

***COEUR D'ALENE TRIBAL HOUSING AUTHORITY
HOUSING REHABILITATION***

POLICY

(CDTHA REHAB)

*Adopted by the Housing Board
May 25, 2005*

CDTHA HOUSING REHAB POLICY

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1. Programs Available

The CDTHA's housing rehabilitation programs are designed as a means to increase the livability of housing units across the Coeur d'Alene Reservation. The types of assistance that are available, depending on the availability of funds, are as follows:

PROGRAM	SOURCE OF FUNDS	OWNERSHIP STATUS	INCOME REQUIREMENTS	CEILING AMOUNT	REQUIREMENTS	FINANCING TYPE	LAND STATUS
CDTHA RENTAL REHAB	CDTHA IHP	CDTHA	Very Low & Low Incomes	\$40,000	Rehab to standard, Housing & maintenance counseling. Subject to the availability of funds.	Grant	Trust
CDTHA MH LOAN	CDTHA IHP	CDTHA	Low Income	Depends on the availability of funds*	Major, essential repairs, payments must be current, permanent residence, maintenance & housing counseling; additions based on occupancy standards. Subject to the availability of funds.	Secured Loan	Trust
CDTHA NON-HUD ASSISTED SR. REPAIR ASSISTANCE	Model Activity	Owner Occupied	Very Low Income & Low Income	\$4,500	Senior Citizens only. Major repairs essential to health & safety of occupants. Housing & maintenance counseling. Subject to the availability of funds. Repairs are exempt for environmental purposes.	Grant	Trust
Prequalifying Assistance for rehab financing	Private lender (HUD 184 must use HUD approved lender (WAMU, Wells, Tribal Point)	Lease/Purchase Owner Occupied	All incomes	Can not exceed 150% of 203b limits for area; modest	Lender requirements; Housing & maintenance counseling.	Mortgage Financing	Trust & Fee

*Amount indicated is per applicant based on affordability analysis and funds available.

Application for assistance will be made at the CDTHA office for the following:

- CDTHA Revolving Loan
- CDTHA Senior Repair Assistance
- CDTHA Mortgage Financing Prequalifying Assistance for Section 184 Rehab financing

The application procedures and the standards for the above mentioned programs are basically the same. The CDTHA Senior Repair Assistance will require essentially the same process, although the repairs can not exceed \$4,500 and are one-time assistance only for major repairs to the structure essential to the health and safety of the senior citizen occupants.

2. Reconstruction - Reconstruction is defined as building a new structure on the site, in approximately the same "footprint" of a previous structure. Reconstruction is considered

replacement and is not permitted under any rehabilitation assistance.

3. **Relocation/Displacement** - Any tenant who is required to move to accommodate the rehabilitation of his or her unit (displacement) or whose rent increases as a result of the rehabilitation (economic displacement) is a potential candidate for relocation benefits. Rental assistance must be factored into the rehabilitation cost when relocation is necessary. This does not apply to assistance under the CDTHA Senior Repair Program.

4. **Eligible Applicants**

Priority 1-CDTHA Rentals: CDTHA owned rental units are the first priority for rehabilitation funds under the Indian Housing Plan funded through NAHASDA.

Priority 2-CDTHA MH Homebuyers: Mutual Help homes are required to be maintained by the homebuyer. In the event that serious maintenance problems are identified that are not addressed by the homebuyer, depending on the circumstances, any of the following options will be used:

- Proceed with eviction due to breach of contract;
- Apply for a loan from CDTHA for rehab assistance; or
- Homebuyer obtains private loan to make repairs or meet rehab needs.

Priority 3 - Senior Owner of Non-HUD Assisted Units: Once all CDTHA units are brought to standard, owners of non-HUD assisted units will be served who meet the following criteria:

<u>CATEGORY</u>	<u>ELIGIBILITY CRITERIA</u>
Tribal Affiliation	Enrolled Coeur d'Alene Tribe Member
Special Needs	Senior Citizen (55 +)
Property Location	On the Coeur d'Alene Reservation
Ownership Status	! Have fee simple title to the property; or ! Proof of Individual Trust or Tribal Trust ownership; or ! Maintain a 50 year undivided leasehold interest in the property; or ! Have shared ownership interest in the property.
Income	Can not exceed HUD National Low-income standards
Serviceability	Must permit inventory to determine unit condition
Counseling	Must agree to participate in home & maintenance counseling
Debt	Must have no outstanding obligations to the CDTHA
Residence	Must be permanent residence (at least 9 months per year)

5. Eligible Property Type

The following property types will receive assistance according to the availability of funds:

<u>PRIORITY</u>	<u>ELIGIBLE APPLICANT</u>	<u>DWELLING TYPE</u>
1	CDTHA Low-income rentals	single family dwelling units, duplexes, apartments, quads
2	CDTHA MH units	single family dwelling units
3	Sr. Citizen-Owner Occupied	A one family property, two family property, a modular home
Anytime	Prequalifying Assistance	Single family dwelling units that are privately owned or a lease purchase home, including MH. Wrap-around seller financing property is ineligible.

6. Property Value

The appraised value of the assisted property, after rehabilitation, may not exceed the 203(b) mortgage limits for the area for the type of property being assisted (single family, condominium, etc.). Verification of the estimated value of the property after rehabilitation must be provided by an independent appraisal before the work is started.

The cost of rehabilitation can not exceed the cost of replacement of a similar type of dwelling.

7. Property Standards

At the completion of each rehabilitation project assisted, the following minimum property standards must be met.

- Section 8 Housing Quality Standards (HQS) cited in 24 CFR 982.401 or HUD UPS standards
- Requirements which address child safety measures
- The Uniform Building Code or International Building Code
- Standards that ensure the provision of the following:
 - < that the house is safe, in a physically sound condition with all systems performing their intended design functions;
 - < a livable home environment;
 - < an energy efficient building & systems which incorporate energy conservation measures;
 - < adequate space and privacy for all intended household members; and
 - < child safety provisions.

Costs under the CDTHA Senior Citizen Repair Program are for structural repairs that are essential to the health and safety of the senior citizen occupants. This repair assistance is not designed to bring a substandard unit to standard condition nor is it for replacement of appliances. All repairs performed must be done in accordance with Section 8 HQS or UPS standards and meet prevailing code requirements to the greatest extent feasible.

8. Eligible Rehabilitation Costs

Development hard costs are the actual rehabilitation costs for labor and materials for the following:

- Essential improvements
- Energy-related improvements
- Lead-based paint hazards
- Improvements for handicapped accessibility
- Repair or replacement of major housing systems.
- Demolition Costs - When part of a rehabilitation project.
- Site Improvements and Utility Connections
- Physical Enhancements for crime prevention

Related Soft Costs are reasonable and necessary costs (paid to a third party), including:

- Finance Related Costs
 - < Housing Counseling
 - < Prequalifying
 - < Origination fees
 - < Credit reports
 - < Title reports and updates
 - < Recordation fees
 - < Preparation and filing legal documents
 - < Appraisal
 - < Attorney's fees
 - < Loan processing fees
 - < Other customary fees
- Construction Related Costs
 - < Architectural fees
 - < Engineering fees
 - < Preparation of work write-ups and cost estimates
 - < Surveys
 - < Environmental Review and Assessment
 - < Cultural Resource Survey

9. Eligible Senior Repair Costs

Costs under this program are for repairs that are essential to the health and safety of the senior citizen occupants. This repair assistance is not designed to bring a substandard unit to standard condition. However, all repairs must be done in accordance with Section 8 HQS or UPS standards and meet the prevailing code to the greatest extent possible. Assistance is a one-time assistance for that specific repair. In other words, an applicant can only apply for roof assistance once. If the requested repair can not be completed within the \$4,500 CDTHA ceiling amount, it will not be done unless matching funds are secured. Below are the categories of repair eligible for assistance:

\$ Roof	\$ 504 needs
\$ Plumbing	\$ Energy Efficiency
\$ Flooring	\$ Electric
\$ Windows	\$ Heating
\$ Ventilators for mold prevention	\$ Physical enhancements
\$ Exterior or Interior Painting	\$ Child safety provisions

10. Financing

When repayment is required, repayment terms will be based on the local design of the program including such factors as the income levels of the households targeted to receive the assistance, the homeowner's "ability to pay," the average expected size of the loan of rehabilitation funds, and whether other rehabilitation loan funds will be used to leverage the CDTHA funds. Typically, Mutual Help participants would be required to repay loans to make rehab or repair of structural problems that are the homebuyer's responsibility. Options for repayment of the CDTHA loans include but is not limited to

- repayment on a monthly basis with a low interest rate,
- repayment after other rehab loan funds are paid in full,
- repayment due upon transfer of ownership of the home, or
- in certain hardship cases deferred loans whereby the principal amount of the loan is forgiven over a period of time and after satisfaction of any stipulated conditions.

11. Model Process

A well run Housing Rehabilitation Program addresses the rehabilitation needs of individual properties and neighborhoods and requires close involvement with the homebuyer or

homeowner receiving the assistance. The following table lists the minimum steps that must be implemented to ensure program success.

GENERAL STEP	INVOLVEMENT
Intake	Meet tenant, homebuyer, or homeowner; take a pre-application, determine type of assistance, explain program and counseling requirements
Initial Inspection	Schedule property inspection, inspect property, write deficiency list; prepare detailed work write-up and cost estimate (scope of work)
Verification	Prepare and submit verification forms, order title search, order appraisal (if applicable)
Verify Home Owner Income	Prepare and submit verification forms
Schedule Counseling	Discuss during initial contact, insurance requirements, maintenance counseling
Finalize Agreement	Complete all application documents
Construction	Force account or conventional method of construction will be utilized. Activities include but are not limited to the following: Schedule construction, Mobilize force account crew, Tenant/Homebuyer/Owner preconstruction conference, sign notice to proceed and scope of work,
Contracting	Solicit bids for electrical, heating, or other specialty items. Negotiate price and contract terms when applicable.
Construction Management	Conduct progress inspections, conduct final inspection, owner approval

12. Construction Activity

The CDTHA will act as the contractor and perform and manage the construction work when using the CDTHA Force Account Crew with supervision provided by a qualified Construction Foreman. Work will be inspected by the Facilities Manager, who is a licensed residential building inspector. The CDTHA can also exercise the option to contract all work out. Specialized areas will be performed through out sourcing in accordance with the CDTHA procurement policy. Work will be completed in accordance with Section 8 HQS or HUD UPS standards and the prevailing code to the greatest extent feasible. CDTHA is to use at no cost to the CDTHA, recipient=s existing utilities to carry out and complete work under this contract.

13. Warranty

The work to be completed by CDTHA will be guaranteed for One (1) Year from the date of completion. Recipients of rehab or repair assistance must be informed that problems with any of the items covered by a warranty or warranty certificate must contact the supplier/manufacturer directly to obtain assistance. No part of any warranty will cover damage to an item which has been deemed damaged through negligence or by lack of maintenance.

14. Documentation

All activities associated with the CDTHA=s Rehabilitation Programs must be documented. The following documents will be used as required. Additional documents may be developed and approved by the CDTHA Executive Director to track a specific requirement associated with a specific type of assistance. Tracking of documentation will be recorded on the CDTHA Rehabilitation Checklist designed for that particular program and can include, but is not limited to, the following documents.

- Preliminary Application (for assessment purposes)
- Formal Application
- Housing Counseling Agreement
- Loan Agreement
- BIA Title Search Report
- BIA Credit Verification
- Verification of Trust Income/Assets
- Release of Information
- Verification of Ownership, Land Status
- Property Inspection Form: Lists deficiencies and work needed (May use Section 8 Housing Quality Inspection Form or form of CDTHA choosing)
- Program Description: Description of what to expect
- Verification of Employment: Verifies applicant employment
- Verification of Public Assistance: Verifies applicant receipt of public assistance
- Verification of Deposits: Verifies applicant savings and checking accounts
- Verification of Mortgage or Deed of Trust: Verifies presence of other liens on applicant property
- Authority to Verify Credit Information
- Preconstruction Conference Form: A statement of the understanding of the terms under which the work is to be performed and the responsibilities of each party
- Change Order Form: Statement that documents the need to change a work specification
- Certificate of Final Inspection: Indicates all work has been completed to expectations
- Warranty Information

15. Monitoring Requirements

Project monitoring is required only for the duration of rehabilitation work or the close out of a particular grant program. There are no long term monitoring requirements except for loan servicing, conditional grants, insurance requirements, and where continued counseling is required.

16. Application

Application procedures are to be developed and implemented by the CDTHA Executive Director. All application information is to be completed, processed, and verified utilizing forms developed by the Executive Director. Intake, processing, and verification procedures must be consistent with standard financing and underwriting practices. Additionally, applications for CDTHA Rehab Programs must indicate the income levels and any other special characteristics of the targeted population.

Involvement in the CDTHA Rehab Programs will require the CDTHA to apply practices and documentation that require an understanding of underwriting procedures and quality control measures. Underwriting procedures will be developed and implemented by the CDTHA Executive Director.