HARDEE COUNTY

HOUSING PROGRAM

POLICIES AND PROCEDURES MANUAL

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I. INTRODUCTION

This manual is a guide for the housing programs of Hardee County, including, but not limited to, Community Development Block Grant (CDBG) and State Housing Initiatives Partnership (SHIP) programs or any other administration of housing program funds. The major focus of this manual is on housing rehabilitation including demolition/clearance and replacement of dwellings. Relocation of households is also covered to a limited extent. The Anti-displacement Policy should be consulted if displacement or permanent relocation becomes necessary. The term "low-to-moderate" income includes the HUD very low income categories, inclusively, although separate recording of VLI or LMI may be necessary to conform to the Program requirements.

II. HOUSING OBJECTIVES AND POLICIES

A. **Objectives:** The objectives of the Hardee County Housing Program are:

1. To encourage the revitalization of low-to-moderate income neighborhoods through a Housing Deferred Payment Loan (DPL) or Forgivable Loan Agreement (FLA) Program.
2. To remove unhealthy or hazardous conditions in low-to-moderate income areas.
3. To use CDBG funds as a catalyst to encourage residents of low-to-moderate income neighborhoods to improve their community.
4. To preserve existing housing stock.
5. To enable low-to-moderate income families to rehabilitate their homes by providing financial and technical assistance to those unable to obtain private financing.
6. To reduce utility costs and to improve the comfort of low-to-moderate income families through weatherization aspects of rehabilitation.
7. To conserve the property tax base in low-to-moderate income neighborhoods.
8. To make homes accessible to elderly/handicapped occupants as may be required by code, accessibility requirements, and as good judgment may dictate.
9. To minimize impact of program participation on recipients and to limit direct costs which they might encounter as a result of program participation acknowledging that participation is voluntary and that recipients must reasonably expect that they must bear some burden to participate.

The goal for the housing programs is to rehabilitate substandard units located within their grant application areas of emphasis and to bring them up to a minimum acceptable living standard. This standard is the HUD Minimum Housing Quality Standard (HQS). This goal will be achieved through the use of grant funds to contract for the required activities. The majority of assisted units will be owner occupied, although a rental program may be included if the local government elects to do so and notes the inclusion of the strategy in the application or plan narrative for the grant years involved.

B. **Housing Policies:** It is the policy of the Hardee County Housing Program to:

1. Assure that the Program is administered in strict conformance with the community development and rehabilitation rules and all applicable local, state and federal requirements (including equal opportunity, conflict of interest, etc.).
2. Treat all participating property owners, tenants, and contractors fairly, with sensitivity and respect for their needs, and in accordance with program rules.
3. Provide all program participants any reasonable assistance necessary to carry out the objectives of the program, bearing in mind: 1) that property owners hold the primary responsibility for maintaining their property and personal finances, 2) that contractors are primarily responsible for the quality of their work and their obligations to suppliers, creditors, subcontractors and employees; and 3) that any assistance provided must be authorized at the proper level.
4. Assure that no member of or delegate to the Congress of the United States, to the State of Florida or to the local Commission, shall share in proceeds or benefits of the grant funded work.
5. Allow some flexibility in administering the program in order to meet the program's goals and objectives of rehabilitating each addressed dwelling to attain HUD Section 8 Minimum HQS. Program rules may be waived by the local elected body or the Community Development Director, case by case, when the result will be consistent with established goals and objectives, as well as applicable federal, state or local regulations.

C. **Identification of Units**: Availability of funds will be advertised in the local newspaper stating the nature of the program and to solicit applications. The advertisement will be published at least fifteen days prior to the application acceptance period. However, priority will be given to pre-qualified applicants on file

with the County that are waiting for assistance. Applications received will be reviewed for eligibility. Selection will be based on the criterion as defined in the Housing Policy and Procedure manual. Alternate units will be identified at that time to replace selected units which may become ineligible. Priority and sequence of activity shall be defined by either the Citizens Advisory Task Force (CATF) or the Affordable Housing Advisory Committee (AHAC) (depending on the program funding the activity), using the criterion defined within this policy.

CDBG - Housing Rehabilitation will take place on units that meet the requirements defined in the CDBG Agreement between Hardee County and the State of Florida. Alternate units will be identified to replace selected units which may become ineligible. Priority and sequence of alternates shall be determined by the CATF.

SHIP - Housing Rehabilitation will take place on units that meet the requirements defined by the SHIP AHAC for assistance. This criterion is defined in the Local Housing Assistance Plan as adopted by the Board of County Commissioners and approved by the Florida Housing Finance Agency. Some of the factors considered during the selection process include, but are not limited to, the following:

1. Has the recipient previously been furnished assistance and if so, when and under what circumstances? In most cases, a former recipient will not be served again until all other eligible recipients have received assistance.
2. Number of persons in the family and the average income per family member.
3. State of deterioration of the residence and estimated cost to rehabilitate compared to average residence rehabilitation cost calculated in the application.
4. Assessment of the recipient's effort to make a home of the unit in spite of obstacles which they encounter and which are beyond their span of control.
5. Location of the residence with reference to defined areas, i.e., floodplain, zoning, incompatible use, etc., or type of construction (block, mobile home, wood frame, etc.) which could impact cost and play a role in cost reasonableness, maintenance of average costs, and so forth.
6. Compatibility (consistency) of the proposed residence rehabilitation with the local comprehensive plan, land development regulations and/or floodplain guidelines.
7. Degree of currency of the recipient on local government revenue raising activities, i.e., garbage/trash bill, utility bills, taxes, etc.
8. General reputation of the recipient and status in the community.
9. Recipients willingness to maintain reasonable standard of care and maintenance to protect and enhance the investment.
10. Recipients willingness and ability to participate in the program based on match, linkage or other requirements.
11. Ownership status, clear title to the property.

NOTE: To eliminate the possibility of a "Conflict of Interest" a list of all primary and alternate units selected will be presented first to either the CATF or AHAC (depending on funding source) to determine if any conflict exists with any of the members. In the event of a conflict, the opinion and involvement of the County Attorney will be considered mandatory.

D. **Local Program Administrator:** The locally appointed Community Development Director is Janet Gilliard, who has the right vested by appointment in this Policy and local governing body adoption thereof to make necessary and routine decisions and to execute documents as may be necessary for smooth and efficient program functioning. The Director authority includes the ability to waive or modify locally adopted policy as may be required, case by case, to ensure timely and fair application of program requirements established herein. This authority does not permit waiver or variance to any State or Federal program requirement. Unique and/or case specific issues will be brought before the Board of County Commissioners for guidance (such guidance must be reflected in the local minutes).

III. CONFLICT OF INTEREST

Pursuant to 24 CFR Section 570.489 and Ch. 112.311-112.3143, Florida Statutes, conflicts of interest will be addressed by establishing a process for the following:

- Identifying potential conflicts of interest;
- Acknowledging beneficiaries by name in the minutes of CATF and commission meetings so that previously unknown conflicts may be surfaced;
- Making those conflicts publicly known along with the final rankings based on the criteria outlined in

the local government's housing assistance plan;

- Dealing with those conflicts on a local level; and
- Requesting waivers of those conflicts when appropriate.

Although addressed in other places in this Policy, adherence to rules and regulations on this matter is mandatory and, as such, requires expanded emphasis. The grant award contract "Statement of Assurances" requires certification and assurance that "... no Resident Commissioner shall be admitted to any share or part of this agreement, or to any benefits to arise from the same."

Avenues exist to obtain waivers for any conflicts which might arise due to a relationship, unavoidable conflict or other unique and worthy case which the majority of the electorate may choose to address. The opinion and involvement of the Attorney is mandatory.

In the case of the CATF for CDBG or AHAC for SHIP members, the conflict must be noted and waived by a two-thirds vote of the Board of County Commissioners (see FS 112.313).

In general terms, conflict of interest must be viewed in a manner similar to that which the federal and state government uses when dealing with waste, fraud and abuse. That concept is one described as if the perception of the validity of the issue exists, from the point of view of the general public, it must be treated and dealt with as if it actually existed. This handling ensures that every real or potential situation receives scrutiny and review and that the program functions without any hint of impropriety and in strict accordance with applicable rules and regulations.

IV. HOUSING FINANCING

The Housing Program provides financing to homeowners in the form of Deferred Payment Loan (DPL) or Forgivable Loan, the amount of which shall include the accepted bid amount plus a contingency reserve to accommodate change orders when necessary.

A. **Deferred Payment Loans (DPL):** DPL's are conditional loans, and are provided to homeowners who are unable or unlikely to obtain conventional financing due to their income limits. The DPL involves a security instrument (lien) requiring repayment of the loan. If the homeowner sells or transfers ownership of the rehabilitated home, ceases to use it as his/her primary residence, fails to maintain reasonable required standards of care and maintenance or fails to adhere to other DPL conditions (such as maintenance of hazard insurance) over the term of the instrument, the loan will become due and payable. There is no interest charged during the ten year term.

In the event that the sole owner dies or both/all owners die within the term of the DPL loan period, the Board of County Commissioners reserves the right to:

1. Grant the transfer of the balance of the DPL to the surviving members of the immediate family;

   If one or more immediate family members plans to make the house their primary residence for the balance of the DPL and; their total household income is within the income guidelines that were originally used to award the DPL; or

2. Request repayment of the DPL that existed at the time the sole owner or both/owners died. If repayment of a DPL becomes due, the principle balance will be due in full (prorated) within thirty (30) days of the sale/transfer of ownership or the owner's cessation of primary residence at the property. If the owner is unable to make such payment, the elected body may, at their discretion, allow repayment of the DPL over a term not to exceed ten years, at a yield of not more than five percent (5%) interest per annum. An interest in the property will be maintained until such time that the debt has been satisfied.

If, at any time, a recipient fails to maintain the residence to a reasonable and accepted standard of care, the duration period of the DPL may, at the discretion of the Community Development Director, be extended, month for month, for the period involved in the lack of care. Example: A recipient's home was inspected in January and was satisfactory. In March, the inspection result was unsatisfactory with satisfactory level re-attained in April. The DPL may be extended by one month (March to April). The purpose of this requirement is not to violate a homeowner's privacy or individual freedom of choice but, rather, to ensure that U.S. tax dollars are being utilized in a cost effective manner and to hold the recipient

somewhat accountable for the gift they receive. DPL's may be officially extended, through re-filing, without homeowner authorization or signature if this condition is enforced.

Homeowners whose household incomes do not exceed the HUD Section 8 very low or low-to-moderate income limit may receive a DPL for the cost of rehabilitation.

The maximum DPL for an owner-occupied single family dwelling is determined by each individual housing need and with a maximum amount of $25,000. If the activity cost is more than the program allowable amount and the owner is unable to provide the additional cost, the governing body may authorize a DPL, via a formal waiver, for the amount needed. However, care will be taken to assure that the work is new construction and that funds are available to cover costs. Grant application scoring and/or goals are based on an average amount, which is to be attained. Very high costs frequently adversely impact other units planned for rehabilitation, so the ability to maintain the necessary average must enter into the decision process.

As a general policy, a contingency amount of 5-10% should be placed on reserve for change orders. Exceptions may be made to this rule if the owner provides a firm commitment (deposit or escrow account), to pay for all required changes exceeding the authorized loan limit, or if the Community Development Director determines that the situation does not require a contingency fund.

B. **Forgivable Loan Agreement (FLA):** FLA's are conditional grants, and are provided to homeowners who are unable or unlikely to obtain conventional financing due to their income limits. A security instrument (lien) is placed on the property, but does not require repayment if all the required conditions are met in the agreement. If the homeowner sells or transfers ownership of the rehabilitated home, ceases to use it as his/her primary residence within ten years of the date of the FLA, fails to maintain reasonable required standards of care and maintenance or fails to adhere to other FLA conditions (such as maintenance of hazard insurance) over the term of the instrument. There is no interest charged during the ten year term.

In the event that the sole owner dies or both/all owners die within the term of the FLA period, the Board of County Commissioners reserves the right to:

1. Grant the transfer of the balance of the FLA to the surviving members of the immediate family;

   If one or more immediate family members plans to make the house their primary residence for the balance of the FLA and; their total household income is within the income guidelines that were originally used to award the FLA; or

2. Request repayment of the FLA that existed at the time the sole owner or both/owners died. If repayment of a FLA becomes due, the principle balance will be due in full (prorated) within thirty (30) days of the sale/transfer of ownership or the owner's cessation of primary residence at the property. If the owner is unable to make such payment, the elected body may, at their discretion, allow repayment of the FLA over a term not to exceed ten years, at a yield of not more than five percent (5%) interest per annum. An interest in the property will be maintained until such time that the debt has been satisfied.

If, at any time, a recipient fails to maintain the residence to a reasonable and accepted standard of care, the duration period of the FLA may, at the discretion of the Community Development Director, be extended, month for month, for the period involved in the lack of care. Example: A recipient's home was inspected in January and was satisfactory. In March, the inspection result was unsatisfactory with satisfactory level re-attained in April. The FLA may be extended by one month (March to April). The purpose of this requirement is not to violate a homeowner's privacy or individual freedom of choice but, rather, to ensure that U.S. tax dollars are being utilized in a cost effective manner and to hold the recipient somewhat accountable for the gift they receive. FLA's may be officially extended, through re-filing, without homeowner authorization or signature if this condition is enforced.

Homeowners whose household incomes do not exceed the HUD Section 8 extremely low and very-low income limit may receive a FLA for the cost of rehabilitation.

The maximum FLA for an owner-occupied single family dwelling is determined by each individual housing need with a maximum of $25,000. If activity costs are more than the program allowable amount and the owner is unable to finance the additional cost, the governing body may authorize a DPL or FLA, via a

formal waiver, for the amount needed. However, care will be taken to assure that the work is new construction and that funds are available to cover costs. Grant application scoring and/or goals are based on an average amount which is to be attained. Very high costs frequently adversely impact other units planned for rehabilitation, so the ability to maintain the necessary average must enter into the decision process.

As a general policy, a contingency amount of 5-10**%** should be placed on reserve for change orders. Exceptions may be made to this rule if the owner provides a firm commitment (deposit or escrow account) to pay for all required changes exceeding the authorized loan limit, or if the Community Development Director determines that the situation does not require a contingency fund.

C. **Rental Rehabilitation (When authorized by the BoCC):** Leveraged loans may be available to owners of rental property located in the jurisdiction of the grant recipient. Leveraging may be provided in order to promote the rehabilitation of substandard one to four unit dwellings without the adverse impact of displacing low/moderate income tenants whose household incomes do not exceed HUD Section 8 low-to-moderate income limits, or to make the units available to low-to-moderate income households.

Leveraged loans for rental rehabilitation involve private funds and a DPL from one or more of Hardee County's Housing Programs. The maximum DPL for rental rehabilitation is the lesser of: a) fifty percent (50%) of the cost of rehabilitation, or b) $12,000 for a single family dwelling, $10,000 per unit for a duplex, or $9,000 per unit for a triplex or quadraplex. The DPL term is seven years for rental loans. The stipulations for a leveraging DPL are:

1. The unit(s) and rehabilitation work must meet the requirements established in Chapter VI, Structural Eligibility;
2. The unit(s) must be rented to and be affordable to low-to-moderate income tenants according to the Section 8 rental guidelines;
3. The rental rates will not increase by more than 5% per year during the DPL; and
4. The unit(s) must be maintained in standard condition.

If the before rehabilitation rent charged to the current tenant will not support the owner's cost of ownership, the rent may be increased at the time of loan approval. The increased rate shall not exceed the cost of mortgage (principle and interest), tax, insurance and a monthly maintenance allowance not to exceed $50 per unit for single family dwellings or $25 per unit for multi-family dwellings.

A DPL for rental rehabilitation may be assumed if ownership of the property is transferred during the seven year term. The former owner must record an agreement by the new owner to abide by the original terms of the DPL.

D. **Scope of Housing Assistance:** Program assistance is available for the following purposes:

1. Correcting housing code and Section 8 standard violations, and accessibility or building code violations when required;
2. Providing cost effective energy conserving features,
3. Making the dwelling accessible to handicapped and elderly occupants as necessary;
4. Correcting health and/or safety violations which may be present including replacing dilapidated or malfunctioning stoves or refrigerators;
5. Making the dwelling readily maintainable (correcting incipient violations)
6. Increasing the utility of the dwelling; and
7. Preserving a minimal amount of decoration and individuality.

The first four purposes listed above are included in all cases when developing a list of required work and determining the economic and structural feasibility of the job. Maintenance reduction and utility are considered in design and material selection whenever possible. Decoration and general property improvements receive the lowest priority for CDBG and SHIP funding. However, rehabilitation may preserve or replace architectural and decorative features when the budget permits and no adverse impact on other recipients would occur.

New construction (adding a room, closing in a carport, etc.) is eligible for financing only to eliminate over-crowding, provide disability needs, or bathroom facilities.

In the event the applicants housing unit is located in the 100-year flood plain, activities will be considered only if the actual cost of the rehabilitation is less than 50% of the value (based on the Property Appraisers valuation of the then existing housing unit. This criterion is in keeping with existing local code. If rehabilitation cost is equal to or greater than 50% of the then existing housing unit, assistance cannot be provided as cost of rehabilitation to bring the unit in compliance with 100-year flood plain criterion would exceed the established maximum of the program and would be cost prohibitive.

General property improvements are eligible for program funds when necessary to obtain an adequate level of utility, to decrease high maintenance costs, or to preserve a minimal amount of decoration. Examples of eligible general property improvements include installation of cabinets, functional changes in room layout, replacement of significantly deteriorated floor covering, and enclosure of a porch for use as a utility room or bathroom where the dwelling does not have adequate interior space. There has to be a significant need for structural changes in a home. This is not a remodeling program.

Some general property improvements may be provided at the owner's expense, for example, air conditioners are not eligible for program financing as they are luxury items. However, if the heating system must be replaced, the owner may pay the difference between the recommended heating system and a system which provides air conditioning as well. Other additional improvements, above those required to achieve minimum standards, are optional and at owner expense. The cost for any such improvements shall be borne totally by the owner who must provide the funds to the local government **before the improvements begin** if the improvements are to be a part of the housing contract.

Air conditioning may be installed by the program if a confirmed medical condition exists. A letter from is necessary to justify the inclusion of air conditioning in the work write-up. The letter must, at a minimum, meet the following requirements:

- It must be on the Doctor's letterhead,
- It must specifically state the medical condition which warrants inclusion,
- It must state that inclusion is a medical necessity and is required for treatment of the preceding condition or that air conditioning will materially improve the health of the patient for a specific reason, and
- It must be signed by the Doctor or designated P.A.

General property improvements which are paid for by the property owner may be included in the Contract for Rehabilitation which is developed and administered by the Housing Program. However, ineligible new construction must be contracted separately.

V. RECIPIENT QUALIFICATIONS

A. **General:** In order for a homeowner to be eligible for assistance, the following criterion must be met:

1. Household income must not exceed the low-to-moderate limits set for the HUD Section 8 program.
2. The owner must possess and provide clear title to the property, although it may be jointly owned and the property may be mortgaged. Ownership through life estate, heir property or other legal satisfactorily documented ownership is considered satisfactory for program participation. Providing proof of title is an owner responsibility and expense.
3. The owner must provide documentation (property record card acceptable) that will allow the determination of the age of the housing unit. If the housing unit is a pre 1978 unit and is occupied by a family with infants and/or young children or elderly individuals, the homeowner will be notified of the potential presence of lead based paint and the hazards associated with lead based paint. The homeowner will be required to acknowledge receipt of the notice by signature.

   Lead-based paint abatement procedures to follow when addressing pre-1978 houses: When total federal funds used for work on a home are less than $25,000, there will be a lead inspection and clearance test; and when total federal funds used for work on a home exceed $25,000, there will be a lead inspection, lead abatement, and a clearance test.

   If the housing unit is a pre 1960 unit, prior to accepting the unit for assistance, a letter will be sent to the Bureau of Historic Preservation to determine if the housing unit is historically significant. If not, the housing unit will be accepted for assistance.

4. The owner must reside in the dwelling to be rehabilitated as their principal place of residence.
5. Property tax and mortgage payments must be current and ownership must not be jeopardized by any other threat of foreclosure or default or clouded title.
6. The property must be fully insured for replacement value.
7. No government official will have a vested interest in property to be rehabilitated.
8. If a survey is required, the owner is responsible to provide necessary proof or documentation.

As funds are not sufficient to assist all that apply, the Local Housing Partnership in concert with the AHAC and the CATF has developed the following priorities to assist in the review and selection of recipients for CDBG/SHIP Rehabilitation activities:

1. Elderly head of household (over 62 years of age)
2. Households with at least one of the homeowners being disabled.
3. Very low income households may take precedence over low to moderate income households.

B. **Recipient Responsibilities:** Inasmuch as program participation is strictly voluntary and the recipient will receive a significant amount of financial assistance for which no repayment will normally be required, it is not unreasonable to require certain actions on the recipient's part as a condition of program participation. These actions, stipulations or conditions are:

1. Agree to, and demonstrate financial ability to, provide any additional costs as may be required above the threshold value established for the type of residence (single family, duplex, etc.) involved.
2. Agree to enter into a recorded DPL or FLA arrangement, in accordance with the requirements of this Policy.
3. Agree to maintain the rehabilitated residence in a satisfactory material condition for the duration of the security instruments and agree to possible extensions, month for month, for any periods when the maintained condition is not deemed satisfactory by the fund furnishing authority or their designated representative.
4. Agree to place the residence and grounds (entire lot) into a condition wherein no code, health or safety violations, other than those which would normally be corrected under the auspices of the Section 8 rehabilitation program, exist prior to any bidding or contracting for program work to be accomplished. Example: derelict autos or appliances stored or trashed on the property must be removed before any program work begins.
5. Agree to fund, through guaranteed payment (certified or cashiers check, etc.) deposited with the program, payments for non-program work (i.e., items not program eligible, not health/safety, or which are owner optioned as add-on) in advance of program work commencement. Example: homeowner wants air conditioning but medical condition does not warrant, so item is included as owner option as an addendum to the basic contract. Funds to cover cost plus a contingency must be provided up front before any portion of the rehab work may begin.
6. Agree to adhere to basic procedures established in this policy regarding warranty issues and any all complaints so the contractor and the local government, respectively, have opportunity to respond and/or take action.
7. Agree to permit video taping and photographing as may be necessary to document existing and post-construction conditions throughout the duration of the agreement, recognizing that some small amount of personal privacy must be given up, for a short time, in exchange for the benefits of program participation.
8. Agree to obtain and maintain necessary amounts and types of homeowner's liability insurance, including any and all hazards insurance (floods, wind, other perils, etc.) which may be required.
9. Acknowledge that participation is strictly voluntary and that, as a result of said participation, the recipient willingly agrees to abide by all program policies, rules and regulations.
10. Acknowledge that provision of personal data and information is essential to program participation and agree to willingly provide that which is required, however, also acknowledge that any information so provided which is inaccurate or untruthful will lead to immediate program disqualification and possible repayment penalties.

C. **Household Income:** The following rules are applicable in determining household income:

1. The gross income of all household members occupying the dwelling is included in calculating household income. However, wages earned by dependent minor children are not included in total.

2. Occupants of a dwelling who are not related to or dependent on the owner(s) are not considered as part of the owner's household.
3. Rent or other household support contributed by non-household occupants of a dwelling is included in household income.
4. The owner's assets, with the exception of the home in which he/she resides and personal property such as an automobile, will be considered in determining eligibility. Two percent of the asset values over $5000, or the actual annual income from the asset, whichever is greater, will be calculated as part of the total household income. Inclusion of such assets, if any, will be in strict accordance with 24 CFR 813.106 and any current modification thereof.

VI. STRUCTURAL REQUIREMENTS

A. **General:** In addition to owner eligibility requirements for participation in the Housing Program, the dwelling must be:

1. Below current building codes and/or Section 8 Minimum HQS; and
2. feasible for rehabilitation. In order for a house to be considered feasible for rehabilitation, rehabilitation must:

   a) Correct all violations of the local housing code and Section 8 standards;
   b) Meet local zoning and building (etc.) codes and State/HUD energy code requirements for rehabilitation work;
   c) Leave at least 20% of the original structure based upon the formula provided in this chapter;
   d) Not exceed the program costs noted in this chapter; and
   e) be made accessible to handicapped/elderly occupants, when applicable.

B. **Structural Integrity:** Three major components of the house are considered, with each component weighted to total 100% of the structural value of the house. These components and ratios are: roof - 20%, exterior walls - 60%, and flooring system - 20%. As an illustration, assume 50% of the roof must be replaced, 50% of the walls must be replaced and 25% of the flooring system (including framing) must be replaced. The ratio of the factors is then determined based on the 20/60/20 formula, so that 50% replacement of the roof is equal to replacing 10% of the structure, 50% replacement of the exterior walls equals 30% replacement of the structure, and 25% replacement of the flooring system equals 5% replacement of the structure. Thus, replacement equals 10%, plus 30%, plus 5%, or a total of 45% of the structure. This leaves 55% of the original structure, indicated that the structure is feasible for rehabilitation.

This calculation will be performed by the Community Development Specialist and will be considered in submission of the unit in the grant application. Should significant deterioration occur between application and time the unit is scheduled for rehabilitation, the unit will be reevaluated for continued eligibility and a decision made whether to replace it with an alternate unit or to request a change in type of rehabilitation (demolition, permanent relocation, etc.) in accordance with current DCA contract amendment requirements. Replacement construction is permitted when funding can be obtained.

C. **Cost Feasibility:** As an additional means of guarding against program penalties for following substantial reconstruction of a dwelling standard, the following cost limits are applicable to all rehabilitation areas. These limits are above the allowable CDBG financing limits, and assume requirements for owner contributions or leveraging. The limits may not be exceeded for general property improvements and may not be exceeded for rehabilitation costs unless the **elected body executes a waiver**. Limits are:

CDBG ~~$25,000~~ $57,340 per single family detached house
SHIP $25,000 per single family detached house

VII. PROCEDURES

A. **Application and Inspection:** Each property owner who applies for rehabilitation assistance is initially screened to determine whether he/she is eligible for a DPL, FLA, or a Leverage Rental Rehabilitation DPL. A preliminary inspection is then conducted to determine feasibility of rehabilitation. If either the owner or the structure does not meet eligibility requirements for program participation, the Community Development Director will reject the application. A written rejection will be issued stating the reason for rejection.

If both the owner and the house appear to be eligible for program participation, the application/verification process continues. A work write-up with cost estimate is developed by the Community Development Specialist.

A conditional commitment for an owner leveraged loan, if necessary, should be obtained before bidding, with an indicated maximum limit. If special financing arrangements (such as owner injection to cover excessive costs or general property improvements) are required or anticipated, initial arrangements must be made at this point in order to prevent soliciting bids on a case that cannot be financed. When the case receives preliminary approvals, bids are solicited for the job.

B. **Bidding:** Bidding of potential cases is assisted by the Community Development Specialist. Owners review the pre-approved list of eligible contractors before their cases are sent out for bids. Owners have the right to remove any contractor(s) from the list of prospective bidders for their case, as long as at least three eligible contractors are allowed to bid. Owners may also request additional contractors as bidders. If these owner-requested contractors submit the contractor application and are approved by the governing body and are otherwise eligible, they may be added to the bidders list and bid on the case. The Community Development Specialist makes maximum effort to ensure participation by minority contractors.

No housing unit owner, lessor, lessee, tenant, or occupant, or employee or immediate relative of the same, either personally or corporately, shall serve as a contractor or sub-contractor to be paid with CDBG fund for the rehabilitation of said building, nor shall they be paid for their own labor with CDBG and/or SHIP funds for the rehabilitation of said building.

A notice is sent to each eligible bidder to inform them of the job. Bidding notices will be posted at primary governmental buildings to the maximum practical extent. Newspaper advertising for individual jobs generally is not performed as contractors must be pre-qualified.

Each contractor must attend a pre-bid conference held at the house to be rehabilitated, or inspect the house under the owner's supervision. Failure to do so will result in automatic rejection of his/her bid(s) for the house(s).

Sealed bids will be opened at a public bid opening. The Community Development Director will generally recommend that the contract be awarded to the lowest responsible bidder within plus or minus fifteen percent (15%) of the cost estimate. The local government and owner reserve the right to reject any an all bids and award in the best interest of the owner and local government.

Each contractor must satisfactorily complete one job through the Housing Rehabilitation Program before receiving any additional contracts. No contractor will be allowed to have more than two jobs under construction at one time without consent of the governing body unless:

1) The anticipated date of commencement is after the scheduled, and estimated, date of completion of current jobs; or
2) The contractor has demonstrated, through past performance, his/her ability to satisfactorily complete multiple contracts in a timely manner thereby causing no impact on project and program completions.

This rule may be waived, upon request of the Community Development Director, if it is determined that there is an inadequate pool of qualified bidders, if the other bids are excessive, or if other extenuating circumstances arise.

C. **Contracting and Rehabilitation:** The Community Development Director has authority to approve the recipient eligibility, program, contract amount and contractor.

The rehabilitation contract is executed between the homeowner and the contractor. Rehabilitation Agreements are executed by the Chief Elected Official or the elected official authorized to act on behalf of the elected body.

Owner contributions to the contract are placed in the program escrow account at the time of signing. Funds are then set aside or encumbered for the job by the Community Development Director/Specialist. The security instrument (mortgage and/or Agreement) and Notice of Commencement are recorded

immediately. The program pays for recording of the Agreement and filing of the Notice of Commencement.

The Order to Proceed is issued to the contractor as soon as possible after the rescission period elapses. When temporary relocation of the occupants is required, the Notice to Proceed will be delayed until the house is vacated. The contract time of performance (generally 30-60 days) begins with issuance of the Permit issued by the local building department.

D. **Inspections:** Periodic inspections of the rehabilitation construction are performed by the local building inspector and/or the Community Development Specialist throughout the contract period. These inspections are conducted to assure compliance with the contract standards for workmanship and materials, to detect any unauthorized deviations and to identify necessary changes to the contract work at an early stage in the work.

The contractor is required to request an inspection by the Housing Rehabilitation staff and the Building Inspector when an inspection by the Building Inspector is necessary (i.e. footing, framing, rough electric, etc.).

The contractor must also schedule certain other inspections as required by the Housing Programs. Examples of these inspections include: a deck inspection when roofing is removed, a general inspection of existing conditions when exterior siding or interior wall coverings are removed, and a surface preparation inspection before applying paint. An inspection and approval of completed work must be conducted by the Community Development Director/Specialist prior to the contractor's request for partial or final payment. The owner's approval of work is required when final payment is requested.

E. **Change Orders:** Any additions to, deletions from, or changes in the rehabilitation contract work, time, or price must be approved in the form of a written change order before the work is affected by such modification. The change order is executed by the owner and contractor and is approved by the Community Development Director/Specialist Change orders may be issued to correct code deficiencies or to obtain any other desired change in the work (except new construction). However, CDBG and/or SHIP funds will be used to cover increases in the contract price only if required for correcting previously undiscovered, deteriorated or omitted code or standard violations. Other changes may be at the owner's expense.

F. **Payment:** Contracts of $6,000 or less generally are not paid until the contractor has completed the job. Contracts in excess of $6,000 allow a partial payment upon satisfactory completion of 60% of the work, with a Retainage of 20% of the contract amount. Completion of 61%-90% of the work allows a partial payment less 20% Retainage.

Approval of a partial payment requires:

1. A determination by the Community Development Director/Specialist that the claimed percentage of completion of the work has been satisfactorily completed. Payment will be issued for the amount claimed less 20% Retainage depending on the physical progress as long as the contract funds remaining are sufficient to complete the work in the event of default by the contractor.
2. An affidavit from the contractor stating that either:
   (a) There are not claims for unpaid goods and or services connected with the job and all laborers, suppliers and subcontractors have received just compensation for their goods and service up to the date of the request (as evidenced by full or partial waiver of lien from subcontractors); or
   (b) A list of all unpaid parties and the amounts owed to each has been submitted with the request.

Depending on circumstances and contract balance, a second partial payment may be authorized by the Community Development Director/Specialist. Up to 80% of the contract amount may be paid prior to meeting the requirements necessary for final payment.

If the balance owed to the contractor upon final payment is not in excess of the total unpaid bills as indicated in the contractor's affidavit, the owner may direct payment to any or all currently unpaid parties directly from the amount due to the contractor.
The final 20% payment approval requires:

1. Acceptance of all work by the property owner and the Community Development Director/ Specialist;

2. Submission of all manufacturers' and other warranties (such as Pest Extermination as well as the contractor's warranty covering the entire job for one year);
3. Waivers of liens from all subcontractors and all parties who were unpaid when the contractor received partial payment, and from any other party supplying notice;
4. A certificate of occupancy or final approval from the Building Inspector to show compliance of the rehabilitation work with the locally adopted building (and other applicable) code requirements;
5. Owner occupancy plus a minimum period of ten days has lapsed; and
6. An affidavit from the contractor stating that all bills have been paid and there are no claims for subcontracted jobs or material.

Upon receipt of the final payment, the contractor executes his final waiver of lien.

The Community Development Specialist supplies all required forms to the contractor and owner, and authorizes release of funds. If the owner refuses to authorize payment due to a dispute with the contractor, the Community Development Director may recommend disbursement without the owner's approval if the claim is shown to be without merit or inconsistent with policies and the goal of the program. Such disbursement shall be issued only after the Community Development Director has reviewed the facts and circumstances involved in the dispute and has determined that the owner's refusal to issue payment is without just cause. If not resolved at that point, a record of all pertinent information shall be presented to the local government's elected body for their final determination. Sufficient documentation to this effect shall be placed in the file.

G. **Disputes and Contract Termination:** Disputes, the owner's right to stop work and termination of the contract by the owner or contractor shall be as authorized in the Contract for Rehabilitation.

H. **Follow-Up:** After completion of the contract, it shall be the owner's responsibility to notify the contractor in writing of any defect in the work or material. The owner is also requested to notify the Community Development Specialist of any complaints to the contractor so assistance in follow-up can be provided.

If the contractor does not respond to the owner's written complaint with reasonable promptness and in a satisfactory manner, the Community Development Director will verify the complaint. If the Director judges the complaint to be valid, he/she will send written request for warranty service to the contractor. The contractor will then take action as monitored by the owner and the Community Development Specialist. Upon receiving notice from the owner that the complaint has been satisfied, the Director's staff will inspect the work and make such note in the case file. Failure to resolve complaints shall be justification for removing a contractor from participation with the program.

I. **Warranty Procedures:**

1. The contract for rehabilitation or demolition/relocation is private and is executed between the homeowner (recipient) and the contractor so the recipient is ultimately responsible for overseeing attainment of satisfactory level of repairs. In this way, the recipient takes an active and greater role in the quality and progress of the contracted work due to his/her vested interest in ensuring that contract items are satisfactorily addressed. The local government, while overall responsible for adherence to grant rules and regulations, assumes a more detached role as "lender" and program overseer.
2. This method requires the recipient to execute necessary contract documents and permits him/her to serve as a quality inspector because of the need to sign off on repairs for disbursement of funds to the contractor. It is emphasized here, again, that construction under this program is of quality equal to an acceptable industry standard but is NOT custom, craftsman or new construction, private financing (inferring established profit margin) quality. The nature of this type of work and austere average budget amounts do not permit high contractor profitability such as occurs in custom work. A reasonable, standard, acceptable and adequate level of effort is mandatory, however, in order for the accomplished work to pass inspection scrutiny.
3. Should the recipient not be satisfied with some aspect of the contracted work effort, he/she must so indicate in writing, to the contractor, with a copy to the Community Development Director and local government. Verbal complaints are acceptable as long as both parties are agreeable and cooperative, but have no legal standing with regard to resolution. The Community Development Specialist will assist any recipient in preparing a written correspondence for the first 30 days after construction completion. Thereafter the recipient is expected to act independently and responsibly in ensuring satisfaction.

4. If the contractor does not timely respond to the recipients written complaints/warranty issues, the Community Development Director will verify the nature and extent of the issue and follow up. Should the complaint issue be judged not valid, the Community Development Director will so inform the recipient, providing him/her up to 7 working days opportunity to dispute the judgment. Once that time has passed, the issue will be sent to the CATF (for CDBG) or to AHAC (for SHIP), whether valid or invalid, for resolution and action. Should the Committee not be able to make a decision to resolve the issue or should their decision be unacceptable to any concerned parties, the issue will be forwarded to the Board of County Commissioners for review and decision based on program regulations, local policies and fund availability. Further review, if necessary, must be addressed to the DCA for CDBG projects and to the FHFA for SHIP projects.
5. Frivolous or unwarranted complaints, once so judged, will cause the DPL or FLA term to end and the recipient to be liable to repay any or all of the balance which may then remain. The contractor, if at fault, will be barred from subsequent program participation with a letter sent to DCA and/or FHFA recommending state-wide disbarment, either temporary or permanent.

J. **Request for Time Extensions:** Any request by a contractor for additional time to complete rehabilitation projects under the CDBG, SHIP, programs or comparable grant programs, must be made by the Contractor in writing, and that an extension, if given, must be also granted in writing. No oral request for extensions, or oral grants of extensions, shall be recognized.

VIII. CLEARANCE/PERMANENT RELOCATION/DEMOLITION RELOCATION

A. **General:** Permanent Relocation and Demolition Relocation are synonymous terms used in the rehabilitation program when the home is unsound and not suitable for rehabilitation based on the structural integrity criteria. Replacement of CDBG units which fall into this category must be allowed by CDBG rules governing the Housing Program. Clearance (or demolition) is the term applied to removal of the dilapidated structure but can also refer to the removal of health and safety hazards from vacant lots. Eligibility requirements are the same as for rehabilitation.

B. **Clearance:** Requirements are identified by the Community Development Specialist and are generally included in the replacement unit bid package. In this way, the same contractor is responsible for site cleanup and preparation as for provision of the replacement unit. Disposal of debris and associated activities are also included if this method is utilized.

When demolition or clearance is conducted separately, bid packages are prepared with procedures following those identified for rehabilitation in this manual.

C. **Permanent Relocation/Demolition Relocation:** This activity involves replacement of an eligible, single family, owner occupied unit which is beyond economic repair. The Community Development Director, Specialist and homeowner will decide on a case-by-case basis whether to utilize a slab "site built" replacement unit, concrete block, steel frame, or a wood frame home. Decision items will include budget, program rules, zoning, replacement requirements, cost estimates, and a number of other items which vary case-by-case.

Once the decision is made, the Community Development Specialist prepares bid specifications and plans (if necessary) based on owner input from review of available plans. Bidding, contracting and inspections then proceed as in the rehabilitation process. Refer to the appropriate rehabilitation section for details and explanation of procedures.

D. **Differences:**
1. A major difference in this type of rehabilitation assistance is that the security instrument issued is not for the full value of the replacement unit. The value of the security instrument is based on a calculation which takes the difference between the before replacement value of the unit (without real property) and the after replacement value of the new unit (without real property). The difference is the value of the security instrument. This is because the dilapidated unit which was demolished belonged to the owner and is being replaced on a one-for-one basis. Ownership of the replacement unit is vested directly to the owner with no interest on the part of the local government (except the security instrument).
2. Program disbursements are made from the programs regular, not escrow, account. As a result, attention must be paid to the ordering and receipt of funds, to ensure that disbursements are made in a timely manner and that rules are not violated.

IX. CONTRACTOR LISTING

The Housing Rehabilitation Program will establish and maintain a current listing of eligible contractors for bidding on all phases of the program. Only those contractors who are so listed will be considered for work on this program. Establishment of this list will include maximum effort to utilize local and minority contractors.

A. **Recruiting:** Contractors residing in the local area will be recruited through public notice to all such contractors, as part of the local government's compliance with Federal Section 3 requirements. This special effort will be based upon the list of contractors licensed in the jurisdiction including residential, building and general contractors. Letters sent to contractors, or ads placed soliciting them, will be placed in the appropriate program file.

The contractor listing will include all local contractors who apply and are determined eligible based upon program qualification standards.

If the pool of local contractors is inadequate to provide a sufficient pool of contractors willing and qualified to perform the rehabilitation work at prices which are considered reasonable and comparable to the prepared estimate, other contractors will be solicited. Maintenance of a pool of competitive, qualified, and capable contractors is essential to program completion.

B. **Contractor Eligibility:** In order to participate in the Housing Program, a contractor must be certified as eligible by the Community Development Director and by the Florida DCA. Basic contractor qualifications include:

1. Current license(s) with the State and County;
2. A satisfactory record regarding complaints filed against the contractor at the state, federal or local level;
3. Insurance: $100,000/$300,000 coverage for contractor's public liability (including accidental death and bodily injury), and
4. Workers Comprehensive coverage as required by the State, with a certificate of insurance from the insurer providing for a ten day notice to the Housing Program before discontinuing coverage.
5. A satisfactory credit record, including:
   (a) References from two suppliers who have done business with the contractor involving credit purchases; and
   (b) References from three subcontractors who have subcontracted with the contractor; and the ability to finance rehabilitation contract work so all bills are paid before requesting final payment;
6. Satisfactory references from at least three parties for whom the contractor has done construction;
7. Absence from any list of debarred contractors issued by the Federal or State DOL, HUD or DCA;
8. Proof of eligibility to obtain a Performance Bond for the value of each Housing Rehabilitation contract, if a Performance Bond is required by the local government.

The Community Development Specialist will assure that credit and past performance of the contractor are satisfactory, and reserves the right to check any reliable source in establishing such determination.

The Community Development Specialist will explain the contractor's obligations under Federal Equal Opportunity regulations and other contractual obligations at the pre-bid conference. Program procedures, such as bidding and payment are also explained to the contractor.

C. **Disqualification:** Contractors may be prohibited or removed from program participation for any of the following reasons. Should a contractor be disqualified from the Program, the Contractor will be advised in writing by the Community Development Director.

- Poor workmanship, or use of inferior materials;
- Evidence of bidding irregularities such as low balling, bid rigging, collusion, kickbacks, and any other unethical practice;
- Failure to abide by the work write-up, failure to complete work write-up (and bid) accomplishments, and any attempts to avoid specific tasks in attempts to reduce costs;
- Failure to pay creditors, suppliers, laborers or subcontractors promptly and completely;
- Disregarding contractual obligations or program procedures;
- Loss of license(s), insurance or bonding;
- Lack of reasonable cooperation with owners, rehabilitation staff or the others involved in the work;

- o Abandonment of a job;
- o Failure to complete work in a timely manner;
- o Inability or failure to direct the work in a competent and independent manner;
- o Failure to honor warranties;
- o Ineligibility to enter into federally or state assisted contracts as determined by the U.S. Secretary of Labor, HUD or DCA;
- o Other just cause that would expose the Program or owner to unacceptable risk;
- o Failure to respond to a minimum of three consecutive requests for bids; or
- o At the contractor's request.

X. SELF HELP

A. **Policy:** Homeowner self help assistance is encouraged due to the economic benefit of accomplishing more work for equal cost and for the obvious benefit of enhanced owner satisfaction. Self help will be authorized upon homeowner request, case by case, if the homeowner provides satisfactory assurance as to his/her capability to perform the required rehabilitation construction tasks. When structural and/or mechanical work is to be performed, a licensed contractor will be obtained to complete the work or will be requested to supervise the homeowner completing the work. Payments will not be made to the homeowner. Materials will be purchased directly by the program. Contractor work will be bid and paid directly by the program.

B. **Approval of Request:** The elected body, or its duly authorized representative, will approve each self help request upon review of the homeowners proposed plan for accomplishment of all, or a portion of, the rehabilitation work write-up package. The homeowner, his/her relative, or person or agency who will be performing the repairs/improvements need not be a licensed building contractor but must have previously demonstrated the requisite skills to perform the tasks or must provide adequate and substantial evidence so as to convince the local government of the possession of this ability.

All work performed must be accordance with the Hardee County Building Code.

Not all recipients will possess the required range of talent and skill necessary; therefore, approval is not automatic and will only be authorized in clear cases where there are obvious benefits to the homeowner and the entire program, including timely completion, job quality, economic value, and preservation.

C. **Participation Factors:** Before submitting a request for self help participation, the homeowner must be aware that the program will fund materials only under this program. Labor furnished by the homeowner will not be reimbursed, however, the homeowner must provide documentation of labor hours, upon completion of tasks, so that their contribution can be calculated and documented. Additionally, a stipulated time frame for performance will be agreed to and established with the authorization. This time frame will be considered "contractual" and binds the homeowner to perform.

D. **Material Purchase/Payment:** The local government will set aside an approved maximum amount of funds in the homeowner's name. Materials will be ordered only in quantity to perform the tasks and will not be "stored" in excess of two calendar weeks before use. Any excess materials will be returned and value credited back to the grant. Material ordering and usage will occur in strict coordination with the local government's Community Development Specialist and Building Inspector.

E. **Scope of Work:** Any self help work to be performed must be in total accord with that required by the work write-up prepared by the Community Development Specialist. Self Help participation need not encompass the complete range of the work write-up. A recipient may opt to perform, for example, interior/exterior painting, basic carpentry, installation of cabinets, etc. Self help arrangements will be determined by the Community Development Specialist in consultation with the homeowner.

F. **Homeowner Responsibility:** Upon approval of a self help request, it becomes the homeowner's responsibility to ensure that prices of materials purchased are reasonable, that quantities are not excessive, that due care is given to protection of materials, that unused materials are returned for credit, and that all reasonable and prudent actions are taken to protect the local government investment.

The Community Development Specialist will communicate with the homeowner and suppliers and or contractor in a timely manner and to ensure prompt payment to suppliers and or contractor. The Community Development Specialist will provide other assistance as needed. The homeowner, upon payment of invoices by the funding program, accepts the inherent liability associated with use of public

funds including any misuse thereof. This liability is that which the local government itself has in ensuring proper use of funds. This should not be construed to limit or discourage self help participation. Self help is a viable, cost effective option which, while not for everyone, is encouraged.

XI. RELOCATION/DISPLACEMENT

A. **Displacement:** The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 does not apply to displacement under the Hardee County Community Development Program, since the local government does not acquire the vacated (demolished or rehabilitated) property and residents participate voluntarily. Therefore, relocation services will be provided as outlined below. Hardee County has a separate Anti-Displacement Policy which covers situations in great detail.

Household/property owners previously approved for proposed housing assistance under the CDBG or SHIP Programs may voluntarily withdraw their application for assistance. All withdrawals must be confirmed in writing by the Community Development Director. If the Director determines the applicant to be ineligible for assistance, the Director shall send written notice to the applicant, stating that the application has been rejected and the reason for the rejection.

B. **Relocation Benefits:** Each eligible temporarily displaced household assisted under the CDBG Housing will receive a $300 moving/dislocation ~~payment~~ subsidy as determined by need and funding availability. The purpose of this payment is to finance the household's moving costs and help in paying deposits relating to setting up a temporary residence.

C. **Temporary Relocation:** When is determined by the Community Development Specialist that continued occupancy in a house during rehabilitation would present a serious threat to the health or safety of the occupant or their belongings, or that rehabilitation construction would be unreasonably impaired by continued occupancy, the occupants and their belongings will be temporarily relocated until it is safe and practical for them to return, as determined by the Specialist, generally until completion of the work.

D. **General Policies:** Owner-occupants will not be forced to relocate from their homes. Demolition will be a voluntary means of eliminating dilapidated dwellings with replacement provided in accordance with program guidelines.

XII. APPEALS/COMPLAINTS

Janet Gilliard, the Community Development Director is authorized by the Board of County Commissioners to make all determinations of eligibility for assistance and level of assistance, scheduling of rehabilitation, demolition and relocation, and contract management. Citizens and/or contractors should issue complaints to the Community Development Director. For a complaint to be considered valid, it must be issued in writing within a period of 30 days of its occurrence. Responses likewise should be issued in writing.

If the complainant is not satisfied with the Community Development Director's response, the issue must be presented in writing to the Hardee County Citizen Advisory Task Force (CATF) for CDBG projects or the AHAC for SHIP projects. If the complaint cannot be resolved by the appropriate committee, the Board of County Commissioners will review the grievance and make a decision based on program regulations, local policies, and availability of funds. Further appeals, if necessary, must be addressed to the Florida Department of Community Affairs for CDBG projects and the Florida Housing Finance Agency for SHIP projects.

XIII. PROGRAM INCOME

No program income is planned to result from the CDBG program. DPLs will be monitored by the Community Development Specialist during the CDBG period of agreement. After the expiration of the agreement between the local government and the State, the monitoring will be performed by the governing body's representative.

If repayment of a DPL or any program income is received during the CDBG agreement period, it will be used for additional rehabilitation as authorized by the CDBG rules. Program income or DPL payment received subsequent to closeout will be utilized for eligible activities in compliance with current programs. If repayment of a DPL or program income is received from a SHIP project, it will be deposited in the Hardee County SHIP Program account and may only be used for SHIP program activities.

Funds repaid to a county or eligible municipality shall be considered "program income" as defined in s. 420.9071 (24). Funds repaid to a county or eligible municipality shall be considered "program income" as defined in s. 420.9071 (24).

XIV. PROPERTY ACQUISITION POLICY

A. **Voluntary:** Hardee County may purchase property with CDBG funds for use in the Community Development Program. While most property acquisition must follow the procedures outlined in the Uniform Relocation and Real Property Acquisition Act, residential property to be used for relocation purposes shall be purchased on a voluntary basis.

Hardee County shall determine the property features needed and desired, and the budget available for the purchase as defined in the contract agreement. Then a request for proposals will be published in a local newspaper. The request will state the specifications and budget, and indicate that the purchase will be voluntary.

No displacement of renters may occur as a result of the program. Owners will not receive any relocation assistance so owner-occupants must waive the Uniform Act Rights.

A voluntary acquisition occurs when real property is acquired from an owner who has submitted a proposal to the recipient for purchase of their property in response to a public invitation or solicitation of offers. Hardee County is committed to this mode of acquisition to the maximum practicable extent.

Voluntary acquisition shall be permitted only if the property being acquired is not site specific and at least two properties in the community meet the criteria established by the local government for usage, location and/or interest to be acquired. All voluntary acquisitions must be approved in principle by the Hardee County Board of County Commissioners prior to publication of a public notice or attendance of any authorized representative of Hardee County at a property auction.

A public notice must be published inviting offers from property owners. This notice must:

1. Accurately describe the type, size and approximate location of the property it wishes to acquire;
2. Describe the purpose of the purchase;
3. Specify all terms and conditions of sale, including maximum price;
4. Indicate whether or not an owner-occupant must waive relocation benefits as a condition of sale;
5. Announce a time and place for offers to be accepted; and
6. Announce that local powers of condemnation shall not be invoked to acquire any property offered for which a mutually agreed to sale price cannot be reached.

Property may also be acquired at auction. The Uniform Relocation Act does not apply to voluntary acquisitions.

In each voluntary acquisition, a public solicitation shall occur. Offers shall be sealed and opened at the same time, in the same place, by a responsible official. Records of offers shall be kept. Appraisals are not required for purchases less than $2,500 if a mutually agreed to sales price can be reached. Clear title must be present in every transaction.

The Board of County Commissioners must decide at the time of approving the acquisition whether or not appraisals and review appraisals will be necessary and what the maximum permissible sales price will be. The decision to acquire will rest with the governing body which can reject or accept any and all offers. Written records shall be maintained documenting decisions and rationale for selected courses of action.

B. **Non-Voluntary Acquisition Plan:** Acquisition of property (including easements and right-of-way) using federal funds shall occur in accordance with the Uniform Relocation Act of 1970 (as amended) and with any State and Federal regulations which may apply.

Fundamental steps which will occur in each purchase may vary case by case. However, in general terms, the following should take place:

1. Source of funds and authority to acquire confirmed;
2. Property/site identified and suitable;
3. Legal description/survey/preliminary title search performed (services procured as necessary;

4. Notice of intent to acquire sent owner;
5. Appraisal and review appraisal services solicited and appraiser retained;
6. Appraisal received and sent for review;
7. Title companies solicited and retained after review received (title insurance amount and necessity determined in advance);
8. Offer to purchase and notice of just compensation sent owner;
9. Owner contacted by attorney or other representative and contract formalized;
10. Settlement costs calculated and closing date set;
11. Closing conducted with funds changing hands and;
12. Records of proceedings retained.

The Uniform Relocation Act requires certain specific procedures such as some letters being sent certified. The CDBG Implementation manual provides a checklist which may be utilized in following each transaction to successful conclusion. In no case will CDBG funds be utilized which would create involuntary displacement. See Hardee County's separate policy on this subject.

C. **Timing/Planning:** Properties necessary for easements or acquisition shall be identified as early in the planning stage as is practicable. Every attempt shall be made to affect a design which is not wholly site dependent, that is, where two or more sites are suitable for the project. It is recognized this may not always be possible, however, a policy of minimizing single site alternatives is emphasized.

In general terms, the voluntary acquisition process shall be utilized to identify possible sites early in the project. Sites shall be evaluated for suitability prior to the final design phase to the maximum practicable extent. As soon as alternative sites are identified and evaluated, applicable acquisition procedures should commence.

Projects shall not normally be sent out for bids unless properties to be acquired or utilized for easements have been formally acquired or a commitment exists which is sufficiently firm and binding to be considered safe for the project to proceed with start up. The elected body shall make the determination as to whether or not bidding, award and start up may proceed to closing on the property.

XV. HOMEOWNER PRESERVATION

This strategy will provide funds for assistance to eligible homeowners to remain in their home due to lack of income or other circumstances beyond the control of the homeowner to prevent foreclosure, delinquent taxes, and lack of homeowner insurance. Program funds used for the home are subject to a forgivable loan on the property in the amount of subsidy or actual costs. There is zero interest and it is non-amortizing. Term of the lien is three to 10 years depending on amount awarded. It is required that the property is owner-occupied as the primary place of residence. The owner is required to reasonably maintain the home according to the International Property Maintenance Code for the term of the lien. Upon transfer of ownership or sale of the property prior to the lien period, the entire amount of the subsidy is due and payable to the Hardee County SHIP Trust Fund. If the terms of the agreement are met for the full term, the lien will be satisfied at 100%. If the amount awarded does not exceed $3000, it may be awarded as a grant. Funds repaid to a county or eligible municipality shall be considered "program income" as defined in s. 420.9071 (24). Recaptured funds from foreclosures, and program income will be returned to the program and used for eligible SHIP activities as described in the Housing Delivery Goals Chart. OCD staff is authorized to administer these funds for housing needs. Funds are to be expended within statutory requirements.

A. **Foreclosure Prevention** - Assistance to eligible homeowner who has become delinquent on mortgage payment(s). No type of foreclosure proceedings may have been initiated at the time of application. This program may assist all income categories.

a) Home must be valued equal to or less than the current SHIP sales price limit.
b) Homeowner is required to attend foreclosure prevention counseling.
c) Non-payment of mortgage has to be reflected as no fault of the property owner. Eligible reasons are as follows:
   - Loss of employment or steady source of income.
   - Unexpected major medical expenses.
   - Divorce or death in the family.
   - Other circumstances at the discretion of the Director may include but are not limited to the following: Amount of subsidy needed, and other unexpected one time occurrences that constitute an emergency.

d) Must show their plan to maintain payments after the assistance.

B. **Property Taxes** - Helps extremely low to low income homeowners to prevent home from being sold for non-payment of taxes.

a) Home must be valued equal to or less than the current SHIP sales price limit.
b) Homeowner 62 years of age or older, and/or a family member with a disability and receiving disability payments.
c) Non-payment of taxes has to be shown as no fault of their own.
d) Must show their plan to maintain payments after the assistance.

C. **Homeowner/Flood Insurance** - Helps to establish insurance coverage for the extremely low to low income homeowners as first time homebuyers or elderly homeowners establishing a new policy to regain coverage.

a) Home must be valued equal to or less than the current SHIP sales price limit.
b) Homeowner is required to complete budget counseling.
c) Existing homeowners - Lack of insurance coverage has to be shown as no fault of their own. Eligible reasons are as follows:
   - Loss of employment or steady source of income.
   - Unexpected major medical expenses.
   - Divorce or death in the family.
   - Other circumstances at the discretion of the Director, may include but are not limited to the following: Amount of subsidy needed, type of other assistance provided, and other unexpected one time occurrences that constitute an emergency for the homeowner.
d) Must show their plan to maintain insurance coverage after the assistance.
e) **First time homebuyers** - Assistance for the purchase of the first year upon purchase to establish insurance coverage on the home.

Adopted this 9th day of June, 2011.

Terry Atchley, Chairman,,BOCC

Attest:

B. Hugh Bradley, Ex-Officio of Board

06-21-2011