



HISTORIC
FRANKLIN
TENNESSEE

ITEM #8
WRKS
04/08/14

MEMORANDUM

April 1, 2014

TO: Board of Mayor and Alderman

FROM: Eric Stuckey, City Administrator *ES*
Vernon Gerth, ACA-Community & Economic Development
Chris Bridgewater, Director Building & Neighborhood Services
Kathleen L. Sauseda, Housing Development Coordinator

SUBJECT: Resolution 2014-27 – Housing Policy and Procedure Manual for CDBG Funded Programs

Purpose

The purpose of memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider adoption of Resolution 2014-27, adopting a Housing Program Policy and Procedure Manual for Community Development Block Grant (CDBG) funded programs.

Background

As part of the City of Franklin's participation in the Department of Housing and Urban Development's CDBG program, HUD requires entitlement communities to comply with federal housing regulations. The regulations pertaining to the rehabilitation of housing have been incorporated into the attached Housing Policy and Procedure Manual to ensure compliance when utilizing CDBG funds for programs identified in the City's adopted Consolidated Plan.

Financial Impact

Adoption of the Policy and Procedure Manual ensures compliance with HUD requirements for communities, like Franklin, receiving CDBG funding. The City of Franklin currently follows these policies and procedures outlined in the manual. Therefore, there is no financial impact associated with implementing adopting the manual which compiles the applicable regulatory requirements.

Recommendation

Approval of Resolution 2014-27 is recommended.

RESOLUTION 2014-27

TO BE ENTITLED, "A RESOLUTION ADOPTING A HOUSING REHABILITATION PROGRAM POLICY AND PROCEDURE MANUAL FOR THE CITY OF FRANKLIN, TENNESSEE."

WHEREAS, as part of the City of Franklin's agreement to be an Entitlement City the Housing and Urban Development (HUD) Office requires the City have a Policy and Procedure process in place regarding the disbursement of grant funds that are awarded to the City of Franklin; and

WHEREAS, staff has developed a proposed Housing Rehabilitation Program Policy and Procedure Manual ("Manual") with the assistance of HUD; and

WHEREAS, the Manual reflects the conditions under which requests to the City for Community Development Building Grant funding shall be awarded; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to identify these conditions and the policies and procedures that govern the Community Development Building Grant awards; and ; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to adopt implement the Manual in order to meet the Congressional Intent that requires Entitlement grantees expend their funds in a manner that effectively meets local needs but primarily serves low-income residents.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

Section 1. The Housing Rehabilitation Program Policy and Procedure Manual ("Manual"), attached as Exhibit A hereto, is adopted.

Section 2. The Housing Development Coordinator of the City shall be responsible for the administration and enforcement of the Manual hereby adopted.

Section 3. Changes or revisions to the Manual hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin.

Section 4. The effective date of the policy hereby adopted shall be immediate upon passage and adoption of this resolution, the public welfare and the welfare of the City requiring it.

Adopted this ____ day of _____, 2014.

ATTEST:

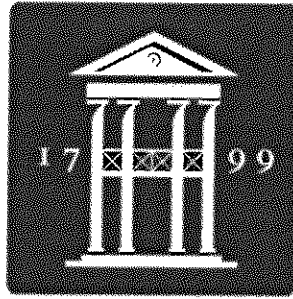
CITY OF FRANKLIN, TENNESSEE

BY: _____
Eric S. Stuckey, City Administrator/Recorder

BY: _____
Dr. Ken Moore, Mayor

APPROVED AS TO FORM:

BY: _____
Kristen L. Corn, Staff Attorney



HISTORIC
FRANKLIN
TENNESSEE

HOUSING PROGRAM

Policies and Procedures Manual

Adopted April 22, 2014

HOUSING PROGRAM

Policies and Procedures Manual

A home is more than a house. Homes are where memories are made. A home is also an asset whose value the homeowner wants to protect. The City of Franklin is committed to building a better quality of life for its residents and that includes ensuring the city's homes remain safe and habitable. Working through the Building & Neighborhood Services Department, the City works to help homeowners protect what is probably their most valuable tangible asset, their home.

As a house ages, it can develop aches and pains, which, if allowed to remain untreated, may cause it to become unsafe. If homeowners and their property qualify, the Housing Rehabilitation Program may be able to help them return their home to a safe, sanitary and comfortable condition.

This manual explains the policies and procedures that govern the Housing Rehabilitation Program. Anyone who has questions or wants more information about the Program should contact the City of Franklin's Building & Neighborhood Services Department at 615-794-7012.



**Policies and Procedures Manual
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1. FRANKLIN'S HOUSING REHABILITATION PROGRAM

1.1 GENERAL DESCRIPTION

The City of Franklin, through grants received from the United States Housing and Urban Development Department, partner with lower income elderly and disabled City residents who own and occupy their homes by providing financial and technical assistance for making essential home repairs.

1.2 PROGRAM RESOURCES

Funding for rehabilitation activities originate through the U.S. Department of Housing and Urban Development Community Development Block Grant.

1.3 APPLICABLE LAWS

The local governing body, contractors, subcontractors, vendors and applicants for rehabilitation assistance are required to abide by State and Federal laws, and may be required to sign documents certifying their compliance.

The term "housing code" includes but is not limited to the International Property Maintenance Code, the International Residential Code and other building and life safety codes adopted by the City and State of Tennessee.

2. ELIGIBILITY REQUIREMENTS - APPLICANT

2.1 ELIGIBILITY CRITERIA - The applicant shall satisfy the following criteria to be eligible for program assistance:

- A. The applicant/homeowner shall be a permanent resident in the City of Franklin, Tennessee for a minimum period of one year and shall be documented to be low to moderate-income persons or permanently disabled as defined by HUD and the Bureau of the Census' Current Population Reports.
- B. The household income shall be equal to or less than 50 percent of the annual HUD published income limits based on household size. In general terms, total income includes the incomes of all persons over the age of 18 in the household, including any persons listed as owners on the property deed whether or not they reside at the premises.
- C. The applicant shall be current on mortgage payments and all applicable property taxes. The application packet shall include a current mortgage statement.
- D. The applicant voluntarily applies for assistance. Participation in City of Franklin programs is voluntary on behalf of the applicant and City. This relationship may be terminated by the client or the City or the City's designee.
- E. The applicant shall not have received rehabilitation or reconstruction assistance from the City of Franklin within the previous 10 years. Total

rehabilitation assistance, including the assistance being applied for and previous assistance, may not exceed \$15,000 per applicant.

- F. The applicant shall demonstrate the ability to maintain the dwelling with regard to ongoing maintenance and repairs, safety hazards and health/cleanliness issues.
- G. The applicant shall maintain homeowner's insurance covering structure replacement during the grant compliance period.
- H. The applicant acknowledges resources (family/friends) are readily available if temporary relocation is necessary during the rehabilitation construction period.

3. ELIGIBILITY REQUIREMENTS - PROPERTY

3.1 DEFINITIONS

Three terms – “dwelling,” “single family” and “substandard” – are used in determining if a property is eligible for city housing rehabilitation funding assistance. For the purposes of the City of Franklin Housing Rehabilitation Program, the terms are defined as follows:

DETACHED SINGLE FAMILY DWELLING – A housing structure which is used entirely for residential purposes that is owned and occupied by a single-family unit. Family is defined in the City of Franklin Zoning Ordinance.

SUBSTANDARD - Failing to meet the minimum housing requirements as set forth in the International Property Maintenance Code as adopted by the City of Franklin.

3.2 ELIGIBILITY CRITERIA – PROPERTY

- A. The dwelling unit shall be located within the corporate limits of Franklin.
- B. The dwelling unit shall be classified as substandard with at least one major finding, based on a written, detailed inspection report by the City of Franklin Building and Neighborhood Services Department Director or their designee.
- C. The dwelling unit shall not have received funds from the City of Franklin Housing Rehabilitation Program within the last ten (10) years.
- D. Rehabilitation or reconstruction assistance is not available for dwellings or any part thereof is within the flood plain as determined by the Flood Insurance Rate Map and City's Floodplain Manager.
- E. Rehabilitation or reconstruction assistance is not available for dwellings within any wetlands area as determined by the Tennessee Department of Environmental Conservation.
- F. The dwelling unit shall not be recognized or classified as a manufactured or mobile home.
- G. All exterior of the property shall be in good repair, free from weeds or excess plant growth, and structurally sound and sanitary so as not to pose a threat to the public health, safety or welfare.

3.3 CONDITION OF THE DWELLING STRUCTURE

Standard - Not eligible for assistance

Substandard - Dwelling rating will apply when the condition of the dwelling does not meet the minimum standards of the International Property Maintenance Code as determined by an inspector from the Building and Neighborhood Services Department.

Eligible applicants will be considered for emergency grants to make repairs when conditions present an immediate concern to the health or safety of the household.

4. TERMS, CONDITIONS AND CONSIDERATIONS FOR ASSISTANCE

4.1 DETERMINATION OF THE AMOUNT OF THE GRANT – The minimum housing rehabilitation assistance is \$2,000. The amount of rehabilitation assistance that an applicant may receive will not exceed the lesser of:

- A. Amount necessary to correct deficiencies identified by a Building and Neighborhood Services Department Director; or its designee
- B. Maximum of \$15,000 exclusive of lead paint assessments; or
- C. Assessed value of the dwelling.

4.2 STRUCTURE OF FINANCIAL ASSISTANCE:

- A. The Building and Neighborhood Services Department Director or their designee will first verify the eligibility of participants and properties based on submittals of requested information by the applicants.
- B. Approved applicants will be contacted by the Building and Neighborhood Services Department Director or their designee to schedule an initial inspection and determination of the scope of work.
- C. The initial inspection shall consist of an assessment of the work requested by the applicant. Other work items requested by the applicant or readily apparent to the inspector may also be assessed for assistance at that time.
- D. Following the initial inspection a preliminary scope of work and cost estimate is prepared, which becomes the final scope of work upon written approval by the homeowner.

4.3 OTHER GRANT CONDITIONS - Specific terms and conditions are incorporated in the grant application and the contract documents. The applicant agrees to comply with all terms in the grant application and the contract documents, and, additionally, to:

- A. Allow inspection of the property by the City whenever the City determines that such inspection is necessary;
- B. Furnish complete, truthful and proper documentation and information as needed to determine eligibility for receipt of rehabilitation assistance;
- C. Permit the contractor to use, at no cost, reasonable existing utilities such as gas, water and electricity which are necessary to the performance and completion of the work;

- D. Cooperate fully with the City and the contractor to ensure that the rehabilitation work will be carried out promptly;
- E. Defend, indemnify and hold harmless the City, its officials, employees and assigns, from all claims, demands, damages, actions, expenses, attorney's fees and causes of action that may arise from an act of God or nature during the rehabilitation of the property;
- F. Agree to maintain the property in a clean, neat and sanitary condition.

5. ELIGIBLE REHABILITATION ACTIVITIES

A rehabilitation project may only cover the cost of rehabilitation necessary to make a dwelling conform to the local housing codes adopted by the City of Franklin.

5.1 ELIGIBLE ACTIVITIES

- A. **EXISTING HEALTH & SAFETY ISSUES** – The cost to correct existing interior health & safety violations that have been identified by a qualified housing inspector, a City of Franklin inspector or the City’s designee and formalized in an individualized housing report are eligible. These may include the installation of grab bars in a bathroom, the repair/replacement of flooring that is uneven or has structural flaws, the installation of smoke alarms or carbon monoxide detectors, railings on all interior/exterior stairways.
- B. **EQUIPMENT** - Rehabilitation funds may provide for the repair or purchase and installation of certain basic equipment necessary for the maintenance of the household in a safe, sanitary and healthy environment. These include such items as heating furnace, water heater, electrical and sanitary fixtures. Purchase and installation is acceptable if there is no such equipment in the dwelling or if the existing equipment is unsafe, unsanitary or non-functional.
- C. **HANDICAPPED** - Special alterations or costs related with making the dwelling more convenient or accessible for handicapped persons are eligible costs. All work performance in these units shall comply with all applicable codes as well as all Federal and State regulations.
- D. **ENERGY CONSERVATION** - All costs associated with weatherization and energy conservation in substantial rehabilitation or reconstruction, as determined by the housing inspector, shall comply with Cost Effective Code 24 CFR 39.
- E. **LEAD-BASED PAINT** – Lead Based Paint will be addressed on a per case basis and evaluated. If removal is necessary and agreed upon the contractor will abide by HUD’s Lead Safe Work Practices.
- F. **OVERALL** – Only work that is directed toward correcting conditions which do not meet minimum housing requirements as identified through a property inspection, or as noted above can be funded. The contractor may repair, patch and paint the room the repair was completed in.

5.2 INELIGIBLE COSTS - Rehabilitation grants may not be used for:

- A. Renovation of detached accessory buildings.

- B. Unattached deck repair and landscaping, vegetation trimming.
- C. Luxury items, such as hot tubs, whirlpool baths, fireplaces, etc.
- D. Work generally considered routine maintenance, such as, gutter cleaning, faucet washer replacement, interior painting unrelated to the repair, furnace filter replacement, clogged drains/sewer lines, cleaning, broken glass replacement, etc.
- E. Work deemed to be strictly aesthetic in nature, such as replacing cabinets that are not damaged or in need of repair, re-glazing of bathtubs and sinks.
- F. Sidewalk and driveway repairs (exterior stairway and porch repairs are eligible).
- G. Any property within a flood plain as defined by the FEMA Flood Insurance Rate Map and City's Floodplain Manager.

6. **SPECIFICATIONS** - The work write-up will provide a clear, detailed understanding of the nature and scope of the work to be done because it serves as a basis for bids from contractors. The homeowner should have a clear understanding of the nature and scope of the work to be done and any limitations that may exist.

- A. Each write-up will show the nature and location of the work and the quantity and types of material required.
- B. The specifications will refer to manufacturers' brand names or association standards to identify quality of material and equipment and may make provision for acceptable substitutes or quality. Brand name requirements may be included in the "General Conditions and Specifications" and indicated by reference in the work write-up.
- C. The homeowner shall initial each page of the write up and sign the last page.
- D. Change orders will be evaluated on a case by case basis and the total of the change orders shall never exceed the ten percent (10%) of the total project.

7. **CONTRACTING FOR REHABILITATION WORK** Following approval of the final scope of work by the homeowner, the Building and Neighborhood Services Department Director or their designee will bid the project and schedule a single walk-through of the property for interested contractors. At the Building and Neighborhood Services Department Director's or their designee's discretion, multiple projects/properties may be bid collectively. Low bidders that are deemed acceptable are awarded contracts for work. All contracts are between the Homeowner and the selected contractors and are to be completed within 90 calendar days. Contracts not substantially completed within 90 days may, at the option of the Building and Neighborhood Services Department Director or their designee, be reassigned to the next lower bidder who agrees to their original price. In all cases, the Building and Neighborhood Services Department Director of Franklin has the option of cancelling a contract at any time for non-performance and paying the contractor for any work completed to that date. All work shall be warranted by the contractor for a period of twelve (12) months.

8. **CHANGE ORDERS** – Situations which did not show up during the work write-up are not uncommon in the housing rehabilitation process, and they can change the scope of work, especially if the new problem shall be resolved to correct the underlying code deficiency. In such a case, a change order may be initiated.
 - A. The Building and Neighborhood Services Department Director of Franklin shall authorize in writing and the homeowner shall approve any change orders to the scope of work. Unauthorized change orders by contractors or homeowners are not subject to payment.
 - B. Change orders may only total ten (10) percent of the original contract amount.
 - C. The Building and Neighborhood Services Department Director of Franklin will make every effort to expeditiously execute change orders.

9. **DRAW PROCEDURES** – For contracts of \$5,000.00 or less, contractors may submit one request for payment at 100% completion. For contracts from \$5,000.00 to \$15,000.00, contractors may submit partial payment requests at 50 and 100% completion. All payment requests will be submitted with an applicable inspection approval and written certification by the homeowner that completed work has been satisfactorily done.

10. **COMPLAINT AND GRIEVANCE PROCEDURE** - Disputes between the homeowner, the Building and Neighborhood Services Department Director of Franklin and the contractor may arise from time to time during the rehabilitation project.
 - A. Minor complaints during the course of the work or within the warranty period will be addressed between the homeowner and the contractor first, with the contractor notifying the Building and Neighborhood Services Department Director or their designee of their substance and resolution.
 - B. All work shall be warranted by the contractor for a period of twelve (12) months.