

Manual for Housing Rehabilitation Programs

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City of Cedar Falls

**Administrative Policy & Procedural Manual for Federally Funded
Housing Rehabilitation Programs**

City of Cedar Falls

Prepared by

Planning and Community Services Division

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Preface

This handbook serves as the technical guide to the City's owner-occupied housing rehabilitation programs administered by the Department of Community Development.

The Housing Rehabilitation Programs include but are not limited to:

- I. Housing Rehabilitation Grants (CDBG and HOME)
- II. Repair Program
- III. Handicapped Access Improvements

Funding for the various program components under the Housing Rehabilitation Program is authorized by the City Council and provided by U.S. Department of Housing and Urban Development. Community Development Block Grant (CDBG) provides funding for this program along with HOME funds provided by a consortium with the City of Waterloo as the lead agency.

Chapter 1 Eligibility Requirements

General. This chapter sets forth property and owner eligibility requirements for a rehabilitation grant. The property must need rehabilitation to meet current HUD Housing Quality Standards and the Cedar Falls Building Code.

A. **Location.**

All programs are available citywide to residents of Cedar Falls that meet Federal eligibility requirements. In order to be eligible for a Housing Rehabilitation Grant the property must also be located outside of the floodplain.

B. **Ownership.**

1. **Owner-Occupied Dwellings.** The owner-occupant of a single-family dwelling must meet the definition of a homeowner and must have had possession at least 12 months prior to applying for rehabilitation assistance. An applicant or structure may only receive assistance up to the maximum dollar amount, which is \$24,999 for hard costs for a Housing Rehab Grant project. To ensure that this amount is not exceeded through change orders or unforeseen circumstances, the project hard costs at time of contract execution cannot exceed \$20,000 unless the applicant can provide the additional amounts needed to assure completion of the work. This maximum amount will not include project delivery costs (e.g. project write-ups, bidding, inspections, lead- paint clearance testing, etc.).
2. **Contract Holder.** A land sales contract purchaser must, at a minimum, meet all of the following requirements to be eligible for rehabilitation assistance to cover rehabilitation costs.
 - a. The contract shall be a written, legally binding instrument involving property that will be for continued residential use after rehabilitation.
 - b. The seller may not convey any interest in the property to any other party unless the conveyance is subject to the land sales contract, except that the seller may retain the right to mortgage the property for an amount that does not exceed the unpaid portion of the contract purchase price.
 - c. Under the contract, the seller and any subsequent holder of the title to the property must be obligated, without qualification, to deliver fee simple title and a warranty deed to the property to the purchaser upon full payment of the contract price, or some lesser amount.

- d Under the terms of the contract, the purchaser shall have:
 -Full use, possession, and quiet enjoyment of the property.
 -Equitable title to the property.
- e The purchaser shall have possession and use of the property under the contract for twelve months prior to applying for rehabilitation assistance, and must be a homeowner as defined herein.
- f The contract must be recorded in the Black Hawk County Recorder's Office prior to approval of assistance.
- g The titleholder must sign an addendum to the land sales contract which will allow rehabilitation to proceed.

C. Occupancy.

A homeowner shall verify that the property to be rehabilitated is the homeowner's principal place of residence and the homeowner has been in occupancy at least twelve months prior to applying for assistance. Verification of residency may be obtained from Cedar Falls Utilities, if other proof is unavailable.

D. Income.

1. Income Limits

To qualify for the programs covered by this manual, the income of an applicant household may not exceed 80% of median area income, as determined by the U.S. Department of Housing and Urban Development (HUD) on an annual basis. The City of Cedar Falls maintains a table of the HUD determined median area income levels for households of various sizes and updates it annually according to the report issued by HUD.

2. Assets

If the applicant has assets in excess of \$5,000, the excess amount is multiplied by the current passbook savings rate or the actual income (whichever is greater) and counted as earned income. If a household has over \$100,000 in assets (not including equity in the property to be rehabilitated) as defined in this manual, the household is not eligible for assistance.

E. Ownership & Income Verification.

1. Ownership

For all applications the applicant must provide documentation of recorded ownership. Such documentation may be in the form of verification from the Black Hawk County Assessor or a copy of a deed to the property or a title certificate. If uncertainty exists as to the adequacy of documentation, the case shall be referred to the City Attorney's Office which may require additional support documentation.

2. Income

- a. For housing rehabilitation assistance, the applicant must provide documentation in support of income eligibility. The City shall review the information prior to application approval. For income eligibility, the applicant's gross income is computed as per the HUD Section 8 program. See Exhibit I. The OneCPD Income Eligibility Calculator will be used in calculating income for all applicants after January 1, 2013.

Chapter 2. Assurance that Rehabilitation will be Completed

- A. **General.** Before the City will reserve funding for any rehabilitation project, the applicant must assure that all work included in the work write-up and subsequent change orders will be completed by signing a contract covering the work to be completed. In cases where the proposed rehabilitation costs exceed the amount of assistance, the City will not provide funds unless the applicant can provide the additional amounts needed to assure completion of the work.

- B. **Rehabilitation Assistance on Residential Property.** If the applicant is obtaining supplemental financing, the City will not approve a rehabilitation application until the City receives secure evidence (a letter) that the applicant has obtained an adequate and satisfactory supplemental loan commitment from the lender. If the applicant obtains the loan from a recognized lending institution, evidence furnished to the Community Services Division shall consist of a bona fide commitment to lend money for the rehabilitation work. The loan shall be in an amount which, when added to the rehabilitation assistance and any other funds furnished by the applicant, will be sufficient to complete the required work. All of the applicant's supplemental funds shall be expended prior to the rehabilitation funds. A verification of these expenditures shall be provided to the City.

- C. **Failure to Complete Rehabilitation Work.** If the applicant receiving assistance fails to complete rehabilitation work in the time determined by the City or fails to comply with the terms and conditions of the Rehabilitation Agreement, the City may elect to cancel the grant or may complete the rehabilitation.

Chapter 3. Eligible Costs

- A. **Eligible Costs for the Housing Rehabilitation Program** include the costs of satisfying the requirements of the HUD Housing Quality Standards and the Cedar Falls Building Code, including but not limited to correcting incipient violations, energy conservation, accessibility modifications, fire safety measures and related fees as described below:
1. **Requirements of Building Code Standards.** Costs of meeting a specific requirement of housing standards regarding:
 - a. Rehabilitating, removing, or replacing elements of the dwelling structure, including basic systems, and other improvements to the property such as garages, fences, steps, walkways and driveways. The term “basic systems” includes such items as furnaces, water heaters, fixed electrical equipment, sanitary fixtures and other appliances required to meet Cedar Falls Building Code Standards.
 - b. Providing sanitary facilities, including providing, expanding and finishing space necessary to accommodate those facilities.
 - c. Grading, filling or landscaping of the ground, if required by Cedar Falls Building Code Standards.
 - d. In cases of limited funds, work will be prioritized to ensure basic systems and life safety items are addressed first.
 2. **Accessibility Modifications.** Any bathroom and kitchen modifications, ramps, grab bars, doorway widening, etc. which enable and elderly/person with disabilities to remain independently in their home.
 3. **Energy Conservation and Fire Safety.** The purchase and installation of furnaces, insulation, storm windows and doors, caulking and related energy saving devices or measures. Eligible costs also include the installation of smoke detectors and related fire safety items.
 4. **Incipient Violations.** The correction of incipient violations so that a property may be brought up to and maintained to Cedar Falls Building Code Standards.
- B. **Eligible Costs for the Repair Program** include the correction of major violations of the Cedar Falls Building Code Standards which make a structure uninhabitable or unsafe. Repairs which exceed local codes are not normally eligible for funding. **However, for CDBG or HOME funds specifically targeted for disaster response, such as a pandemic or flood, the City may**

provide repair assistance for eligible items under the Rehabilitation Program that exceed local codes.

C. **Eligible Costs for Handicapped Access Improvements** are limited to improvements making the property accessible and permitting the person with disability to remain independently in the home. Eligible items include ramps, doorway widening, accessible showers, grab bars, handicapped toilets, air conditioning as recommended by a physician and similar items.

D. **Other Eligible Costs**

Certain additional costs related to all rehabilitation projects are also eligible.

1. **Reasonable Grant Application Processing Costs.** Appraisal fees, title reports, fees for recording and filing, abstracting, termite inspection, bank servicing charges, architectural fees, lead-based paint analysis (structural or for individuals), and radon testing, if necessitated.
2. **Building Permits and Related Fees:** A rehabilitation grant may provide funds to cover the cost of building permits and related fees required to carry out the proposed rehabilitation work. However, since the construction contract documents require the contractor to pay these costs, the contract amount ordinarily includes the costs.
3. **Lead-based Paint Hazard Elimination.** The regulations implementing 24.CFR Part 35, Subpart B, consisting of 35.100 through 35.175, and Subpart J consisting of 35.900 through 35.980.

Different levels of rehabilitation assistance will determine treatment.

Financial Assistance per Unit	Treatment Required
Up to \$5,000	Repair disturbed paint, safe working practices
More than \$5,000, up to \$25,000	Standard Treatment used: A. Stabilization of smooth, cleanable horizontal surfaces B. Correct conditions causing rubbing, bending, and crushing C. Treatment of bare soil
More than \$25,000	Abatement of lead-based paint hazards

Effective 8/10/2001

Please refer to Exhibit 4, Lead-Based Paint Management Plan, for complete information on Lead-Based Paint Hazard Elimination.

As per 24 CFR 35.915 in HUD's Lead Safe Housing Rule, costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance, and waste handling attributable to compliance with the requirements of §35.915 are not to be included in the hard costs of rehabilitation. Therefore these types of costs will not be subject to the limitation costs outlines in Chapter 1, B, 1.

4. Decks. Funds are available to replace an existing deteriorated deck. However, deck replacement shall be the same size or less with total cost not exceeding \$4,000.
- E. **DEATH OF APPLICANT**. No project funds shall be used to reimburse for repairs commenced after the death of an applicant who is not survived by a spouse. Should the death of such an applicant occur after commencement of work for which project funds have been approved, reimbursement shall be made for all work necessary to complete that phase of the work in progress at the time of the applicant's death. Reimbursement shall be pro-rated based on the completed work.
- F. **INELIGIBLE COSTS**. Except as otherwise provided in this manual, rehabilitation assistance shall not be provided for:
1. New construction, substantial construction, expansion of a structure (unless required by the Cedar Falls Building Code), or finishing unfinished spaces.
 2. Any work that is considered standard maintenance per the discretion of the Department of Community Development, including but not limited to: cleaning of gutters, furnace servicing/filter replacement, power washing of dwelling, etc.
 3. Materials, fixtures, equipment or landscaping of a type or quality which exceeds that customarily used for properties of the same general type as the property to be rehabilitated.
 4. Acquisition of land.
 5. Refinancing of existing debt.

**Chapter 4. Financial Assistance Categories, Loan
Terms, Limitations and Conditions**

- A. **General.** This chapter sets forth the assistance categories, terms, and limitations for providing rehabilitation assistance to owner-occupants under the following programs:

Housing Rehabilitation
Repairs
Handicapped Access Improvements

B. **Assistance Categories and Loan Terms.**

Housing Rehabilitation: A 5-year forgivable loan, forgiven at 20% each year for five years. If the recipient fails to meet the conditions of the loan at any point, the remainder will become due to the City, at 0% interest.

Repairs: An immediately forgiven grant.

Handicapped Access Improvements: An immediately forgiven grant.

C. **Loan Conditions.** For housing rehabilitation loans:

1. If the Rehabilitated Property is sold or transferred within twelve (12) months of the date of this agreement, one hundred (100) percent of the Loan shall become due and payable to the City;
2. If the Rehabilitated Property is sold or transferred any time between the 13th and 24th month from the date of this agreement, eighty (80) percent of the Loan shall become due and payable to the City;
3. If the Rehabilitated Property is sold or transferred any time between the 25th and 36th month from the date of this agreement, sixty (60) percent of the Loan shall become due and payable to the City;
4. If the Rehabilitated Property is sold or transferred any time between the 37th and 48th month from the date of this agreement, forty (40) percent of the Loan shall become due and payable to the City;
5. If the Rehabilitated Property is sold or transferred any time between the 49th and 60th month from the date of this agreement, twenty (20) percent of the Loan shall become due and payable to the City;

6. After the sixtieth (60) month from the date of this instrument, the entire amount of the Loan is forgiven and no money will be due and payable to the City;

7. Owner shall own and occupy the Rehabilitated Property as the Owner's principal residence at all times during the sixty (60) month period described herein. In the event the Owner fails to occupy the Rehabilitated Property as the Owner's principal residence for any period of two (2) consecutive months, for any reason, or sells, transfers, rents, abandons, vacates or otherwise in any manner fails to occupy the Rehabilitated Property, whether voluntarily or involuntarily, prior to the termination of the sixty (60) month period described herein, Owner shall immediately notify the City thereof. If during said sixty (60) month period, Owner shall violate the foregoing requirements, Owner shall immediately pay to the City the percentage of the unforgiven principal amount of the Loan, based upon the foregoing schedule, for the period between the date of this agreement and the date Owner fails to meet the foregoing requirements.

8. Notwithstanding the provisions of paragraph G. above, if the failure of Owner to comply with the requirements of paragraph G. is due to medical circumstances beyond the reasonable control of Owner as defined in this paragraph, the entire amount of the Loan shall be forgiven, and no money will be due and payable to the City. For purposes of this agreement, "medical circumstances beyond the reasonable control of the Owner" shall include, without limitation, the death of the Owner, and the relocation of the Owner if prescribed by a medical doctor for health or disability reasons, with said relocation being to another climate, to a nursing or other care facility, or to an apartment or other facility, if deemed by Owner's medical doctor as more suitable for the health and care of the Owner.

D. **Assistance Limitations.** The following levels of assistance for hard costs are available for each program.

<u>Program</u>	<u>Minimum Assistance</u>	<u>Maximum Assistance</u>
Housing Rehabilitation	\$2,000	\$24,999
Repair	\$500	\$10,000
Handicapped Access Improvements	\$0	Cost of work

In addition:

1. Funds provided through the City's Rehabilitation programs may not exceed 50% of the assessed value of the property. The Director of Community Development may grant a special exception to this limitation if the National Register of Historic Places or a state or local inventory of Historic Places lists the structure, or if an appropriate law or ordinance designates the structure as a state or local landmark or historical district.
2. All housing rehabilitation loans must be secured within the value of the property. As such, no rehabilitation loan may exceed the difference between the dollar value of the first mortgage(s) and the after-rehabilitation value of the property. Exceptions may be considered by the Housing Commission.
3. **For CDBG or HOME funds specifically targeted for disaster response, such as a pandemic or flood, the City may provide repair grants up with hard costs up to \$20,000.**

Assignability.

1. Title Holder. The borrower shall not assign a rehabilitation loan. The balance of a loan becomes due immediately upon sale or transfer of the property. If the borrower ceases to occupy the property during the course of the lien/mortgage, the City may at its option, call the loan due. The borrower must notify (see Chapter 9.C.) the Community Services Division of the sale, transfer, or rental of the property.
2. Land Contract Holder. When there is a land sales contract for a property, both the owner and the contract holder must approve and sign a mortgage against the property in the amount of the rehabilitation loan. Assignment or transfer of an interest in the land sales contract is considered a transfer of property and the loan shall be paid in full at the time of the assignment or transfer.

H. **Loan Instruments.** Rehabilitation loans shall be secured by instruments commonly used for liens of like kind and term, and will be subordinate to other primary lender mortgages already of record. Mortgages and other supporting documents shall be recorded in the Black Hawk County Recorder's Office. Future requests for subordination due to refinancing will be decided on an individual basis; however, generally no subordination requests that will result in a higher mortgage amount or that will provide cash back to the owner will be granted.

Chapter 5. Processing and Submitting Repair Program Applications

- A. **General.** This chapter outlines the functions performed in connection with repair projects and sets forth the policies and procedures followed in preparing, processing and approving an application.
- B. **Outline of Staff Functions.** City staff or their designees perform the following functions in connection with repair projects.
1. Initial intake.
 2. Preliminary income screening, if the applicant passes initiate full income verification process.
 3. While full income verification is underway, an inspection of repair needs is carried out.
 4. Inspector provides estimate; request quotes from contractors (if needed)
 5. Complete full income verifications – if some employers/banks/retirement companies don't get back in time, use alternate documentation such as tax forms, statements
 6. Obtain approvals to proceed with project, process will vary based on cost:
 - a. Repairs <\$3,000 can be sole sourced. An e-mail describing the project, its estimated cost, and requesting approval to proceed is all that is needed. A combination of City Treasurer and CD Director (P&CS Manager in Director's absence) will approve before it proceeds. No advance Council approval required.
 - b. Bids for repairs \$3,000-10,000 can be done through telephone quotes, documenting that at least 3 quotes were obtained. The low bid will be chosen. Then a combination of City Treasurer and CD Director (P&CS Manager in Director's absence) will approve before it proceeds. No advance Council approval required.
 7. Execute contract for the repair work with the homeowner, contractor, and Director of Community Development.
 8. Inspect work in progress and authorize release of partial payments as needed.
 9. Final inspection and certification.
 10. Issue inspection certificate, authorize final payment and close file.

Chapter 6. Processing and Submitting Rehabilitation Applications

- A. **General.** This chapter outlines the functions performed in connection with rehabilitation financial assistance and sets forth the policies and procedures followed in preparing, processing and approving an application.
- B. **Outline of Staff Functions.** The rehabilitation staff or their designees perform the following functions in connection with rehabilitation financial assistance.
1. Initial intake.
 2. Interview and advise applicant of program objectives and benefits, complete applications.
 3. Verify ownership and verify income, as necessary.
 4. Inspect property with Building Inspector, Housing Specialist, and homeowner present. Complete work write-up.
 5. Establish level of assistance and submit structure for preliminary historical/architectural significance review and clearance. Complete Environmental review.
 6. Prepare bid document.
 7. Review bid document with homeowner and receive approval to proceed.
 8. Update the Housing Commission regularly on applications received, applicants income-qualified, properties proposed for rehabilitation, and the anticipated Scope of Work for rehabilitation projects.
 9. Send out RFPs for bids; send notification to contractors and homeowner.
 10. Hold a pre-bid meeting at the property
 11. Hold a public bid opening. Review and forward chosen bids and associated contracts to City Council for approval.
 12. Execute contract for rehabilitation with homeowner, contractor, and Director of Community Development.
 13. Have owner sign a lien on property for amount of rehabilitation work.
 14. Issue proceed to work orders.
 15. Inspect work in progress and authorize release of partial payments.
 16. Final inspection and certification. Contractor provides manufacturers' and

suppliers' warranties and lien waivers.

17. Issue inspection certificate, authorize final payment and close file. Update lien as necessary and file with Black Hawk County Assessor's office.

18. Prepare releases following payment in full or forgiveness of the loan under the terms of the Promissory Note.

C. **Processing and Preliminary Approval of Assistance Application.**

Processing of applications will be prioritized by date of application except that applicants with particularly urgent repair needs (such as electrical hazards) or outstanding code violations may be prioritized at the City's discretion. Processing consists of completing a preliminary application and submitting all supporting documents. Staff reviews the file to determine eligibility. All housing rehabilitation, repairs, and handicapped access improvements must receive approval from the Community Services Division. Housing Rehabilitation projects must receive Housing Commission board approval.

1. If the rehabilitation assistance supplements a private loan, the private loan must receive approval prior to approval of the rehabilitation assistance.
2. Projects meeting eligibility criteria can be approved unless extenuating circumstances prevail. If it is determined that the application cannot be approved, a written statement of the reasons for the determination shall be provided to the applicant and a copy placed in the case file.

D. **Cancellation.** An approved application may require cancellation because the applicant requests cancellation, the applicant is unwilling or unable to proceed with the rehabilitation work or for other reasons.

1. To cancel an approved application, the rehabilitation staff or designee shall prepare a letter of cancellation which shall be provided to the:
 - a. Applicant;
 - b. Case file; and
 - c. Contractor, if necessary.

E. **Rejection of Application.** If the City requests additional information necessary for an application and the applicant does not respond within thirty days of the City's written request, the City shall notify the applicant that it has rejected this application.

F. **Conditions for Providing Assistance.** An applicant shall agree, in writing, to the terms and conditions with respect to rehabilitation assistance as stated in the Rehabilitation Agreement.

Chapter 7. Rehabilitation Agreements

- A. **General.** This chapter sets forth City requirements with respect to terms and conditions detailed in the Rehabilitation Agreement which an applicant must execute in order to obtain rehabilitation assistance in the form of a grant or loan.
- B. **Conditions for Rehabilitation Assistance.** The mortgage or other security instruments as applicable, and the promissory note incorporate the specific terms and conditions with respect to the rehabilitation assistance for a residential property.
1. **Cancellation Provision.** The City has a right to cancel assistance if the borrower does not commence rehabilitation work (by giving the approval for the contractor to start) or if the contractor does not commence work within the time period stated in the rehabilitation agreement.
- C. **Interest Rate.** Chapter 4 sets forth the interest rate to the borrower.
- D. **Term of Loan.** Chapter 4 identifies the maximum term for a City rehabilitation loan.
- E. **Points of Agreement.** The applicant (or contractor if applicable) shall agree to abide by the following terms and conditions:
1. **Applicable Laws.** Comply with all applicable Federal, State, and local laws as well as all regulations governing the funds provided under the Rehabilitation Agreement.
 2. **Civil Rights.** Comply with all Federal and City requirements with respect to the Civil Rights Act of 1964 and 1968, and the 1988 Fair Housing Amendments Act to not discriminate upon the basis of race, color, creed, religion, national origin, age, sex, marital status, disability,
 3. **Completion of Work.** Enter into written contracts to assure prompt and efficient performance and completion of rehabilitation work. Chapter 2 outlines the City's actions in case of failure to complete the rehabilitation. Also, failure to comply with these terms and conditions may result in the applicant being declared in default.
 4. **Ineligible Contractors.** The City and homeowners shall refuse to award a contract for rehabilitation work to be paid for in whole or in part with the funds provided, to any contractor ineligible to receive an award of such contract under any applicable regulation issued by the Secretary of Labor.
 5. **Inspection.** Permit inspection of the property, the rehabilitation work, and all contracts, materials, equipment, payrolls, and conditions of employment pertaining to the work by the City or its designee.

6. Records. Keep such records as the City may require with respect to the rehabilitation work for a period of five (5) years after the completion of the work.
7. Bonus, Commission, or Fee. Homeowner shall not pay any bonus, commission, or fee for the purpose of obtaining the City's approval of the application, or any other approval or concurrence required by the City or its designee to complete the rehabilitation work financed in whole or in part with the rehabilitation assistance.
8. Interest of the City. Prohibit members of the City's governing body who exercise any functions or responsibilities in connection with the administration of the rehabilitation project, and other City officers and employees who exercise such functions or responsibilities from having any direct interest in the proceeds of the rehabilitation assistance, or in any contract entered into by the applicant for the performance of work financed, in whole or in part, with the proceeds of the rehabilitation assistance.
9. Preservation of the Security. Homeowner shall maintain the property according to the requirements of the Cedar Falls Housing Code and permit the City or its designee to inspect the property during the term of the loan.
10. Transfer of the Property. Homeowner shall repay such portions of the loan/lien upon sale, rental or transfer of the property, unless prior written consent of the City is sought and obtained prior to the sale, rental or transfer.
11. Non-Discrimination in Contracting. Homeowner shall cooperate with the City to encourage the use of minority and women's business enterprises and locally owned businesses for the rehabilitation work financed with the rehabilitation funds.
12. Historic Preservation. Homeowner shall cooperate with the City in complying with applicable Federal, State and local historic preservation laws, ordinances, and/or requirements.
13. Special Provisions. a) The City may retain 10% of its contribution to the rehabilitation project as an assurance that the applicant and contractor(s) will complete all the work in a timely manner. Following a satisfactory final inspection, the City will release the 10% retainage.

Chapter 8. Recapture of Rehabilitation Assistance

- A. **General.** This section sets forth policies for recapturing funds from a forgivable loan in the event the recipient sells transfers or ceases to occupy the dwelling during the specified period.
- B. **Applicability.** The City will recapture all loans pursuant to the terms and conditions of the rehabilitation assistance.
- C. **Terms and Conditions.** Recapture of funds shall be subject to the following:
1. Loan documents shall be recorded in the Black Hawk County Recorder's Office.
 2. The City may subordinate its loans to any private lender's home improvement loan or mortgage. Subordination will only be done as per the attached policy in Exhibit 2.
 3. Chapter 4 sets forth conditions for the loans.
 4. Upon sale, transfer or termination of occupancy, all outstanding City-held loans shall be repaid to the City and a satisfaction of the loan shall be provided to the agency handling the transaction.
 5. It is the recipient's duty to notify the City of any sale, transfer or rental, of the property and to satisfy any outstanding obligation for reimbursement, and failure to do so shall result in the entire amount of the financial assistance becoming due.
 6. Funds received from these recapture procedures shall be treated as program income and returned to the City to provide additional assistance under the housing rehab program.

Chapter 9. Determining Work to be Done with Rehabilitation Financial Assistance

- A. **General.** This chapter sets forth the responsibilities of the Rehabilitation for determining the extent of rehabilitation work necessary to bring a property into conformance with Cedar Falls Building Code and HUD Housing Quality Standards and for providing assistance in rehabilitating property. In carrying out these responsibilities, the Housing Specialist and/or Building Inspector shall:
1. Inspect the property.
 2. Identify the required and desired work.
 3. Review the proposed work and bid proposals with the owner. Consult with and advise the owner regarding the work and the bids.
- B. **Initial Inspection.** During the initial inspection, the Rehabilitation identifies deficiencies needing correction in order to meet Cedar Falls Building Codes and HUD's Housing Quality Standards. The Specialist reviews and discusses the inspection findings with the owner.
- C. **Progress Inspections.** During the course of the rehabilitation work being completed, inspections of the progress will be made as deemed appropriate by City staff, or as requested by the homeowner or contractor.
- D. **Change Orders.** If, in the course of the rehabilitation, additional repairs become necessary, a formal change order to the contract write-up will occur. Change orders requested by any party require signature approval from the homeowner, the contractor, a Building Inspector, and a staff member from the Community Services Division. Change orders over 10% of the original contract amount require approval from City Council.
- D. **Final Inspection.** Once all rehabilitation work has been completed, the Building Inspector will schedule a time with the homeowner present to inspect all work.

Chapter 10. Contracting for Rehabilitation Work

- A. **Introduction.** This chapter sets forth requirements and procedures with respect to construction contracts for rehabilitation financed with a rehabilitation loan. The contractor and the loan recipient must enter into a written contract for all rehabilitation work.
1. **Procurement of Bids.** The City will obtain at least two responsible contractor's bids and proposals.
 2. **Form of Contract.** The City will provide the construction contract which the Contractor must sign and the homeowner must accept following approval of the rehabilitation loan.
- B. **General Conditions.** The Housing Specialist shall prepare the contract for use in all rehabilitations. Such contracts shall include hold harmless provisions relating to the contractor(s) and owners(s).
- C. **Specifications and Drawings.** The Housing Specialist or Building Inspector or a designated professional shall prepare a deficiency list (write-up) and illustrative sketches, if any, covering the specific rehabilitation work for each property for which the recipient obtains a rehabilitation loan. Drawings shall be prepared only when essential to show the scope of the work involved so that a fair bid for the work can be obtained, and to avoid misunderstandings with the bidder. The Housing Specialist or Building Inspector or a designated professional shall base the deficiency list and drawings on the inspection of the property and interviews, as indicated, with the owner. The deficiency list shall clearly establish the nature of the work to be done and the material and equipment to be installed in accordance with the write-up and rehabilitation technical specifications provided by the Housing Specialist.
- D. **Invitation to Contractors for Bid Proposal.**
1. **Contractor Selection.** The staff shall maintain a list of contractors interested in submitting bids for CDBG funded rehabilitation work. Said list shall include the names of minority and women contractors in the area who have requested to be on the list. Bids may be requested from the contractors not on the City's list. If bids from such contractors are received, the City has the right to reject such bids if the contractors are deemed unqualified or ineligible.
 2. **Invitation to Bid.** Once the City selects contractors according to paragraph D.1. above, the Housing Specialist shall contact the selected contractors in writing and invite them to submit bids for the proposed rehabilitation work. A pre-bid meeting will be held at the property to be rehabilitated with the homeowner, contractors, Building Inspector, and Housing Specialist. A minimum of two written bids is required. However,

if two contractors interested in bidding cannot be found, the price estimate provided by the Building Inspector will be utilized as the basis for a fair and reasonable bid amount. All bids must be broken down by line item.

3. Bid Review. Upon receipt of all bid proposals from the bidding contractors, the Housing Specialist shall review bids for completeness and accuracy with special attention given to ensuring adherence to the deficient list.
4. Acceptable Bid. An acceptable bid fulfills the requirements of D.3. above, includes a current copy of the contractor's certificate of insurance, as verified by the current year listing through the INRCOG depository, and is consistent with the Building Inspector's estimate. The bidding contractor shall provide a cost for each repair item. If the costs are not acceptable, the Housing Specialist shall work with the owner and Contractor to negotiate a cost that is reasonable and acceptable to all parties.
5. Limitation on Open Rehabilitation Contracts. It is in the City's interest to ensure that Contractors have the capacity to fulfill rehabilitation contracts timely, and to maintain an adequately sized pool of contractors willing to bid on City rehabilitation projects. Contractors shall not be awarded more than two (2) contracts from any one bid letting, and shall have no more than four (4) open CDBG Owner-Occupied Rehabilitation contracts with the City of Cedar Falls at any one time. The City may exercise discretion in choosing which contract(s) to award to the Contractor.

Open contracts for CDBG Repair Grants will not be counted toward the limits of two (2) contracts per bid letting and four (4) open contracts total per contractor.

6. Maintenance of the Contractor's List.
 - a. The Housing Specialist shall maintain a list of contractors, including minority and female contractors, who have expressed an interest in bidding on repair construction and can provide the following as contained on the Prospective Bidder's Proof of Responsibility Form:
 - (1) Adequate, active liability insurance.
 - (2) The name of his/her company bank.
 - (3) The names of his/her usual subcontractors.
 - (4) The names of his/her principal suppliers.

- (5) The names and addresses of at least two (2) recent residential repair or construction jobs.
 - (6) Cedar Falls contractor's license as applicable.
 - (7) Federal tax ID number.
- b. The Department of Community Development office shall maintain the Contractor list, open to public review.
 - c. At the City's discretion, a contractor may be removed or suspended from the City's contractor's list, for one or more of the following causes:
 - (1) Failure to complete a project within the prescribed contract period.
 - (2) Failure to complete warranty repairs within a reasonable time period.
 - (3) Failure to use licensed plumbing and electrical subcontractors.
 - (4) Failure to complete work in accordance with program specifications and/or accepted standards or workmanship.
 - (5) Failure to obtain proper permits for work in progress.
 - (6) Failure to treat applicants with respect and courtesy.

E. **Award of Construction Contract.** The contract shall be awarded by written notification to all bidding contractors and the homeowner, and subsequent proper execution of the contract by all parties.

- 1. Award within 60 days of Cutoff Date. In order for the bid and proposal to be binding, the award shall be made within a period of 60 days from the cutoff date established by the Housing Specialist for the receipt of the bid and proposal, unless a later date is agreed upon in writing by the homeowner and contractor.
- 2. Contract Award. The construction contract shall be awarded by complete execution by the homeowner, contractor, and Director of Community Development. The Housing Specialist shall distribute the executed contract documents as follows:
 - a. Executed original retained by City of Cedar Falls Community Services Division.

- b. Executed copy to contractor.
 - c. Executed copy to owner.
3. Issuance of Proceed to Work Order. At the time of the award, the Housing Specialist shall remind the applicant and the successful contractor that the performance of the work covered by the contract is subject to the Housing Specialist issuing a proceed to work order within the number of days stated in the general conditions of the contract from the date of the award.

F. Labor Performed by Owner in Repairing Property.

1. Type of Work and Skill of Owner. A property owner may complete some or all of the tasks required to repair the property if the property was built in 1978 or later and if the owner has the degree of skill required to perform the work involved. Self-help is usually appropriate to accomplish tasks of an unskilled nature such as general clean up, demolition, of small buildings on a property, removal, cartage, and disposal of the debris, and for work that involves minimal use of costly materials and equipment. Work of a skilled nature and work involving the installation of costly materials and equipment are appropriate only if the contractor and Building Inspector and/or Housing Specialist is satisfied that the property owner possesses the ability and experience required to do the work. The property owner must be capable of working unsupervised and must possess sufficient skill to properly perform the work with some technical advice and guidance from the contractor. The amount of money for this type of work must not be included in the accepted bid.

G. Right to Terminate Contract and Complete the Work.

If the party to the contract refuses or fails to supply enough properly skilled workers or proper materials; fails to promptly pay the subcontractors for materials or labor; or disregards laws, ordinances, or the instructions of the Housing Specialist or Building Inspector or otherwise violates any provision of the Contract, then the City may terminate the employment of the Contractor and/or terminate the Rehabilitation Agreement with the Owner. In such case, the Owner or City may finish the work by any reasonable expedient method. When work is completed, the Contractor will be paid the amount remaining in the contract after cost of completion is deducted.

Chapter 11. Inspection of Rehabilitation Work

- A. **General.** This chapter sets forth the requirements for the inspection of rehabilitation work financed in whole or in part with rehabilitation funds.
- B. **Responsibility for Making Inspections.** The Building Inspector or designee shall inspect construction work in cases involving a rehabilitation loan including:
1. Compliance inspections, as necessary, to assure completion of the construction work in accordance with the construction contract.
 2. A final inspection to determine that the construction work has been completed in accordance with the construction contract. The Building Inspector and any staff from the Building Inspection Division as may be required, shall accompany the Housing Specialist on the final inspection and provide the Housing Specialist with a written report of their findings.
- C. **Inspections for Payment.** The Housing Specialist shall inspect the construction work in accordance with the following:
1. Upon partial and total completion of the repair work and receipt of the contractor's invoice and appropriate lien waivers, the Housing Specialist shall arrange for inspection of the completed work.
 2. If the Housing Specialist finds that the contractor satisfactorily completed the work, the contractor can request a partial payment. The homeowner, Building Inspector, and a staff member from the Community Services Division will sign off on any progress payment inspections. Partial payment requests shall be accompanied by lien waivers for work that was completed. When processing partial payments, the City will retain 10% of the invoice until final payment.
 3. After receipt of a release of liens, the contractor can receive final payment.
- D. **Certification of Final Inspection.** After the Housing Specialist determines that the contractor satisfactorily completed the rehabilitation work and the final inspection report is obtained, the staff shall prepare an original of Certificate of Final Inspection. Additionally, the homeowner and a staff member from the Community Services Division will sign off on final completion of the work prior to final payment being made to the contractor.
- Distribution.** Signed original of the Certificate of Final Inspection shall be retained in the property file.
- E. **One-Year Guarantee on Work by Contractor.** All work performed by a contractor shall be covered by a one-year guarantee, unless lack of maintenance or homeowner intervention affects the work, in which case the

guarantee is void. Property owners are not, however, always aware that, for a period of one year following date of final inspection, they may require the contractor to correct significant defects and inadequacies in the work performed under this contract. The Housing Specialist will help to remind the owner upon completion of the contract of the guarantee requirements.

Due to the nature of groundwater, soil and construction conditions, the success of any efforts to ameliorate any water problems cannot be guaranteed.

The owner must give the contractor written notice of any defects with reasonable promptness. If the contractor fails to answer or correct the defect(s) within a reasonable time, the City, at owner's request, will assist owner in the following manner.

1. Staff members of the Department of Community Development will investigate the complaint.
2. Staff will notify the owner if it finds the complaint to be invalid.
3. If the staff finds the complaint to be valid, the housing specialist will direct the contractor to take necessary corrective action within a specified length of time.
4. If the contractor complies, the staff will re-inspect the work and, if satisfactory, the owner will be expected to withdraw the complaint.
5. If the contractor fails to respond to the request within the specified length of time, the staff, upon owner's request, will prepare a letter for owner's signature, notifying the contractor a second time that unless the defect is corrected by a specified time, staff will refer the matter to the City Attorney for appropriate action. Staff will then locate a new Contractor to correct the problem. The cost will then be forwarded to the Contractor responsible for defective work.
6. If the contractor fails to respond to the request within the time specified:
 - a. The homeowner will take any necessary action to correct the defects including, but not limited to, paying the reasonable costs of correcting work or materials determined by the homeowner and the Housing Specialist to be defective.
 - b. The City may prohibit the contractor from contracting any other repair work under any program administered by the operating agency.

F. Housing Specialist/Program Assistant – Owner – Contractor Relations.

Housing Specialist's Responsibility and Authority:

The Housing Specialist or designee observes the work on behalf of the City, and provides general assistance regarding proper interpretation of the program requirements during construction.

The Housing Specialist decides, when necessary, any and all questions which arise as to the quality and acceptability of materials furnished, work performed, interpretation of work items on the bid document and all questions as to the Contractor's performance of the Contract.

The Housing Specialist or designee is not responsible for the acts or omissions of the contractor or his/her employees. The City's or homeowner's acceptance of the Contractor's work does not release the contractor from the responsibility to provide quality performance on all contract specifications.

Chapter 12. Complaint Procedure

It is the policy of the Department of Community Development to make every effort to resolve complaints prior to the filing of a formal complaint. Please call the Housing office at 273-8606 for assistance.

A. **Complaints**

The Planning and Community Services Manager for the City of Cedar Falls or designee shall review and hear the complaint of any person aggrieved by the Division of Planning and Community Services in the administration of any Federal, State or local assistance programs. This review shall include, but not be limited to complaints concerning:

1. the sufficiency of an application for assistance,
2. eligibility for assistance under the program,
3. the dollar amount of the assistance,
4. the scope of services provided under the program,
5. the adequacy of information and assistance furnished by the Community Development Division.

B. **Filing the Complaint**

A person may file a complaint in the Planning and Community Services Division for the City of Cedar Falls, located in Cedar Falls City Hall, 220 Clay Street, Cedar Falls, Iowa, 50613. The complaint must be received in a timely manner, which is:

1. within 30 calendar days from the date of the event causing the complaint, or
2. for housing rehabilitation programs, within 30 calendar days from the Certificate of Final Inspection.

C. **Notice and Hearing**

Within thirty (30) calendar days of receiving the written complaint, the Planning and Community Services Division will give the Complainant written notice of the time and place the Community Services Manager will hear the complaint.

D. **Appeal**

Appeals of HUD complaints may be made to: Manager, U.S. Department of Housing and Urban Development, Edward Zorinsky Federal Building, Suite 329, 1616 Capitol Avenue, Omaha, NE 68102.

Chapter 13. Definitions

1. **Definitions.** Following are definitions of various terms as used with respect to rehabilitation activities.
 - a. Abatement – A measure or a set of measures designed to eliminate lead-based paint hazards or lead-based paint permanently. (Permanent is defined by HUD regulation as at least 20 years effective life.) Abatement requires a certified, licensed abatement contractor.
 - b. Annual Gross Income for Assisted Units – Gross income as defined for the Section 8 Program. See Exhibit 1.
 - c. Architectural Barrier – A structural condition, existing in a housing unit, that places a physical hardship on the mobility of a person with disabilities in the performance of normal self-care activities.
 - d. Appraisal – An evaluation of the value of real property by a certified appraiser. A recent appraisal will be considered if it is less than 6 months old and no significant changes to the property have been made.
 - e. Asset – Resource with an exchange value, including but not limited to equity in real property other than the applicant’s primary residence. It also includes gold, precious metals, cash, checking and savings accounts, savings bonds, Certificates of Deposit, mutual funds, money market funds, stocks, IRA or Keogh accounts that are not in a bona fide retirement program.
 - f. Building Code Standards – The Uniform Building Code of the City of Cedar Falls
 - g. Building Inspector – Representative of the Building Inspection Services of the Department of Community Development certified to advise on Cedar Falls Building Code and construction methods.
 - h. CDBG-Assisted Projects – Units within a CDBG-funded rehabilitation project.
 - i. Children-minor – Individual under the age of 18 and not head of household or spouse.
 - j. Community Development Block Grant (CDBG) Program – A Federal program administered by the U.S. Department of Housing & Urban Development which provides Community Development Block Grant (CDBG) funds for programs that benefit low-moderate income residents.
 - k. Community Services Manager – The Manager for the Planning and Community Services Division, which is a division of the Cedar Falls

Department of Community Development, that oversees the use and expenditure of funds in the Community Development Block Grant (CDBG) and HOME Program for the City of Cedar Falls.

- i. Conditional Occupancy Loan – A lien against real property which is repaid only upon transfer of title, rental of the property or termination of occupancy.
- m. Condominium – A condominium is defined as joint ownership of common areas and facilities by the separate owners of single dwelling units in the project (Section 234, National Housing Act [12 U.S.C. 17154]) and in compliance or conformance with the requirements of the Code of Iowa, as amended.
- n. Director – The Director of the Cedar Falls Department of Community Development.
- o. Person with Disabilities – For purposes of these programs, a person shall be considered disabled/handicapped if that person has a physical or mental impairment expected to be of long, continued or indefinite duration or suffers from a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423) or Amendments of 1970 [42 U.S.C. 269(1)]. A disabled or handicapped family member qualifies the family as a disabled/handicapped family.
- p. Dwelling Unit – Any room or group of adjoining habitable rooms located within a dwelling and forming a single habitable unit with facilities, including a bathroom, which are used or intended to be used for living, sleeping, cooking and eating.
- q. Elderly – For purposes of these programs, a property titleholder at least sixty-two (62) years of age is considered elderly.
- r. Repair – Correction of a major violation of housing standards that creates an immediate threat to the health and safety of the occupant. Such violations include unsafe or hazardous electrical service or wiring; unsanitary plumbing; inoperative or dangerous furnace; unsafe structural or roof condition where the roof is actively leaking or the ceiling is water-damaged and in danger of collapse; and other such emergency conditions that, from time to time, the Housing Specialist, in consultation with a Building Inspector, identifies.
- s. Equitable Interest – Owner shows sufficient value in the property to provide security for an additional lien.
- t. Family – Usually two or more persons who constitute a legal family relationship (blood, marriage, adoption or as defined in Federal, State or local law). The term also includes: an individual between the ages of 18

and 62 who is disabled or handicapped as defined herein; two or more unrelated individuals who are at least 62 years of age or disabled or handicapped; or two, but not more than two persons not related by blood, marriage or adoption.

- u. Grant – A direct subsidy for home improvement to a homeowner requiring no lien or payback.
- v. Historic Preservation – A procedure undertaken when any home in the rehabilitation program is over 50 years old whereby a historical review is conducted. If the property is found to be in a historical district or a contributing structure, steps must be taken to preserve the historical integrity of the home according to the standards of the Iowa State Historical Preservation Office and/or Secretary of the Interior Standards (Section 106).
- w. HOME Investment Partnership Program – Federal program of the U.S. Department of Housing and Urban Development which provides funds for affordable housing programs.
- x. HOME Assisted Projects – Units within a HOME project where HOME funds are used for rehabilitation. Resale restrictions apply.
- y. Homeowner or Owner – A person who both owns the property for which assistance is sought and occupies that property as the principal place of residence. Ownership is determined by legal or equitable title or by a land sales contract.
- z. Household – One or more persons occupying a housing unit.
- aa. Housing Commission – Governing board of all rehabilitation services.
- bb. Housing Specialist – An employee or designee of the City's Department of Community Development charged with the duties of administering the specific aspects of the rehabilitation program.
- cc. HUD - U.S. Department of Housing and Urban Development
- dd. Incipient Violation – The state or physical condition of an element of the structure required to meet a HUD Housing Quality Standards or the Cedar Falls Building Code, that at the time of inspection is in such a state of deterioration that if left uncorrected, it will further deteriorate into an actual violation within the next two years.
- ee. Income – The total annual gross income of a family or tenants from all sources for the 12-month period following the date of income verification.

- ff. Income Guidelines – The median area income levels as determined by the U.S. Department of Housing and Urban Development for the City of Cedar Falls, as amended on an annual basis
- gg. Interim Controls – A set of measures designed to temporarily reduce human exposure or likely exposure to lead-based paint hazards. Requires contractor(s) with Lead-Based Paint Safe Work Practices certification.
- hh. Land Sales Contract – Any transaction in which the purchaser obtains fee title from the seller upon completion of installment payments over a term of years. The form of a land sales contract may vary according to the circumstances of each sale.
- ii. Lead Safe Work Practices – Work practices that are used to protect workers and residents from the effects of lead-based paint hazards. Contractors must have a training certificate to perform activities associated with lead-based paint correction.
- jj. Major Code Violation – A housing standards violation involving the following categories of deficiency: electrical, heating, plumbing, roofing and structural. Structural violations are considered as deficiencies only when they involve the major structural systems of the property, including roof, floor girders and joists, and the foundation.
- kk. Manufactured Home – A structure, transportable in one or more sections, which in the traveling mode is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein (MHCSS 24 CFR 3280).
- ll. Principal Place of Residence – Residing in the property at the time of application for assistance (except where extraordinary circumstances have made the property temporarily uninhabitable) and for at least eleven (11) months of each calendar year.
- mm. Program funds – Any funds received under the umbrella of a particular program, specifically CDBG and HOME Programs.
- nn. Rehabilitation Agreement – An agreement the applicant must execute which specifies the terms and conditions for obtaining a rehabilitation loan or grant.
- oo. Rehabilitation Cost – The total cost of repairs, improvements and other costs for rehabilitation incurred by the applicant that are eligible for

rehabilitation assistance, regardless of whether the costs are financed in part with funds from other sources.

- pp. Single-Family Home – Structure containing one dwelling unit.
- qq. Termination of Occupancy – If an owner(s) does not reside in or occupy the property according to the terms of the Rehabilitation Agreement. Also see “Principal Place of Residence.”

**HUD SECTION 8 REGULATIONS FOR CALCULATING ANNUAL GROSS INCOME
FOR APPLICANTS REQUESTING ASSISTANCE**

Annual Income: The anticipated income for all adult members of the family, even members temporarily absent, from all sources for a twelve-month period following the date of the income determination. This includes but is not limited to, the following:

- A. The full amount, before any payroll deduction, of wages and salaries, including compensation for overtime and other compensation for personal services such as commissions, fees, tips, and bonuses.
- B. Net income from operation of a business or profession. The expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine net income from a business.
- C. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property. Where the family has Net Family Assets in excess of \$5,000, Annual Income shall include the greater of the actual income derived from all Net Family Assets or the value of such assets multiplied by the current passbook savings rate.
- D. The full amount received from annuities, periodic payments from insurance policies, retirement income, pensions, periodic benefits for disability or death, and other similar types of periodic receipts to include lump sum payment for a delayed start of a periodic payment.
- E. payments in lieu of earnings, such as unemployment and disability compensation, social security benefits, workers compensation, and dismissal wages (vacation and sick leave).
- F. Welfare assistance payments including those amounts withheld as payment for food coupons or stamps. The value of food stamps is not included in income.
- G. Periodic and determinable allowances, such as, alimony and regular contributions or gifts.
- H. The value of in-kind gifts and services from public and private sources to the extent that these gifts or services are given on a regular and ongoing basis.
- I. All regular pay, special payments and allowances received by a member of the Armed Forces, whether or not living in the dwelling, who is head of the family, spouse, or other person whose dependents reside in the unit.

- J. Payments to the head of the household for support of a minor or payments nominally to a minor for his support but controlled for his benefit by the head of household, or a resident family member other than the head, responsible for his support.

POLICY FOR HOUSING REHABILITATION SUBORDINATION AGREEMENTS

General

The City of Cedar Falls Housing Rehabilitation Program provides financial assistance in the form of Forgivable Loans to Cedar Falls homeowners. These housing rehabilitation loans are frequently in a second position behind the primary lender. Due to the public nature of these funds and changing financial conditions, this subordination policy has been adopted.

Applicability

This policy would apply to projects that have received or will receive Housing Rehabilitation assistance.

Terms and Conditions

The City may subordinate its housing rehabilitation loans to a private lender. The property would need to have adequate equity to protect the City's interest. This value is verified by a recent appraisal.

Eligible Conditions

1. Refinance to lower the interest rate and/or change the term of the primary loan.
2. To consolidate home loans/mortgages.

Ineligible Conditions

1. To pay off or consolidate credit card or other debt.
2. To take cash out of the property for personal use.

LEAD-BASED PAINT MANAGEMENT PLAN
CITY OF CEDAR FALLS
CDBG HOUSING REHABILITATION PROGRAM

CDBG recipients conducting housing rehabilitation programs must comply with the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992. 24 CFR Part 35, Subpart J establishes procedures to eliminate lead-based paint hazards in residential properties built before 1978 that receive CDBG and other federal assistance. This management plan will discuss the definitions, programs, requirements, procedures, and required compliance actions, as applicable to CDBG assisted owner-occupied rehabilitation.

Eligible Dwellings

Guidelines established in this management plan apply to all dwellings receiving any form of assistance from the City of Cedar Falls' Housing Rehabilitation Program, with the following exemptions:

- Housing built on or after January 1, 1978.
- Housing exclusively for the elderly or persons with disabilities, unless a child under age 6 is expected to reside there.
- Property that has been found to be free of lead-based paint by a certified inspector.
- Property from which all lead-based paint has been removed and clearance has been achieved.
- The rehabilitation will not disturb any painted surface.
- The property has no bedrooms.
- Repairs to the property are being performed to safeguard against imminent danger to human life, health, or safety, or to protect the property from further structural damage due to natural disaster, fire, or structural collapse. (This exemption only applies to repairs necessary to respond to the emergency.)

Notification

Prior to each housing rehabilitation project, the homeowner will receive a copy of the pamphlet "Lead Poisoning: How to Protect Iowa Families," disseminated by the Iowa Department of Public Health in accordance with the Environmental Protection Agency. This pamphlet informs homeowners of the risks of lead-based paint, how lead-safe

work practices are used to minimize these risks, and other applicable information. Each homeowner will sign a statement acknowledging receipt of the pamphlet.

Homeowners will also be provided with any previous Disclosures of Known Lead-Based Paint on file with the Black Hawk County Recorder's office, the City of Cedar Falls, or other sources, as possible.

Homeowners will be provided with a Notice of Lead Hazard Presumption within 15 days of the site evaluation. The City of Cedar Falls will approach all housing rehabilitation projects presuming lead-based paint, unless the property is otherwise exempt as mentioned above.

Homeowners will also receive a Notice of Lead Hazard Reduction Activity, specifying the lead-based paint reduction activities that will occur at their home during the rehabilitation.

Lead Hazard Evaluation

A visual assessment will be completed on each property by the Cedar Falls Building Inspector and Planning and Community Services staff member for any paint that will be disturbed during the rehabilitation process, or is deteriorated, chipping, and/or peeling. For projects expending less than \$5,000, the work site will be evaluated for any potential lead hazards. For projects between \$5,000 and \$25,000, lead-based paint and/or lead-based paint hazards will be presumed, per 24 CFR 35.120(a). No projects with an expected cost over \$25,000 in total will be eligible for rehabilitation.

Lead Hazard Reduction

For projects expending less than \$5,000, any paint that is disturbed will be repaired; lead safe work practices will be used by the contractor and his/her workers. For projects between \$5,000 and \$25,000, standard treatments will be used; lead safe work practices will be used by the contractor and his/her workers. When visual assessments identify deteriorated paint above the minimis amounts, paint stabilization will occur, regardless of whether rehabilitation activities would affect the area, paint stabilization activities will take place. The Black Hawk County Health Department will perform Clearance Testing on all properties at the end of all rehabilitation projects.

After the Rehabilitation Work is Completed

After all rehabilitation work has been completed and Clearance has been achieved, the Clearance report will be provided to the homeowner. Copies of all documentation including notifications, receipt of notifications to the homeowner, visual assessments and inspections, reduction activities, and Clearance reports will be maintained by the City of Cedar Falls for at least three years after the end of the project.

Definitions

Lead-Based Paint: Paint that contains at least 1 milligram per centimeter square (mg/cm^2) of lead. Also measured as greater than 0.5 percent lead or has 5,000 parts per million (ppm) lead by dry weight.

Lead-Based Paint Hazards: Housing conditions that cause human exposure to unsafe levels of lead from paint. These conditions include deteriorated lead-based paint; friction, impact, or chewable painted surfaces; lead-contaminated dust; or lead-contaminated soil.

Visual Assessment: A visual evaluation of interior and exterior painted surfaces to identify specific conditions that contribute to lead-based paint hazards.

Clearance test: Clearance is performed after hazard reduction, rehabilitation, or maintenance activities to determine if a unit is safe for occupancy. It involves a visual assessment, analysis of dust and soil samples, and preparation of report. A certified risk assessor, paint inspector, or clearance technician (independent from contractor conducting paint stabilization or hazard reduction) conducts clearance.

Standard treatments: A complete set of interim control methods that when used together temporarily control all potential lead hazards in a unit. Because they address all conditions, a risk assessment or other evaluation is not needed. Standard treatments must be completed by qualified workers using safe work practices.

Deteriorated paint: Paint that is cracking, flaking, chipping, peeling, or otherwise separating from the surface to which it was originally adhered.