application process and qualification of the applicant. Should an application be determined to be ineligible, the Rehabilitation Specialist will contact the applicant to discuss the reasons for non-eligibility and discuss disapproval of their application, the reasons for the disapproval of assistance, and the procedure for appealing the decision. This assures that the applicant has an opportunity to discuss their application, again, ensuring the accuracy of information. The Rehabilitation Specialist will forward a follow up letter, which shall formally advise the applicant of approval or disapproval.

A title search will be conducted by Yuma County to determine that there are no liens against the property. Should liens be discovered, the Rehabilitation Specialist will meet with the homeowner to resolve the situation. No rehabilitation of the property will begin until such liens are resolved.

The Owner is made aware, early in the process that the contract for work will be between the Owner and the Contractor only. The homeowner will award the bid; however, the Building Official and Housing Rehabilitation Specialist will review the bids

and make a recommendation concerning the lowest, responsible bid. The Owner may select a Contractor other than the low bidder if the owner pays for the difference between the low bid and the selected bid.

Work Write Up:

The Building Official prepares the Work Write-Up. The Building Officials are required to keep abreast of the latest code requirements, construction methods and materials, and particularly, accessibility requirements. The Housing Rehabilitation team is also responsible for the coordination/compliance with the ADOH Owner Occupied Housing Rehabilitation Weatherization Standards. The Rehabilitation Specialist will coordinate with a BPI Certified Weatherization Professional to conduct both a pre-construction energy audit and a post construction compliance inspection. A pre-construction energy audit will not be required for reconstruction units however a post construction compliance inspection will be conducted. The energy audit utilizes pressure diagnostics, infrared cameras, and other equipment to identify air leaks, duct leaks, insulation deficiencies, inefficient appliances, venting problems and other energy issues. Deficiencies identified in the energy audit will be included in the Work Write-Up if it is deemed necessary and cost effective.

The Chief Building Official is responsible for reviewing the accuracy of the Work Write-Up. The Work Write-Up will cite items that meet code per Housing Rehabilitation Program Standards and will specify sizes and location, etc. It will detail all of the work to be completed, for example:

1. Replace existing passage door locks with new privacy locks, Kwik-Set or better.
2. Replace deteriorated paneling in North wall with 1/2" gypsum board, finish, texture, and paint to full coverage with flat latex (homeowner to select color).

The work write up shall be submitted to the Owner by the Housing Rehabilitation Specialist for review and approval and shall become the project scope of work for bidding purposes. Although a standard set of forms is used to complete the Work Write-Up, the work and materials will be individually tailored for each dwelling unit.

Cost Estimates:

The Building Officials are responsible for the preparation of a cost estimate for each project. The Housing Rehabilitation team must keep abreast of the economic conditions in our area with respect to the construction trades, including, but not limited to:

1. Availability of qualified contractors with emphasis on Disabled, Women, Minority Business Enterprises (DBW/MBE)
2. Availability/cost of materials
3. Present labor costs

The Building Officials will prepare a cost estimate for each individual dwelling based on

the technical specifications as determined in the work write-up. The cost estimate will include all costs for materials and labor as well as costs for permits, clean up, overhead and profit. The cost estimate shall be used as a tool to determine responsible contractor bids. The cost estimate shall be presented to the Owner at the time of approval of the work write-up and the Housing Rehabilitation Specialist shall review the estimated costs carefully with the Owner.

Pre-Construction Process:

During the initial interview, the Owner(s) is made aware of each step of the process, including the details for each step and timeframe between each step. For example:

1. Initial application submitted.
2. Preliminary approval of application.
3. Eligibility process conducted.
4. Schedule appointment for a detailed "before" inspection.
5. Owner and Rehabilitation Specialist will formally discuss the results of the inspection, allowable and unallowable items, warranties, plans and specifications for improvement, etc.
6. Formal approval is required by the Owner for specifications and plans, and the Scope-of-Work and before it is sent to bid to pre-qualified contractors.
7. Mandatory pre-bid Conference for prospective bidders to inspect the premises before submission of their bid.
8. Evaluate the responses to the bids and conference with the Owner, recommend award. During this conference with the homeowner, staff provides general housing maintenance counseling which include discussions on warranty items vs. maintenance and homeownership education counseling which include information on budgeting, timely payment of housing expenses (mortgage, utilities, insurance and property taxes).
9. Contract award.
10. Execution of contract and mortgage documents. During the loan closing the family will execute and or review the following documents:
 - a. Documentation of After Rehab Value.
 - b. Certification of Property as Principle Residence.
 - c. Yuma County Rehabilitation Application
 - d. Certification by applicant
 - e. Approval of the Application
 - f. Privacy Act Statement to References
 - g. Certification regarding Lead Based Paint
 - h. Truth in Lending Disclosure State for each loan
 - i. Promissory Note for each loan
 - j. Deed of Trust for each loan
 - k. Consent to Deed of Trust
 - l. Bid award
 - m. Rehabilitation Contract
 - n. Award Letter

- o. Non-Award Letter
- p. Warranty and Maintenance Education
- q. Notice of Opportunity to Rescind Transaction
- r. Public Body Certification as to Compliance with Truth in Lending Act

11. Filing of all deeds of trust occurs after the right of rescission has passed. Original deeds of trust are sent to a local title agency and they record the documents at the Yuma County Recorder's Office and issue title insurance for each loan.

Procurement Process:

Procurement of contractors shall follow CDBG/HOME Program rules and regulations and/or Yuma County purchasing policies, whichever is most restrictive. Construction must be performed by a licensed general contractor. Yuma County will maintain a list of qualified (non-barred, license/bond verified with Registrar and insurance) contractors that may be contacted by telephone, mail or Fax depending on the type of project. Notices to bid will be forwarded by fax or email to interested parties.

New Contractors are invited to submit a statement of qualifications to be included on the "bidders list". All information in the Contractor statement of qualifications will be verified by the Housing Rehabilitation Specialist prior to the bid award in order to reasonably protect the Owner and the Housing Rehabilitation Program from undue liabilities, inadequate warranties, and/or poor workmanship.

The Housing Rehabilitation Program may advertise more than one dwelling for bid at a time, depending on the circumstances and Housing Rehabilitation Program caseload.

Bidding Process for Housing Reconstruction or Major Rehabilitation

- All Notices to Bid shall be sent to qualified contractors two weeks prior to the date of bid opening.
- The Rehabilitation Specialist will arrange a date and time to conduct a mandatory walk-thru of the house with all interested contractors to discuss all specifications and plans.
- Bid Submission
 - Submit proposals for each project in a sealed envelope with project address, project number, bid due date and Contractor's name clearly shown. Return all specifications and drawings along with the proposal. Fill out bid forms completely. Bids must be in by the time indicated; late bids will not be accepted.
- Notification of Bid. All contractors who have submitted a bid will be informed by a letter from the Rehabilitation Specialist of the bid awards. The letter will include protest procedures/grievance procedures.
- Changes, if any, in specifications will be provided to the Contractor as an addendum to the original specifications at least 2 days prior to bid opening date by the Rehabilitation Specialist.
- The Contractor is responsible for knowledge of the Yuma County's adopted building codes and state rehabilitation, energy, and weatherization standards. All work must

comply with these standards. The work specifications may, on occasion, exceed the minimum requirements.

Bid Awards

As previously stated, the Owner selects the Contractor; however, Yuma County selects the lowest qualified responsive contractor through the sealed bid process. The Owner has the right to select a higher bid, if the Owner pays for the difference in the amount of the low bid and the selected Contractor's bid. This difference in the contract price shall be deposited in the Housing Rehabilitation Program account before contract signing. Yuma County reserves the right to reject any and/or all bids for reasons including but not limited to the following:

- The Contractor is not licensed or has had his license suspended or has been barred from projects involving certain funding sources (i.e. HUD).
- The Contractor is not able to proceed with the project in a timely manner due to other commitments.
- The bid submitted is more than 25% below the Housing Rehabilitation Specialist's cost estimate and, in the Housing Rehabilitation Specialist's judgment; the Contractor will not be able to complete the project as specified in the bid price.
- The Contractor has failed to complete past projects in a timely or workmanlike manner or has failed to respond appropriately to requests for warranty service.
- The Contractor has failed to provide lien waivers as required or has had mechanic's liens filed by suppliers or subcontractors on past projects.
- Bidding forms are improperly filled out or incomplete.
- All bids submitted are more than 15% above the Housing Rehabilitation Specialist's cost estimate.

Owner Bid Rejection

The owner may reject any or all bids without cause subject to the following provisions:

- The Owner may choose to reject the lowest qualified bid recommended by Yuma County staff and select a Contractor other than the lowest bidder if the Owner is willing to provide from his/her own funds an amount equal to the difference between the low bid and the selected bid.
- The Owner may reject all bids at any time up to three working days after the contract is executed.

Delays in Awarding Contract

Generally the contract will be executed and work will begin within thirty days of the date of bid submission. If thirty days have passed since submittal of bids and no contract has been signed, the Contractor has the option of:

- Honoring the original bid.
- Withdrawing his bid.

If the Contractor chooses to withdraw his bid, the project will be offered to the next qualified low bidder or a new bid process will begin. The Yuma County reserves the right, with the Owner's concurrence, to negotiate any bid.

Following award and verification of contractor bonds and insurance, the Rehabilitation Specialist shall meet with the homeowner to execute all mortgage and note documents and disclosures. Immediately thereafter, the Housing Rehabilitation Specialist will meet with the Owner and Contractor to execute the construction contract and conduct a pre-construction conference.

Originals of all executed documents shall be maintained in the project file. The Rehabilitation Specialist shall provide for immediate recording of the document through the County Recorder's Office once the three day right of rescission has passed. A title company will be used to record the documents and title insurance will be obtained on all loans. The Owner shall be provided a copy of each executed document and the Contractor shall be provided a copy of the rehabilitation contract.

Upon execution of all required documentation, the Rehabilitation Specialist shall issue a notice to proceed to the successful Contractor.

Work by Homeowner

The Housing Rehabilitation Program does not allow the Owner to perform any portion of work outlined in the Scope of Work let for bid. This restriction helps avoid disputes arising as to warranty, workmanship, and responsibility of the parties of the completed product. The Contractor agrees to assume responsibility for any damage, theft of materials, etc., until the project is completed and the Owner assumes responsibility. There may be exceptions, from time to time, regarding this prohibition, but it is generally due to rehabilitation cost being higher than maximum allowable within the Housing Rehabilitation Guideline. All exceptions must have prior written approval from the Program Manager and all work by owner is completed prior to the Contract being executed between Owner and Contractor.

Construction Process:

Inspection

It is the responsibility of the successful Contractor to obtain all required building permits prior to start of construction. Building inspection for permit clearance with the appropriate jurisdiction of the home location is a required part of code compliance. In addition, inspections during the course of construction will be performed by the Housing Rehabilitation team to ensure that all work complies with applicable codes and standards required by the funding source. In addition, the Rehabilitation Specialist will conduct frequent inspections to ensure and monitor progress, identify problems that may arise, confirm that all work is according to State of Arizona Rehabilitation Standards and State code requirements, initiate change orders that may arise, and ensure compliance with HUD requirements and non-code items. All inspections shall be documented and a copy of the report retained in the project file. Inspections by the Rehabilitation Specialist shall be made before any disbursement of funds billed by the contractor to confirm the level of completion. Final payment will not be permitted until all work has been completed on the final punch-list and Owner has signed the final

approval documents.

Change Order

Change Orders are highly discouraged. However, a Change Order may be requested, in writing, by the Contractor due to circumstances which were unforeseen and not included in the original Scope of Work. An example would be a safety or code violation that could not be determined until the actual work began. The Owner must be informed of any Change Orders, and agree to these changes in writing. All Change Orders are to be approved by the Owner, Building Officials, Rehabilitation Specialist and the Contractor. The Contractor must have written approval before undertaking any Change Order work for any reason.

Payments

The Inspection and Disbursement Order, when signed by the Contractor, constitutes a Request for Draw. The Rehabilitation Specialist will inspect the job to determine the percentage of work completed and certify the same by signing the Draw. The Housing Rehabilitation Specialist will determine the amount of draw, ensuring a minimum of ten percent retention before approving payment. The owner must approve the draw prior to Yuma County processing the payment to the Contractor. The homeowner must sign the acceptance of all rehab work at the end of construction prior to Yuma County releasing the final payment to the contractor.

Complaints and Appeals:

In the event of a disagreement between the Owner and Contractor, Owner and Yuma County, applicant and Yuma County, and/or Contractor and Yuma County, to name a few, the Yuma County Board of Supervisors has approved a Grievance Procedure to include appeals.

Temporary Relocation:

The Yuma County Board of Supervisors of the Yuma County, by resolution, adopted a residential anti-displacement and relocation assistance plan. Yuma County has committed that permanent relocation and residential displacement will not be allowed in conjunction with the Housing Rehabilitation Program.

Yuma County recognizes that at times during housing rehabilitation temporary relocation may be required. Additionally, Yuma County acknowledges budgetary restraints and the lack of available temporary housing within the County, which may limit their ability to provide such temporary location. Yuma County is committed to utilization of community resources to make temporary relocation resources available to homeowners and occupants participating in the Housing Rehabilitation Program.

If possible, the rehabilitation team shall design the rehabilitation of housing to allow for occupancy during rehabilitation in order to prevent temporary relocation. The Contractor shall minimize disruption. Yuma County will consider temporary relocation and/or financial assistance for the following reasons:

1. Health and/or safety of the occupants
2. Water closet and hand washing facilities are not available for one full day or more
3. Kitchen facilities are not available for more than one day

The Yuma County will encourage the Owner to seek community resources available for such assistance such as: friends and family; local churches; County Housing Authority; Community Action Human Resources; United Way; Salvation Army; and others.

Should other resources not be found to assist the Owner and occupants, the Owner may request that the Yuma County provide temporary relocation or financial assistance. The Owner shall make the request in writing, preferably before the construction bid or immediately upon the determination that such assistance may be deemed necessary. The rehabilitation team will consider each request on a case-by-case basis. Each request shall be specific to the needs of the family and shall include an estimated budget for such assistance. The Owner must receive a written approval from Yuma County for relocation assistance before incurring any costs. Costs incurred before written approval will not be considered allowable for reimbursement.

The following types of assistance may be provided by the County allowing for sufficient budget and availability of the services:

1. Temporary rental housing
2. Temporary housing in a local motel
3. Storage locker for storage of personal belongings
4. Food allowances on a per diem basis not to exceed the state per diem rate per person per day. The per diem then shall be adjusted based on the number of individuals within the family unit receiving assistance.

In most instances, the temporary relocation assistance will be paid by the Yuma County directly to a third party for the benefit of the Owner, such as, rent or motel fees.

Home Maintenance and Education:

Homeowners will be provided with warranties and instructions for all appliances during loan closing and final payment to the contractor. The homeowners is expected to upkeep the maintenance on the home for the duration of the affordability period and beyond. Education will be provided by the contractor and the Rehabilitation Specialist during the loan closing meeting. Assisted homeowners are invited to attend all educational classes sponsored by the Housing Department on homeownership such as home maintenance, budgeting, timely payment on mortgage and homeowners

insurance, etc. Referrals to outside agencies that provide homeownership counseling and education will be given to the homeowner.

Limited English Proficiency Policy:

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of national origin in the delivery of services or benefits funded by the Federal government. In accordance with Executive Order 13166, the meaningful access requirement of the Title VI regulations and the four-factor analysis set forth in the Department of Justice LEP Guidance apply to the programs and activities of federal agencies and recipients of federal financial assistance are required to take reasonable steps to ensure meaningful access to the program and activities by LEP persons. Based on a large percentage of population in Yuma County reporting Spanish as the primary language spoken at home, Yuma County staff takes affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP). Yuma County has not seen a need for translation or interpretation services into languages other than Spanish. However, language assistance other than Spanish will be provided, whenever possible, upon request.

For implementation of the Owner Occupied Housing Rehabilitation (OOHR) Program, County Departments involved in the Program have numerous Spanish-speaking members on staff. Staff with direct client contacts speak and write Spanish fluently and can communicate with LEP clients regarding services and grant funded programs in their primary language. The housing rehabilitation team currently translate common used forms and documents to Spanish, such as promotional flyers and materials, application, and all communication letters. In addition, as the need arises, other documents are translated for customers that may require the accommodation in written or verbal format. Interpreters are also available at public hearings and community meetings to ensure LEP attendees can participate in all discussions. Whenever applicable, the County will utilize translated forms provided by HUD to assist in applicant/client interaction and communication.

All Civil Rights Complaints are directed to the County Attorney's Office and the County Risk Management Office.