

City of Little Rock
Department of Housing & Neighborhood Programs
Community Development Division
Programs and Activities
(Policy and Procedures)

HOME PROGRAM

Created by the National Affordable Housing Act of 1990 (NAHA) HOME is a Federally-funded, large scale grant program for housing. The intent of HOME is:

- To strengthen the abilities of State and local governments to provide housing.
- To assure that federal housing services, financing and other investments are provided to State and local governments in a coordinated, supportive fashion.

The HOME Program must be used to promote low-income, affordable housing activities (defined as 80% or less of area median family income, adjusted for family size)

Target Area:

All income-qualified households within the city limits of Little Rock are eligible to apply for funding.

Owner- Occupied Housing Rehab Activities

Elderly Home Repair Program (EHP)

Homeowners who are sixty-two (62) years of age or older, or disabled, and whose income does not exceed program guidelines, may be considered for an Elderly Housing Program Forgivable Loan. The homeowner must have occupied and must be the primary residence of the applicant within the past 12 months prior to receiving assistance. This is a deferred payment loan of up to \$34,999 to make necessary repairs to bring the home up to the minimum housing code. If the maximum loan amount is not sufficient to bring the house up to minimum code standard, no loan will be made unless the homeowner has the ability to contribute the difference between the \$34,999 program assistance and the total cost to repair the home. The City requires a lien against the home to ensure that the borrower continues to own and occupy the home. The lien will be released, with no further obligation to the City, after a period of five (5) – ten (10) years, depending on the amount of assistance provided. If the owner conveys title within this time period, the loan must be repaid by the owner in order to release the lien. In the event the owner dies during the restrictive period, the City will release the lien on the property.

This program is in very high demand, and the funds allocated for this program are exhausted every year.

Leveraged Home Rehabilitation Loans

Low-income persons who own and occupy their home within Little Rock may apply at any time for a "Leveraged Rehabilitation Loan." Applicants must be willing and able to borrow 50% of the total rehabilitation costs from a bank. The remaining 50% of the costs will be provided by the City in the form of a forgivable loan. These funds are forgiven by the City over a period of five (5) to ten (10) years, depending on the amount of the loan, provided the homeowner continues to own and occupy the home.

The City gives technical assistance to help the homeowner determine Code deficiencies, describe the work needed, estimate costs, apply for the bank loan, find a reliable contractor who will do the work for a fair price, and assure that the contracted work is done in keeping with industry standards. The applicant must have a warranty deed to the property; that is, there may be a mortgage on the home, but a contract to buy is not acceptable. If the repairs will cost less than \$3,000, assistance will not be provided. The structure must be sound and total indebtedness secured by the property, including both rehab loans, must not exceed 110% of the fair market value of the home after rehabilitation.

Homeownership Program Activities:

CHDO Set Aside

HOME Program CHDO set-aside funds may be utilized for construction of new housing, rehabilitation of existing housing, and/or subsidies to assist potential homebuyers within the CHDO's approved target area. Assistance provided through the program will be in the form of a subsidy which is secured by a second mortgage. Qualified buyers of HOME assisted housing are low- and moderate-income persons or families which meet income guidelines provided through the U.S. Department of Housing and Urban Development.

Developer applicants must request at least forty-five thousand dollars (\$45,000) in HOME Program funds and complete at least three (3) affordable housing units to be considered for a HOME Program allocation. The maximum amount that can be requested for affordable housing developments is four hundred twenty five thousand dollars. (\$425,000). Applicants may apply for more funding, depending on the amount of the RFQ.

CHDO applicants only may use a portion of their allocation for project management or developer's fee. The maximum amount that can be requested for this fee is ten (10%) percent of the project cost, not to exceed \$12,500 per unit.

Eligible Homebuyer

An Eligible Homebuyer must be low-income; with an annual gross household income that does not exceed 80 percent of median income for the area, adjusted for family size. They must also occupy the property as a principal residence. The income guidelines are adjusted annually by the Department of Housing and Urban Development, and are available through the CDBG and Housing Office.

Assistance to Homebuyer

Of the total funds awarded to the developer, there is a **maximum** of \$20,000 per unit subsidy available for each eligible homebuyer who purchases a home in the housing development. This assistance should be structured in the form of “Gap Financing”. **This amount will be determined by the gap between the purchase price of the home and the amount for which the homebuyer qualifies.** The mortgage company will be required to certify the maximum amount that it will loan the homebuyer.

A required affordability period is applicable to all HOME assistance. These periods are based on the amount of HOME funds provided for each property (see table below):

HOME FUNDS PROVIDED	AFFORDABILITY PERIOD
<\$15,000	5 years
\$15,000 - \$40,000	10 years
>\$40,000	15 years

The homebuyer must agree to occupy the home as his principal residence for the full length of the affordability period. He may not sell or lease the property prior to the end of the affordability period without prior written consent from the City of Little Rock, and will be required to repay the full amount of the HOME assistance. When HOME program assistance is utilized by an eligible homebuyer, a promissory note and mortgage will be recorded in favor of the City of Little Rock.

Competitive Procurement

Any entity awarded funds for new construction or rehabilitation must competitively procure goods and services according to the City of Little Rock Purchasing Guidelines. A copy of this document is available through the CDBG & Housing Office.

Affirmative Marketing

Any entity applying for HOME Program funds must adopt affirmative marketing procedures and requirements for all HOME-assisted housing and submit the affirmative marketing plan with the HOME Program application. The affirmative marketing plan must be approved by the City of Little Rock prior to any HOME Program funds being committed to a development.

Environmental Review

In implementing the HOME Program, the environmental effects of each activity must be assessed in accordance with the provisions of the National Environment Policy Act of 1969 and the related authorities listed in HUD's regulations at 24 CFR Parts 50 and 58. **The City of Little Rock, as the HOME Participating Jurisdiction, will perform the required environmental assessment. However, HOME Program funds cannot be committed until the environmental review process has been completed. HOME Program fund allocations are approved as a conditional commitment until the environmental process has been completed, with the option to proceed, modify or cancel the project based on the results of the review. The City reserves the right to require a Phase I Environmental Study for rental projects as part of the environmental review process.**

Rehabilitation Standards

Any entity awarded funds for the rehabilitation of existing housing must ensure that the property is brought up to minimum housing code standards. A detailed description of the work required should be included with the application, and should include a cost breakdown of every construction category (i.e. HVAC, roof, exterior painting, electrical, plumbing, flooring, etc.). A bid from a licensed general contractor should be included with the description. Contractors must adhere to the City of Little Rock Rehabilitation Standards when completing owner occupied projects. All contractors must follow the Description of work provided by the Community Develop Division at closing or at the time of bid.

All rehabilitation must be performed by a licensed general contractor. The contractor must provide a certificate of general liability insurance and will be required to provide a performance and payment bond for the full value of his contract.

Lead-Based Paint Requirements

Any entity awarded funds for the rehabilitation of existing housing must comply with the Lead-Based Paint Regulations described in 24 CFR Part 35 which require that lead hazard evaluation and reduction activities be carried out for all developments constructed before 1978 and receiving HOME Program assistance. Applications for rehabilitation funds for existing buildings constructed prior to 1978 must include a lead hazard evaluation by appropriate lead-certified personnel. The application must also include a detailed lead hazard reduction plan in accordance with the regulations, and separately identify within the rehabilitation budget the costs associated with reduction of lead hazards in accordance with the regulation and guidelines. All HOME Program fund allocations will be contingent upon the applicant agreeing to complete lead hazard reduction, evidenced by a clearance report performed by appropriate lead-certified personnel.

Contractor Requirements

All general contractors working on all HOME-funded developments must have an active license issued by the Arkansas Contractors Licensing Board as applicable and meet all requirements of contractors in the state of Arkansas, including securing Builder's Risk insurance. Any contractor or subcontractor who has been debarred by any entity or had a contractor license suspended by any entity of government within the previous twelve (12) months will be prohibited from participating in the HOME Program. Contractor must provide proof of Renovate Right Certificate, along with Lead-Certified authorization and documentation of the scope of work for properties before 1978.

Performance Standards

Successful applicants must disburse twenty-five percent (25%) of the total HOME Program funds within six (6) months of the notice to proceed. Seventy-five percent (75%) of the HOME Program funds allocated must be disbursed on the development within one year from the date of notice to proceed. This is for new construction projects (CHDOS).

Acquisition and Rehabilitation Program (Save-A-Home)

Low- moderate income potential homebuyers may apply for the Save-A-Home Program. The City acquires from time-to-time a house that is basically sound; however, needs extensive repairs. The City thoroughly rehabilitates the structure, then sells it to a low- moderate income homebuyer at a cost as much as \$10,000 below the total investment by the City if necessary to make it affordable.

Policies Governing the Acquisition of Properties

In determining which, if any, properties shall be acquired by the Community Development Division, the Community Development Division shall give priority to properties located in focus neighborhoods, as determined by the Community Development Division, and shall give consideration to the following factors:

1. Properties that are subject to a City lien for code violations, and can be foreclosed on by the City.
2. Properties located in the City of Little Rock Lank Bank ready for redevelopment.
3. Proposals and requests by governmental entities that identify specific properties for ultimate use and redevelopment.
4. Proposals and requests by private developers that identify specific properties for acquisition and redevelopment.
5. Input from citizens and neighborhoods.
6. Properties that are considered vacant and abandoned property.
7. Properties that are delinquent on their ad-valorem real property taxes.

8. Properties that are bank foreclosed.
9. Properties that would allow for the creation or expansion of green space.
10. Properties that would eliminate slum and blight to improve the community or neighborhood.
11. Properties that are located in neighborhoods to provide decent and affordable housing for citizens in the City of Little Rock.

Community Development Block Grant (CDBG Program)

Created by Congress with Passage of Title I of the Housing and Urban Development Act of 1974. HUD's CDBG Program was intended to:

- Consolidate programs and services
- Replace existing Urban Renewal and Model Cities Programs and
- Place more responsibility in the hands of local governments concerning the expenditure of Federal Funds

Eligibility Criteria

1. Benefits principally low and moderate-income persons (Incomes at or below 80% of area median income)
2. Eliminates slum and blight (Required to remedy slum and blighting conditions, so this criteria is rarely used.)
3. Urgent Need (HUD has established a high threshold for this criteria, which includes tornado, flood, or other natural disasters.
4. Must be fundable activity, which is established by Federal guidelines.

Limited Home Repair (LHR)

Targeted to Homeowners who are sixty-two (62) years of age or older, or disabled, and whose income does not exceed program guidelines, may be considered for Limited Home Repair Program Forgivable Loan. The homeowner must have occupied and must be the primary residence of the applicant within the past 12 months prior to receiving assistance. This is deferred payment loan of up to \$34,999. The loan is secured by a lien for a five (5) year period contingent upon owner continuing to own and occupy the structure. After 5 years, the lien is released if that requirement has been met. The rehabilitation performed must make the four (4) major systems of the house (roof, heating, plumbing, electrical) serviceable to allow continued occupancy for a period of five years. If the basic systems cannot be made serviceable for a five year period, no loan can be made.

Emergency Assistance Grant (EGP) (EAG)

Homeowners who are sixty-two (62) years of age or older, or disabled and whose income does not exceed program guidelines, may be considered for the Emergency Assistance Grant Program. The homeowner must have occupied and must be the primary residence of the applicant within the past 12 months prior to receiving assistance. This is deferred payment loan of up to \$19,000. Emergency Assistance Grants may be made to pay for construction work to correct items that are determined to be of an immediate and necessary nature and which can have an imminent effect on improving the health and/or safety of the occupants and meets the following definition: An emergency is a situation or condition that occurred recently (generally within two weeks) without warning, that is detrimental to or a threat to life, health or safety, and requires immediate action. Immediate action is defined as action taken within three business days. Emergency grants may include, but are not limited to, items such as heating, electrical, plumbing systems, or emergency roof repairs/replacements.

World Changers (WC)

The City of Little Rock partners with World Changers using Community Development Block Grant funds to paint and do minor repairs to the exterior of houses for very-low elderly residents. This activity is city – wide. The City of Little Rock will provide the materials and World Changers (a faith base organization) will provide the labor to complete this activity. Activity is normal started and completed during the months of June and July. See activity guidelines below:

1. You must be at least 62 years of age or disabled
2. You must own and occupy the home as your principle residence
3. You must meet the income guidelines for the program

Wheel Chair Ramp Activity

Mainstream is a non-profit, non-residential, consumer-driven Independent Living Resource Center for people with disabilities in central Arkansas. The City of Little Rock partnered with Mainstream, who coordinates the construction of wheelchair ramps at private residences of persons with disabilities. The ramps are constructed by volunteers of the AT&T Telephone Pioneers formerly known as Southwestern Bell Telephone Pioneers. Contact Doris Turner Community Development Administrator for information about this program.

Public Services

Meals on Wheels

Central Arkansas Area Agency on Aging (dba Care Link) is a nonprofit agency, founded in 1979, that provides resources for older people and their families in central Arkansas. Meals on Wheels, provides hot and frozen home-delivered meals for homebound senior citizens who are unable to shop or prepare their own meals. Contact Doris Turner Community Development Administrator for information about this program.

Health Services

CHI-St. Vincent East Clinic provides medical and dental services to citizens at the Nathaniel W. Hill Complex in East Little Rock. These services are provided to very low – moderate income citizens in Little Rock. Contact Doris Turner Community Development Administrator for information about this program.

Economic Development

Economic Development will provide loans to businesses to create jobs for low to moderate-income persons. The City will complete a memorandum of understand (MOU) with a third party firm to underwrite the loans. New business or expansion of existing business will be able to apply. Target is small businesses (restaurants, cleaners, bookstores, etc.)

Community Programs-Youth

Career Crash Course will be a six-week in depth professional development program targeting low-income and at-risk youth in the City of Little Rock. The course is designed to provide the career skills necessary to be prepared for the workforce. Session include information regarding job conduct, professional attire, money management, time management and goal-setting, professional communication, resume writing, interview skills. There will also be a session on how city government works and how to access city services.

Community Housing Development Organizations (CHDOS)

Community Housing Development Organizations (CHDOs) are neighborhood based non-profits that partner with the City of Little Rock for funding to develop affordable housing. CHDOs are currently building in targeted areas throughout the City of Little Rock. To learn more about the current homes for sale by the CHDOs, they may be contacted directly at:

Better Community Developers

Darryl Swinton, Executive Director
(501) 379-1539

Affordable Housing Inc.

Roma Isom, Executive Director
(501) 221-2203

University District Development Corporation

Barrett Allen, Community Development Program Officer
(501) 683-7356

HOUSING OPPORTUNITIES FOR PERSON WITH AIDS (HOPWA)

The Housing Opportunities for Persons with AIDS (HOPWA) Program was established by the AIDS Housing Opportunity Act of 1990, and revised under the Housing and Community Development Act of 1992. The HOPWA Program administered by the City of Little Rock Housing and Neighborhood Programs Community Development Division serves Faulkner, Grant, Lonoke, Perry, Pulaski, and Saline Counties. The State of Arkansas also administers the HOPWA program and serves 68 of the 75 counties in Arkansas. Arkansas does not serve Crittenden County. Crittenden County is served by the Memphis, Tennessee EMSA. The U.S. Department of Housing and Urban Development HOPWA regulations, Section 24 C.F.R. Part 574, are hereby incorporated into this program policies and procedures manual. All HOPWA Project Sponsors must also comply with all Internal Revenue Service (IRS) Regulations to report rent as income to individuals through the 1099 process. For further information visit www.irs.gov.

1. Local Use of HOPWA Funds

Local HOPWA funds are directed towards assisting eligible clients with housing designed to prevent homelessness, **including short-term rental, mortgage and utility assistance, long-term rental assistance, permanent housing placement and service coordination.**

2. Funding Awards

a) Under federal regulations governing HOPWA, administrative costs for the grantee and project sponsors, respectively, are not to exceed:

- i) three percent (3%) of the annual HOPWA allocation to administer the program locally, including the cost of general management, oversight, coordination, program evaluation, and reporting on all HOPWA funded services; and
- ii) seven percent (7%) for administrative costs incurred as part of the delivery of HOPWA services.

B. Role of the City as HOPWA Grantee

As a HOPWA grantee the City of Little Rock, embraces principles identified by U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development to guide local planning for the use of HOPWA funds. The HOPWA program is committed to collaboration among all levels of government and the private sector, including non-profit organizations. The goal is to provide decent, safe, and sanitary affordable housing, creating and maintaining a suitable living environment for low-income persons with HIV/AIDS and their families.

1. Grant Administration

The City of Little Rock is responsible for assuring that the HOPWA grant is administered in accordance with the intent of federal legislation, and that HOPWA providers are in compliance with the federal requirements. In order to assure effective grant administration, the City of Little Rock:

- a) Development of the annual application for HOPWA funds, submitted to HUD, as part of the State's Consolidated Plan;
- b) Awarding HOPWA funds to local not-for-profit providers and local public housing authorities as sub-recipients of the HOPWA Grant under a competitive Request for Application (RFA) process, consistent with state priorities identified in the State's Consolidated Plan and Annual Action Plan submissions to U.S. HUD;
- c) Day-to-Day program operations, including monitoring of all sub-recipients for programmatic, financial, and data compliance, including on-site visitation at HOPWA providers' facilities;
- d) Coordination of the HOPWA application process with other government jurisdictions and the private sector, including non-profit organizations.

Consolidated Planning Process

Little Rock is fortunate to have an in-depth participation process. While Federal CDBG regulations require public hearings and citizen input into the planning process, Little Rock's Citizen Participation Plan truly works to promote maximum self-direction in local neighborhoods. During the early years of the CDBG Program, funding was awarded in the amounts sufficient to provide every designated CDBG neighborhood the opportunity to participate in planning and subsequently recommend projects to the Little Rock City Board of Directors. The organizing issue was not "whether" a low-income neighborhood could utilize CDBG Funds for a project but "which" project the neighborhood would recommend to the Little Rock City Board of Directors.

Over the years, as the number of entitlement cities increased and with growing concern over deficit spending by Congress, Little Rock's CDBG and HOME Grants decreased. In recent years, neighborhoods had to reduce the scope and number of projects recommended for funding.

The current Citizen Participation Plan is structured so that each Ward is represented on the Consolidated Planning Committee, which makes recommendations directly to the Little Rock City Board of Directors on proposed CDBG activities and funding. See below the City's Consolidated Process below.

CONDUCT PUBLIC MEETINGS

PROJECTS PROPOSED FOR FUNDING

CONSOLIDATED PLANNING COMMITTEE

- Consists of Citizens and Technical Assistance Representatives
- Considers Proposed Projects for Funding
- Develops Recommended Slate of Projects for Consideration by the City Board of Directors

CITY OF LITTLE ROCK BOARD OF DIRECTORS

- Takes Action on Recommended Uses of Funding
- Approves Submission of Action Plan to HUD

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

- Approves Annual Action Plan

Rehab Assistance Application Process

Citizens can call the Community Development Division and make application for assistance Monday – Friday 8am – 5 pm. Also citizens can fill out the Home Repair Assistance Questionnaire located online at www.littlerock.gov.

- Citizens can call or fill out the Home Repair Assistance Questionnaire form online, Technicians will complete the Home Repair Assistance Questionnaire form, preliminary application of homeowners.
- Information received for homeowners that meet initial guidelines of the program will be placed on the track list depending on the type assistance and funding availability. (World Changers, Emergency Assistance Grant, Limited Home Repair, or Leverage Loan).
- If funding is available and no waitlist exist. The file process will start with the Community Development Monitor setting up a folder for the technician and site visit folder for the inspector to determine the correct type of assistance for the Homeowner.
- After the type of assistance has been verified by site visit the homeowner is notified and the application for assistance will take place with an appointment setup by the Community Development Technician.

***Due to the Pandemic we are only providing Emergency Assistance at this time.**

Eligibility Requirements: Qualification of applicants is determined by the Community Development Division or the implementing agency according to the following guidelines.

- A. Applicants for rehabilitation assistance must reside within the city limits of Little Rock, Arkansas and must occupied the dwelling for at least one (1) year. Applicants must certify that the home is not being offered for sale, and is their primary residence/homestead, as indicated per the Pulaski County tax records.
- B. Applicants have gross annual incomes at or below the applicable low-income limits established by the U. S. Department of Housing and Urban Development (HUD) for the jurisdiction of Little Rock, Arkansas. The applicable low-income limits for determining program eligibility are published by HUD in the federal register and are updated annually. The low income limit shall mean the cumulative gross annual income of all the persons who occupy the dwelling unit to be rehabilitated that does not exceed 50 or 80 percent of the area median income (depending on the program), adjusted for family size, as established by HUD. The occupant household's gross annual income (for the purpose of determining program eligibility) shall be calculated according to the HUD regulations identified in the Code of Federal Regulations at 24 CFR, Part 5 or the HUD Income Calculator. Income of all household residents age 18 or over, unless they are a full-time student, will be included in the total annual gross household income determination. Gross Annual Income, includes but is not limited to child support, Social Security, pensions, income from annuities, interest income on savings, etc. The annual income limits for Little Rock, Arkansas increase based on the number of persons in the household. Family size will be determined by the number of occupants living in the dwelling to be rehabilitated on a regular basis. Household residents under the age of 18 qualify as dependents of the head of household according to the HUD regulations identified in 24 CFR, Part 813.102 and are eligible for a dependent deduction. If an applicant is a full time student, the applicant will be required to provide their parents income information so that the Community Development Division can determine if the applicant has been claimed as a dependent on their parents Federal Income Tax return.
- C. Verification or certification of income and assets will be required to determine program eligibility for all HOME-funded projects. The applicant and any other family member must execute a release of information form authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the Community Development Division or the implementing agency such information as determined to be necessary. Certification of income and assets will be required to determine program eligibility for all CDBG/HOME-funded projects. Certification of income and assets means the applicant certifies that all information provided is true and correct. The Community Development

Division or the implementing agency shall also require the family to submit documentation determined to be necessary if it is required for purposes of determining or auditing an applicant's eligibility to receive program assistance, for determining the applicant's or applicant's family members gross annual income. The use or disclosure of information obtained from an applicant or applicant's family member or from another source pursuant to this consent to release information form shall be limited to purposes directly connected with administration of the HOME Owner-Occupied Rehabilitation Program. Assets shall include checking, savings, other bank accounts, stocks, bonds, CDs, trusts, real estate and cash held by any household member. The determination of the Value of an asset use the current passbook rate as determined by HUD.

- D. In order to be determined eligible for participation in the HOME Owner-Occupied Rehabilitation Program the subject property taxes must be current. Property taxes must not be delinquent for any tax year unless the homeowner has entered into a written agreement with the taxing authority outlining a payment plan for delinquent taxes and is abiding to the written agreement.
- E. The City would like for standard property insurance to be maintained on the property (with coverage adequate to insure the City's lien position) but in the event the homeowner does not have insurance a certification will be provided to the homeowner to gain and maintain insurance after the rehabilitation is complete. If a property is located in a flood plain, flood insurance must also be maintained (with coverage adequate to insure the City's lien position).
- F. Title searches will be obtained on all properties. Evidence of ownership of the property will be confirmed through the Pulaski County Tax Records.
- G. The City of Little Rock will only accept a first or second lien position. In a case where the second lien is due to participation in a down payment assistance program to secure the initial purchase the property, the City may accept a third lien position.
- H. Households receiving reverse mortgages will be disqualified from receiving assistance through the Homeowner Occupied Rehabilitation Program.
- I. Homes whose market value as determined by the Pulaski County Assessor exceeds the current annual FHA 203(b) (single family, one-unit residence) limit for this area are excluded from this program.

- J. To determine the economic feasibility of the rehabilitation activity, the total amount spent on each home will not exceed 50 percent of the after rehabilitation value (ARV) of the home. After rehabilitation value will be determined by adding 25 percent of the rehabilitation grant amount (RG) to the Tax Assessor's market value (MV). $[MV + (.25 \text{ of } RG)] = ARV * 50\% > RG$.
- K. The homeowner must be current with his/her mortgage (the payments due and payable to the mortgage company may not be more than 30 days past due) in order to receive assistance under the HOME Owner-Occupied Rehabilitation Program.

WAITING LIST MANAGEMENT

To be placed on the waiting list:

The applicant will be required to complete a Home Repair Assistance Questionnaire form to register their interest in participating Community Development Division rehab programs. The preliminary application form requests basic information about the applicant, the applicant's property, and the occupants. The submission of a preliminary application does not guarantee assistance under any of the Community Development Rehabilitation Programs.

HOME Elderly Home Repair Program

The HOME Elderly Home Repair Program (EHP) waiting list will be maintained in accordance with established policies and procedures. Applicants will be selected from the waiting list in chronological order based on the date and time on their preliminary application (first in – first out) including any established preferences or priorities for providing assistance. When the applicant's name reaches the top of the waiting list, the Community Development Division or the implementing agency will then process a full application with the applicant to verify the information provided and to confirm that the applicant meets all HUD program requirements. If an applicant cannot be reached after being called multiple times, the applicant is sent a 10 day letter to respond. At that time next applicant will be processed. If an applicant meets the basic eligibility criteria, the application will be processed for full eligibility and the dwelling unit will be inspected to determine the scope of work to be performed to bring the dwelling up to applicable code. If insufficient funding or other resources are available to assist the applicant at the time of application, the application will be placed on the HOME EHP waiting list. The Community Development Division or the implementing agency will schedule the property for a physical inspection to determine the scope of work required to bring the structure into compliance with program guidelines and objectives as outlined in Section "Eligible Improvements". If the property can be rehabilitated in accordance with the requirements of Section Eligible Improvements and the cost of the rehabilitation does not exceed the economic feasibility, program expenditure limits and other required regulatory requirements, the application will be approved based on available funding. An applicant's eligibility for assistance is based on the approved policies and procedures that are in effect at the time the applicant is selected for processing from the waiting list. Applicants must complete a written

preliminary and full application form containing information necessary to make a determination of program eligibility. It is the responsibility of the applicant to notify the City of Little Rock Community Development Division of any changes in occupancy, household income, family composition, or any other information on the preliminary application. Notice of changed information must be submitted to the Community Development Division in writing within 30-days of the effective date of the change. Upon receipt of the notice of change, the Community Development Division or the implementing agency will record and date stamp the changes received and place the notice of changed information in the applicant's file. An applicant must meet all applicable eligibility requirements, at the time their name is selected from the waiting list. If the homeowner cannot meet the requirements for eligibility, the homeowner will be informed of the determination of ineligibility. The homeowner may appeal to the Community Development Manager or the implementing agency determination as outlined in the appeal process of this policy manual.

CDBG Limited Home Repair Program (LHR) Waiting List Management

Eligible applicants applying for assistance under the LHR program to address four (4) Major System Repairs will manage a waiting list by the following procedures.

- All LHR - applications will be processed on a first-come, first-served basis contingent on funding availability and a determination of eligibility for program participation. CDBG LHR program waiting list eligible applicants applying for assistance under the LHR program will be ordered on the waiting list based on date and time of the receipt of their Home Repair Questionnaire form/application and any other established preference. If an applicant cannot be reached after being called multiple times. The applicant is sent a 10 day letter to respond. At that time next applicant will be processed. If the applicant responds with in the 10 day period their application will be processed immediately.
- The Community Development Division or the implementing agency will select applicants from the waiting list according to the date and time of receipt of the Home Repair Questionnaire form/application and established preferences.
- In the event the LHR is determined to be an emergency during the Inspector's site visit the applicant could be moved up the list to complete the emergency determined. After the Emergency Assistance Grant repair has been completed the applicant will continue on the waiting in the order the LHR assistance was requested unless determined by the Community Development Manager that LHR can be completed within the Emergency Assistance Grant.

CDBG Emergency Assistance Grant Program Waiting List Management

Emergency Assistance Grant Program waiting list management are identified below.

- Preference 1 – Elderly homeowners whose total income does not exceed 50 percent of the area median income, adjusted for family size, as established by HUD.

- Preference 2 - Emergency Assistance Grants may be made to pay for construction work to correct items that are determined to be of an immediate and necessary nature and which can have an imminent effect on improving the health and/or safety of the occupants and meets the following definition: An emergency is a situation or condition that occurred recently (generally within two weeks) without warning, that is detrimental to or a threat to life, health or safety, and requires immediate action. Immediate action is defined as action taken within three business days. An applicant may be moved up on the waiting list on a case by case bases determined by the Community Development Manager depending on the imminent threat of the Emergency (i.e.; sewer line burst, roof damage, electric service has been damaged, frozen or broken water line).
- If no funding is available. Applicants will be placed on the waiting list by the date they applied for assistance. Once funding is made available applicants will be processed by order of wait list unless specified in Preference 2. If an applicant cannot be reached after being called multiple times. The applicant is sent a 10 day letter to respond. At that time next applicant will be processed.

ASSISTANCE CATEGORIES

Rehabilitation is Beyond the Scope of Work for the Program

A project may be determined infeasible if the cost to complete all needed repairs exceed the respective program limits. The process to cancel proposed repairs is outlined in the Community Development Owner-Occupied Rehabilitation Program Procedures Manual. The process to calculate the cost will be determined either from estimates determined by Community Development inspector and/or from the Contractor's bid received on a project. Pictures should be taken by the Community Development Inspector for documentation purposes and place in the file or the shared CDBG drive. Community Development Technicians will contact the applicant to document the infeasibility of completing the project due to the repairs exceeding the respective program limits. A rejection letter will be sent to the applicant to document the contact made to the applicant.

SELECTION AND CLEARANCE OF CONTRACTORS

Selection of a general contractor in the Elderly Home Repair and Limited Home Repair Rehabilitation Program, except in the Emergency Assistance Grant Program, is the responsibility of the homeowner with guidance from the Community Development staff, as requested by the homeowner. The selection of a general contractor in the HOME Owner-Occupied Rehabilitation Program will follow the City's or the implementing agency's procurement process, with bidding, awards and contract execution coordinated by the Community Development staff or the implementing agency. Elderly Home Repair Rehabilitation work will be undertaken only through a written contract between the contractor and the homeowner receiving the assistance. The Community Development staff or the implementing agency will obtain a minimum of three (3) bids on the planned repairs if obtainable, based on the preliminary work write-up prepared by the City's inspector or the

implementing agency. The bids are to be submitted online on the specific due date. The Online Bid System will record the total amount of the bid and the date and time the bid was received. In the online bidding process where multiple bids were sent out to the Elderly Home Repair and Limited Home Repair Rehabilitation Program approved contractors list and only one (1) bid was received on the project, if the bid is determine feasible and in line with DOW estimate. The Community Development Division or the implementing agency will evaluate the bid documents to determine if the bids are eligible. Bids are considered eligible when the following conditions are met:

1. The submitting contractor currently meets all program requirements and is not debarred or suspended from participating in the Elderly Home Repair and Limited Home Repair Rehabilitation Program.
2. The contractor is not on probation.
3. The bid is received by the Community Development Division or the implementing agency prior to the bid submission deadline date and time stated in the bid documents.
4. The total amount of the bids are within 20% of the total cost listed on the initial work write-up prepared by the Community Development Division or the implementing agency and does not exceed the maximum dollar limits of the program. If none of the bids solicited are within 20% of the preliminary work write-up initially or by negotiation, the bid must be rejected and other bids must be obtained that are within the specified cost limits. Any bids received outside of the estimated range of housing rehabilitation will be rejected and the homeowner will be notified in writing. Contracts will not be awarded until the Community Development Division or the implementing agency has completed its contractor certification and the contractor has met the requirements. This exclusion may be appealed by the homeowner as state in Section Grievance Procedures.
5. When an acceptable, eligible bid has been secured and the general contractor is selected, the contractor is notified that they must furnish the Community Development Division the implementing agency a Certificate of Insurance, Payment and Performance Bond, a copy of their updated Contractor Information Form if necessary, and an updated copy of their Renovate Right lead-based paint certification. Information will be verified for accuracy and completeness of the forms submitted by the contractor. If all submitted documents are in order and the contractor is not on the list of parties debarred or suspended from participation in federal procurement or non-procurement programs or if the contractor is not suspended or debarred from participation in the City of Little Rock Department of Housing and Programs Divisions, the Community Development Division or the implementing agency will proceed with the preparation of contract documents. Participating general contractors must obtain all permits that are required to perform the authorized scope of work. The contractor must comply with all the regulations governing the issuance and inspections of any work permitted. Furthermore, all general contractors and subcontractors must possess trade or other professional licenses as may be required by the State of Arkansas and the City of Little Rock Planning Building Codes Division in order to perform such functions that are subject to licensing. Each contract between a contractor and a homeowner shall contain language denying participation to contractors who fail to perform in a satisfactory manner.

6. Contractors proven to provide poor service or quality of workmanship, unsatisfactory vendor performance reports, if the contractor has engaged in or threatened abusive or violent behavior towards City of Little Rock personnel and/or who exhibit behavior that is not professional in the opinion of the City of Little Rock staff will be debarred or suspended from any future contracts with the City of Little Rock Department of Housing and Neighborhood Programs. Contractors will be informed of this decision in writing with the opportunity to appeal to the Department of Housing and Neighborhood Programs Director or his/her designee. Levels of Suspension and/or Termination:
- a) Written/Verbal Warning
 - b) 6 month Suspension – Reinstatement Plan
 - c) Termination Indefinitely
- A. CONTRACTOR – The term “Contractor” applies to the firm bidding on work or receiving an award. The firm must hold a current Arkansas State General Contractor’s license. Contracts for Elderly Home Repair and Limited Home Repair Programs may be awarded to business vendors whose services are appropriate for the work begin done (i.e., roofing contractor, plumber or licensed electrician) but who may not necessarily be licensed general contractors. These vendors must have current licensure applicable to their specialty.
- B. INSURANCE – Before commencing work, the contractor shall submit to the Community Development Division a current certificate of insurance as evidence of the coverage required. (Elderly Home Repair, Acquisition Rehab, New Constructions, and Leverage Loan Program).
1. The contractor shall carry or will be required to carry Workers’ Compensation Insurance for all employees and those of subcontractor engaged in work at the site in accordance with Arkansas State Workers’ Compensation Laws.
 2. The contractor shall carry during the life of the contract Property Damage Insurance in the amount of not less than \$100,000 to protect the contractor and subcontractor from claims for property damage which might arise from operations under their contract.
 3. The contractor shall carry or will be required to carry General Liability Insurance. The City of Arkansas must be named as an additional insured under the general contractor’s protective coverage. The contractor must furnish the City of Little Rock, written notice of any change and/or cancellation of the required coverage no less than thirty (30) days before any such change is effective. Coverage will be verified by the Community Development Division before contract execution.
- C. FORM OF CONTRACT – The contract documents to be executed by the homeowner and the general contractor will be prepared by the Community Development Division or the implementing agency after a preconstruction conference is held (not applicable for the Emergency Assistance Grant and Limited Home Program). At the Loan Closing, the

homeowner and contractor will agree to work condition, use of facilities and other construction related matters. Such documents must be fully executed prior to beginning the rehabilitation work. These contract documents shall state a specific date for commencement of the work, a specific date for completion of work, and a copy of the Description of Work (DOW). An executed copy of the contract shall be furnished to the homeowner, contractor, and to the Community Development Division or the implementing agency.

INSURANCE REQUIREMENTS FOR CONTRACTORS

To execute a contract in connection with the City of Little Rock's Elderly Home Repair and Leverage Loan Program, a general contractor must submit to the Community Development Division a Certificate(s) of Insurance on ACCORD Form 25 from a satisfactory insurer(s) stating that such general contractor carries the types and amounts of coverage required for this program, as stated in Contractor's Qualification for under, Contractor Insurance Requirements. Contractual liability coverage shall apply to all contracts between the general contractor, the City of Little Rock, and the homeowner(s), who are beneficiaries of the City of Little Rock Elderly Home Repair and Leverage Loan Rehabilitation Program. The City of Little Rock shall be named as additional insured under the general contractor's protective coverage. General contractors or agents participating in the Elderly Home Repair and Leverage Loan Owner-Occupied Rehabilitation Program must furnish the Community Development Division, written notice of any change and/or cancellation of the required coverage no less than ten (30) days before any such change is effective. Coverage will be verified by City of Little Rock Community Development Division before contract execution.

CONTRACT DOCUMENTS AND INSPECTIONS

1. Contract documents to be executed by the homeowner and the general contractor will be prepared by the Community Development Division or the implementing agency after a preconstruction conference is held (not applicable for the Emergency Assistance Grant & Limited Home Repair program).
2. At the preconstruction conference, the homeowner and contractor will agree to work condition, use of facilities and other construction related matters. Such documents must be fully executed prior to beginning the rehabilitation work.
3. These contract documents shall state a specific date for commencement of the work, a specific date for completion of work, and a copy of the rehabilitation work write-up.
4. An executed copy of the contract shall be furnished to the homeowner, contractor, and to retained at the Community Development Division. It is the goal of the Elderly Home Repair and Leverage Loan Owner-Occupied Rehabilitation Program to ensure that all work is completed in the highest quality and in a professional workmanlike manner and to ensure customer satisfaction to the highest extent possible, while ensuring effective and efficient administration and use of the Community Development time.

5. Inspections will be made by Community Development Inspector or the implementing agency while the work is in progress. The required plumbing, electrical, structural and mechanical inspections will be conducted by the City of Little Rock's Building Codes Inspections Division (or its designated representative) while the work is in progress. The contractor (or relevant sub-contractor) will schedule all required inspections with client, if client occupying house during repairs.
6. Upon completion of the work, a final inspection will be conducted by the Community Development Inspector or the implementing agency and the homeowner. The general contractor's presence is required at such final inspection. The general contractor must sign a Certificate of Completion and Lien Waiver Affidavit before submittal of an invoice for final payment.
7. The Community Development Division or the implementing agency will not sign the Certificate of Completion until all work has been completed and approved by the homeowner. In a situation where the homeowner refuses to approve the completed work, a written complaint must be filed with the Community Development Division by the homeowner within ten (10) business days. Failure to file a written complaint within the specified timeframe shall indicate acceptance of the work and the contractor will be paid in full. In no instance should any outside agreement exist between the homeowner, contractor, or any other agency during the construction period regarding repair/remodel/modification of the home. Failure to comply with this provision will result in the termination of the contract and require immediate payback of the funds expended by the City of Little Rock. If the contractor performing other repairs/remodels/modifications is the same as selected by the homeowner for the Elderly Home Repair and Leverage Loan Owner Occupied Rehabilitation Program, then all funding due to that contractor will be forfeited and the forgivable loan will be adjusted or cancelled.

TIME FOR COMPLETION

1. Upon execution of the contract documents by the homeowner and the general contractor, a Notice to Proceed (Notice) will be issued by the Community Development Division or the implementing agency.
2. If a lien is to be filed, work may begin immediately after the expiration of the three (3) day Right of Rescission Period, after the notice has been received by the contractor, work authorized by a forgivable loan award must begin within ten (10) calendar days and be completed within sixty (60) calendar days of receipt of the Notice to Proceed, unless otherwise approved by the homeowner and accepted by the Community Development Division or the implementing agency.
3. Work authorized under the Emergency Assistance Grant and Limited Home Repair program must begin as soon as contractor has been procured, notice to proceed has been received by Inspector, authorized by the Community Development Division staff, and received permission from homeowner to begin repairs.
4. A copy of the work write-up will be provided to the homeowner. Prior to beginning work, the contractor must have a copy of the work write-up (DOW) signed by the homeowner

and the Community Development Division or the implementing agency. The contractor must begin work within ten (10) calendar days from the date noted on the work write-up or notice to proceed unless otherwise stated by the by Homeowner or Contractor to the Community Development Division staff at the time of closing. Any contractor who does not begin or complete the work within the time specified in the contract may be assessed liquidated damages of \$100.00 per day for each day they run over the established completion date.

5. Contractors must notify both the homeowner and the Community Development Division staff or the implementing agency to request an extension of the completion date and state the reasons for such extension.
6. If approved by the Community Development Division staff or the implementing agency, based on an inspection of ongoing work, the newly approved completion date must be approved by the homeowner and documented in the city's file.
7. Contractors will not be granted more than two time extensions, unless extraordinary circumstances (as determined by the Community Development Division staff or the implementing agency) justify a further request. The Department of Housing Neighborhood Housing Director or his/her designee is not required to approve a time extension change order. Any extension of time will be documented by a change order.

GENERAL SPECIFICATIONS

Contractors performing work for the Elderly Home Repair and Limited Home Repair Owner-Occupied Rehabilitation Program will adhere to the "General Specifications for Elderly Home Repair and Limited Home Repair Rehabilitation Programs in the City of Little Rock, Arkansas," Rehabilitation/New Single Family Housing manual. Contractors are also expected to be familiar with, and to comply with, all locally adopted, written property codes, written rehabilitation standards, bid specifications, and ordinances currently adopted by the City of Little Rock. In the event a conflict is determined to exist between the General Specifications for the Elderly Home Repair and Limited Home Repair Rehabilitation Program and the City of Little Rock adopted codes, the stricter of the two shall apply.

CHANGE ORDERS

- A. No modification(s) of the contract shall be made except by written instrument, signed by the contractor, approved by the homeowner, and accepted by the Community Development Division Staff or the implementing agency.
- B. Change orders may be authorized for necessary work items that were initially overlooked or which could not be determined until the course of the rehabilitation work had already begun or to add an approved item if all required items have been repaired and adequate funding is available.

C. Change orders must be requested prior to commencement of the proposed changed work in order for such costs to be reimbursable. Change orders may be authorized as follows:

1. To add work necessary to correct incipient items that have been found defective after work is in progress, but were not anticipated at the time the contract was executed.
2. To correct defects that must meet City Code requirements.
3. Staff will document work to be completed and take pictures for verification.
4. To make required repairs and additions to the contract that would exceed program limits, an item of lesser priority on the work write-up (DOW) may be deleted. Deletion of items shall be at the previous line item bid amounts, unless said items have no specific costs, in which case they shall be deleted by negotiation at prevailing rates. The Community Development Division staff or the implementing agent is authorized to negotiate contract changes on behalf of the homeowner. With the exception of work required to meet city codes, written rehabilitation standards, health and safety requirements, and electrical or mechanical deficiencies, the homeowner may determine the priority of the items on the work write-up (DOW) and may approve all decisions regarding substitution of a higher priority work item for a lower priority work item.
5. Total change orders on any job (except the Emergency Assistance Grant Program and Limited Home Repair Program) may not exceed 20 percent of the total dollar amount of the original contract, unless approved by the Community Development Manager or the Housing Director. Change orders in the amount over \$34,999.99 will require approval from City Manager (Purchasing Limits).
6. Additional time for the completion of the scope of work is subject to the approval all parties. Requests for additional time will be submitted by the contractor with approval from the homeowner and the Community Development Division Manager or the implementing agency.
7. The Community Development Division staff or the implementing agency is authorized to approve Emergency Assistance Grant Program Change Orders without supervisory approval up to \$4,999.99. When the total sum of change orders exceeds \$5,000.00 or will exceed program limits, the change order must be approved by the Director of the Department of Housing and Neighborhood Programs.

PAYMENT OF CONTRACTORS

Upon completion of the work, a final inspection, signed by the homeowner, the Contractor, the Community Development Division Inspector or the implementing agency, and a qualified building official or his/her designee, if required, will be conducted. Thereafter the contractor will submit an invoice for final payment less retainage to the City of Little Rock. The City of Little Rock will issue a check to the contractor for the full amount of the contract (plus change orders), less retainage which will be withheld for thirty (30) days. After thirty (30) days, the contractor will then submit an invoice for final payment of retainage accompanied by a Lien Waiver Affidavit and Release of Lien signed by all subcontractors involved in the project. Should the homeowner fail to approve the final inspection and refuse to sign this final

certification, payment may be withheld from the contractor. However, should the homeowner fail to file a written complaint within the required ten (10) calendar day time period, specifying the work items and/or the nature of the work in question with an explanation why it was not approved, the City may not unreasonably withhold payment for work performed by contractors, where the work was performed appropriately and according to industry standards with the approval of the City of Little Rock and a qualified building official or his/her designee. The contractor can request but is not guaranteed to receive a fee schedule while the project is ongoing. Approval of a fee schedule different than outlined below is only authorized by the Community Development Division Manager, his/her designee, or the implementing agency. This fee schedule variation is not applicable in the Emergency Assistance Grant Repair program. Partial draws will be documented and inspected as a final inspection on major systems that have been repaired. The City of Little Rock Building Codes Division will be required to approve completed work if it includes any “permit required” work prior to payment. Before the contractor submits the invoice for final payment less retainage, a lien release will be required for the partial draw previously paid and final payment less retainage.

ACCEPTABLE DOCUMENTATION

Documentation of invoices, forms, lien release, etc. from the contractor must be in pdf/word form when sent to Community Development staff electronically. This can also be submitted in person to any Community Development Division staff member.

WARRANTY

Upon completion of the work, the general contractor shall furnish a limited one (1) year warranty on labor and materials, a one-year warranty on roofing repairs, and a five-year warranty on the removal of all existing roofing and the replacement thereof with a single new layer. In instances where the living environment, lack of maintenance or damaged covered by homeowners insurance during the rehabilitation of the home, the warranty coverage will not apply. The contractor is to also provide a copy of his one-year limited warranty along with copies of all manufacturers’ warranties (i.e. appliance warranties, hvac unit warranties, paint warranty and carpet warranty) to the homeowner so they can access warranty assistance after the contractor’s one-year limited warranty (which covers labor and materials) has expired. The homeowner is responsible to notify the contractor of any warranty claims during the contractor’s one-year limited warranty. If the contractor fails to honor or respond to a warranty claim, the homeowner may contact the Community Development Division or the implementing agency for assistance.

APPLICANT/HOMEOWNER OBLIGATION

Upon acceptance of the proposed construction work and execution of the proper paper work, the Community Development Division and the implementing agency will place a lien against the property for the full value of the City's contribution to the project, as stated in the contract, executed by all parties, (except in the case of the Emergency Assistance Grant Repair Program). The lien will be in full force for five (5) years after the work is completed. The amount of the loan shall be forgiven on a monthly-prorated basis over the five-year period.

Should the property change ownership through sale during that period of time, the applicant will reimburse the City, from the sale's proceeds for that prorated portion of the loan that has not yet been forgiven, at zero percent interest. During the term of the forgivable loan, the homeowner agrees to notify the City, in writing, within ten (10) calendar days of a change in the ownership or foreclosure of the property. Should the property change ownership through inheritance, the heirs will be responsible for clearing the lien by making reimbursement to the City of the prorated portion, at zero percent interest, over the remainder of the five-year period. Such reimbursement procedures shall be administered at the direction of the Community Development Division Manager or his/her designee. Heirs to rehabilitated property may request a waiver in this provision, through written application to the Community Development Division, given that of the following condition applies:

- The heirs will reside at the property and are eligible for participation in the program because they meet the low-income eligibility requirements specified herein. If the property is sold, transferred or assigned, other than through inheritance referenced in the above paragraph, the amount of the remaining balance of the forgivable loan due and payable to the City of Little Rock's Department of Housing and Neighborhood Programs shall be satisfied.

PROCEDURES FOR FILING LIENS – FORGIVABLE LOAN PROGRAM

Upon approval of the Rehabilitation Construction Contract between the homeowner and contractor, the homeowner shall execute a Deed to Secure Debt with the City of Little Rock for the amount of the agreed improvements. The Deed to Secure Debt shall be due and payable according to its terms upon any sale of the property secured by such Deed during the five-year period following the contract date for the program. The obligation due the City of Little Rock shall not bear interest and will be forgiven by the City of Little Rock on a monthly-prorated basis over the five-year period. In the event the rehabilitated property is not sold during the five-year period following completion of the improvements, the Deed shall be deemed by the City of Little Rock to be forgiven and the City of Little Rock will execute a full release without obligation by the homeowner. The procedure and a sample form for granting a full release of the forgivable loan program is outlined in the HOME Manual. In the event the homeowner transfers title to the property secured with a Deed during the five-year period following completion of the improvements, the applicant/homeowner shall pay to the City of Little Rock the remaining balance of the Deed. Otherwise, the City of Little Rock shall have the option to demand full payment of the remaining balance of such Deed. Upon failure by the homeowner to pay such remaining balance, the City of Little Rock may proceed to exercise its right of foreclosure under the Deed to Secure Debt. Transfer of title to a rehabilitated property secured by a Deed to Secure Debt and contract under this program as described in the paragraph above, to the heirs, devisees, or assigns of an homeowner shall at the option of the City of Little Rock be deemed to be a sale to a third party purchaser without the prior written consent of the City of Little Rock and subject to all rights of note acceleration and foreclosure retained in the Deed to Secure Debt securing the lien in the favor of the City of Little Rock. Heirs, devisees, or assignees of the homeowner eligible for low or moderate income housing assistance from the

federally funded programs through the City of Little Rock may request a waiver of the City of Little Rock's rights and powers of acceleration and foreclosure under the Deed to Secure Debt, but the City of Little Rock has no obligation to grant any such waiver.

MULTIPLE ASSISTANCE

The City of Little Rock HOME Owner-Occupied Elderly Home Repair and Limited Home Repair Rehabilitation Program limits the amount awarded to an applicant to a total of one forgivable loan for each assisted property. In no instance will the homeowner be eligible for an additional forgivable rehabilitation loan for the same property address. Applicants are limited to one (1) EHP and one (1) LHR per every 15 years. Effective (8/6/2014)

The Emergency Assistance Grant Program will limit assistance to an eligible homeowner to one grant of up to \$10,000 during a three-year period.

At no time will the investment of rehab program funds exceed ninety five percent (95%) of the area median purchase price for single family housing, as determined and published by HUD. HOME investment in the rehabilitation does not exceed the maximum per unit subsidy limits. This maximum shall include all project expenses, including title insurance, title report, inspections, and any emergency repair grant.

The CDBG Program is not subject to a maximum value or maximum per unit investment cap. However, all cost must be reasonable.

VARIANCES FROM POLICY

Variances from these policies and procedures shall only be granted by the Department of Housing and Neighborhood Programs Director (DHNP), under extraordinary and extenuating circumstance and, by recommendation of the Community Development Division Manager. The DHNP will consider a variance to the existing policies that document specific hardship on the part of the homeowner or other parties involved in a project, and that granting a variance will further the goals, purposes, and effectiveness of the Rehabilitation Program and will conform to all applicable HUD guidelines.

RIGHTS AND RESPONSIBILITIES OF THE HOMEOWNER

The applicant is responsible for submitting true and accurate financial and other information required to document eligibility for the program. The applicant is also responsible for notifying the City of Little Rock, in writing, of any change in household composition or income within ten (10) calendar days of such change. Failure to provide updated information shall result in exclusion from the program. The applicant is also responsible for:

- a. Making reasonable accommodation to the schedules of the contractor and the City of Little Rock for the purposes of inspections, completion of work, and etc.
- b. Participate in identifying the priority of all work items essential for bringing the structure to city code.
- c. Reviewing, executing, and understanding the contract, work write-up, and associated documents.
- d. Notifying the contractor and the Community Development Division or the implementing agency of any concerns during the construction period and during the warranty period.
- e. Participating in the partial and final inspections and executing the final inspection report.
- f. Repaying the prorated share of the project cost that may not yet be forgiven under the terms of the lien, if the property is sold within five (5) years of completion of work.
- g. Providing proper maintenance to all installed items/components to help minimize premature failure or damage.
- h. Maintaining required insurance for the duration of the lien.
- i. Sign necessary documents to finalize the project.

RIGHTS AND RESPONSIBILITIES OF CONTRACTORS

The contractor is responsible for completing the work as identified in the contract and work write-up within the agreed-upon timeframe and for the following:

- a. Communicating with the homeowner and the Community Development Division or the implementing agency regarding status of the work during the construction period.
- b. Following all policy and procedures of the Community Development Division Program.
- c. The contractor must get authorization to start projects from Community Development Division staff before work can commence. (Authorization is required even though the notice to proceed has been issued)
- d. Adhering to warranty agreements and performing warranted work within the warranty period(s).
- e. Notifying the Community Development Division or the implementing agency in writing, including justification(s) of the need for any change orders and negotiating with the Community Development Division or the implementing agency regarding the cost of such change orders and time required to complete them.
- f. Completing any items identified at the final inspection prior to execution of the Certificate of Completion.
- g. Cleaning the property of work material after conclusion of work.

- h. Ensuring quality of workmanship and materials in compliance with the contract.
- i. Making reasonable accommodation with the city and the homeowner regarding scheduling of inspections and completion of the work.
- j. Performing all work in an acceptable and professional manner.
- k. Completing all required items on the Description of Work and items required by the City of Little Rock.
- l. Completing all requested documentation to finalize project.

RESPONSIBILITIES OF THE COMMUNITY DEVELOPMENT DIVISION OR THE IMPLEMENTING AGENCY

The Community Development Division or the implementing agency is responsible for paying the contractor as set forth in the contract. The Community Development Division or the implementing agency is responsible for administering the program in a professional manner that ensures maximum effectiveness, efficiency, and customer satisfaction. The Community Development Division or the implementing agency is also responsible for the following with regard to individual rehabilitation projects:

- a. Communicating with the homeowner and contractor regarding all administrative procedures that affect completion of the work on behalf of the homeowner. Issuing Notice to Proceed and granting authorization to contractors.
- b. Making reasonable accommodation with both parties regarding scheduling of inspections.
- c. Documenting project files in compliance with all applicable HUD regulations.
- d. Advising the homeowner regarding city property standards, code requirements, and housing rehabilitation standards which may affect the prioritizing of work items.
- e. Clarifying with the homeowner the advisability and eligibility of certain repairs.
- f. Negotiating/approving with the contractor regarding necessary change orders.
- g. Following up with contractors to ensure that necessary warranty work is completed as required during the warranty period(s).

GRIEVANCE PROCEDURES

A. Appeal Process: the homeowners or contractors with concerns about the administration or operation of the Elderly Home Repair and Limited Home Repair Rehabilitation Program should communicate these concerns to the Community Development Division Manager or the implementing agency within ten (10) business days. If these concerns cannot be negotiated or resolved successfully between the parties, they may file an appeal with the Department of Housing & Neighborhood Programs Director or his/her designee. Such an appeal shall be in

writing, identifying the basis for the specific complaint, the section in the contract or policies/procedures, which are perceived to be violated, and the sequence of events affecting the project to date. All relevant supporting documentation (photographs, copies of dated Certificate of Inspection, insurance information, etc.) should be attached. The Department of Housing & Neighborhood Director or his/her designee will respond to this complaint in writing within ten (10) business days of receiving the complainant's letter. The Director or his/her designee is authorized to make reasonable accommodation, as necessary, to resolve complaints within HUD guidelines and in accordance with the program goals of efficiency, effectiveness, and customer satisfaction. In cases where technical expertise is required for assessment of the quality of work or materials, claims adjusters, or other appropriate technical professionals such as housing inspectors, structural engineers, flooring or cabinetry experts, plumbers, etc. who are not associated with either party involved in the dispute may be called upon for an impartial analysis. Any costs for such services may be paid by the City of Little Rock if approved by the Department of Housing & Neighborhood Programs Director or his/her designee. Such claims adjusters or appropriate technical professionals shall be identified through an objective purchasing procedure after solicitation of a minimum of three (3) bids. Determination of the required qualifications of such a third-party specialist shall be made by the Director or his/her designee. The homeowner is entitled to an appeal which will be conducted as an informal hearing with the Director or his/her designee serving as hearing officer. The decision of the hearing officer will be final. Upon approval of the homeowner's application for assistance, the applicant shall be given the opportunity to read the above "Rights and Responsibilities" and "Grievance Procedures" sections of this document and shall sign a statement indicating that he/she understands them. This statement shall be maintained in the official case file. The Community Development Division or the implementing agency may at any time terminate or deny assistance for a homeowner for any of the following reasons:

- If any member of the household fails to sign and submit consent forms for obtaining information, such as income verifications and other release of information forms.
- If any member of the household violates any of the policies and procedures under this program.
- If the homeowner or family member commits fraud in connection with this program.
- If the homeowner or family member has engaged in or threatened abusive or violent behavior towards City of Little Rock personnel.
- If the house becomes damaged prior to the beginning of or during repairs due to homeowner neglect, weather damage covered by homeowner's insurance, or other similar circumstances.

1. Initial Determination to Deny Assistance

The Community Development Division or the implementing agency may receive information regarding grounds for denial of assistance through file review, third parties or other reliable sources. Upon receiving such information, the Community Development Division or the implementing agency will send a letter to the homeowner scheduling an appointment to discuss the alleged grounds for denial of program assistance or to provide requested necessary

information. This letter will include the alleged basis for denial of assistance and inform them that they have ten (10) calendar days to contact the Community Development Division to schedule a meeting. If the homeowner provides acceptable information to the Community Development Division or the implementing agency, the information will be placed into the homeowner's file with an explanation of the findings and the matter is closed. If the homeowner does not respond to the letter, or furnish the requested information, then the Community Development Division or the implementing agency will send a final letter informing the homeowner of intent to deny assistance under this program. The letter shall also indicate that the homeowner has ten (10) calendar days to appeal this decision and may request an informal review with the Community Development Division Manager or his/her designee. If the homeowner does not request an informal review within this period, the request for assistance will be denied and a letter mailed to the homeowner indicating denial for assistance is final.

2. Informal Reviews

When a homeowner requests an informal review, the following procedures will be followed:

1. The Community Development Division or the implementing agency will schedule and conduct an informal review at the earliest convenient time after receipt of the homeowner's written request. The Community Development Division or the implementing agency shall advise the homeowner of the appointed time in writing.
2. The Department of Housing and Neighborhood Programs Director may conduct the hearing or assign the request for an informal review to a designee serving as the hearing officer. The hearing officer may not be the person who made the decision under review, or a subordinate of this person.
3. The homeowner must be given the opportunity to present written or oral objection to the standing determination.
4. The person conducting the informal review will receive and review the homeowner's objections and will base their decision on:
 - a. Whether or not applicable policy was or would be violated
 - b. The validity of the evidence presented by the homeowner and the Community Development Division or the implementing agency
 - c. Unusual or extenuating circumstances that may warrant an exception to program policies

3. Notice of Decision

Upon conclusion of the informal review, the hearing officer shall have ten (10) calendar days in which to issue a Notice of Decision. The Notice of Decision shall be in writing and shall include the following:

- a. Introduction – The introduction will generally include the name of the homeowner, date, time and place of the review; name of the hearing officer (Housing Director or designated officer); name of the Community

Development Division Representative; and the of the homeowner's representative, if any.

- b. Background – The background will provide a statement of the policy violated
- c. Summary of Facts – A brief summary of relevant facts presented by both parties, documents presented and the statements given by other interested parties.
- d. Final Decision – The decision of the Department of Housing & Neighborhood Programs or the implementing agency. In no circumstance will the decision of the hearing officer violate any HUD regulatory requirement.

Retention of Records CDBG

To avoid monitoring findings and facilitate audit reviews, the City of Little Rock Community Development Division will retain records for four (4) years from the date of submission of the City of Little Rock's Caper in which the specific activity was reported the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In that case, the City's records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer.

Conflict of Interest

In general, no City of Little Rock Department of Housing & Neighborhood Programs employee or project sponsor may obtain a financial benefit due to his or her working relationship to the HOME, NSP2, or CDBG programs. A city employee under Housing & Neighborhood programs directly tied to the Community Development Division is a jurisdiction employee, agent, or officer and their immediate families and business partners. So, a jurisdiction employee could not form a development firm and then request HOME or CDBG assistance to build rental units. In addition to these requirements, HOME also imposes requirements related to the occupancy of units. In general, no owner, developer, or sponsor of HOME-assisted housing, including their officers, employees, agents, consultants, or elected officials may occupy a HOME-assisted unit. Note that there are exceptions for owner-occupied rehabilitation and rental property managers or maintenance workers.

CDBG Procurement Guidelines

As required by 24 CFR Part 85.36, the Community Development Division will follow the City of Little Rock's procurement policy and a code of conduct. All invoices over \$1,000 will require a purchase order. All Community Development Division requisitions, invoices and change orders will be processed through the Community Development Administrative Specialist and Monitor and signed off by the Community Development Rehabilitation Administrator with approval from Grants Management and Purchasing depending on the amount of the invoice. Invoices and change orders over the amount of \$35,000.00 will require

the approval of the City Manager. The invoices will proceed to Grants Management to be signed off and approved before going to Accounts Payable for processing.

Affirmatively Furthering Fair Housing

Title VIII of the Civil Rights Act of 1968 and Title I of the Housing and Community Development Act of 1974 require that the City of Little Rock take some action to affirmatively further fair housing in their communities. One of the City's acceptable actions range from using the equal housing opportunity logo on our letterhead.

Affirmative Action in Soliciting Minority/Women Business Enterprises

Executive Orders 11625, 12432 and 12138 generally require recipients to make every effort to solicit the participation of minority and women business enterprises (MBE/WBE) in their projects. The City of Little Rock Community Development Division and Project sponsors will specify the outreach actions they will take to ensure the inclusion, to the maximum extent possible, of minorities and women and entities owned by minorities and women, in all contracts according to the City of Little Rock Procurement Guidelines.

The City of Little Rock will include qualified MBEs and WBEs on your solicitation lists and solicit their participation whenever they are potential sources of goods or services you need.