

# Minnesota Small Cities Development Program Owner-Occupied Rehabilitation Sample Forms

(June 2022)

Prepared by  
**Department of Employment and Economic Development**  
Small Cities Development Program Unit



## Table of Contents

<b>Preface</b> .....	4
<b>SAMPLE HOUSING REHABILITATION PROGRAM MARKETING FACT SHEET</b> .....	5
<b>SAMPLE HOMEOWNER INQUIRY FORM</b> .....	6
<b>SAMPLE CONFLICT OF INTEREST INTERVIEW FORM</b> .....	7
<b>SAMPLE RECEIPT NOTIFICATIONS</b> .....	8
<b>SAMPLE PROJECT DEFINITION FORM</b> .....	9
<b>SAMPLE INFORMATION AND PHOTO RELEASE</b> .....	10
<b>SAMPLE CHECKING/SAVINGS ACCOUNT VERIFICATION</b> .....	11
<b>SAMPLE LIEN VERIFICATION</b> .....	12
<b>SAMPLE MORTGAGE VERIFICATION</b> .....	13
<b>SAMPLE VERIFICATION OF ASSISTANCE</b> .....	14
<b>SAMPLE VERIFICATION OF EMPLOYMENT</b> .....	15
<b>SAMPLE REHABILITATION LOAN PROGRAM - WALK AWAY POLICY</b> .....	16
<b>SAMPLE - WHAT TO EXPECT AND NOT TO EXPECT FROM THE HOME IMPROVEMENT PROGRAM</b> .....	17
<b>SAMPLE INCOME COMPUTATION WORKSHEET</b> .....	18
<b>SAMPLE NOTICE OF HOME IMPROVEMENT LOAN FUNDING</b> .....	19
<b>SAMPLE NOTICE OF HOME IMPROVEMENT LOAN DENIED</b> .....	20
<b>SAMPLE SHPO - REVIEW AND COMMENT</b> .....	21
<b>SAMPLE CHECKLIST FOR COMPLETENESS - OWNER-OCCUPIED HOUSING REHABILITATION</b> .....	22
<b>SAMPLE LEAD RISK ASSESSMENT NOTICE TO PROPERTY OWNER(S)</b> .....	24
<b>SAMPLE CONTRACTOR APPLICATION FORM</b> .....	25
<b>SAMPLE WORK WRITE-UP FOR BIDDING CONTRACTORS</b> .....	27
<b>SAMPLE OWNER SIGN-OFF SHEET</b> .....	30
<b>SAMPLE HOME IMPROVEMENTS DETERMINATION LETTER</b> .....	31
<b>SAMPLE INSTRUCTIONS FOR PREPARING BIDS AND CONTRACT AWARD INFORMATION</b> .....	32
<b>SAMPLE CONTENTS OF A BID PACKAGE</b> .....	34
<b>SAMPLE BID PACKAGE LETTER</b> .....	35
<b>SAMPLE BID SUMMARY</b> .....	36
<b>SAMPLE BID AWARD TO SUCCESSFUL BIDDER</b> .....	37

<b>SAMPLE NOTIFICATION TO UNSUCCESSFUL BIDDER.....</b>	<b>38</b>
<b>SAMPLE PRECONSTRUCTION CONFERENCE REPORT.....</b>	<b>39</b>
<b>SAMPLE POST CONSTRUCTION SAFE WORK PRACTICES CERTIFICATION.....</b>	<b>40</b>
<b>SAMPLE NOTICE OF RIGHT OF RESCISSION.....</b>	<b>42</b>
<b>SAMPE TRUTH IN LENDING STATEMENT.....</b>	<b>43</b>
<b>SAMPLE NOTICE TO PROCEED.....</b>	<b>44</b>
<b>SAMPLE CONTRACTOR – OWNER CONTRACT.....</b>	<b>45</b>
<b>SAMPLE REPAYMENT AGREEMENT.....</b>	<b>49</b>
<b>SAMPLE REHABILITATION PROGRAM INSTALLMENT LOAN NOTE.....</b>	<b>51</b>
<b>SAMPLE CHANGE WORK ORDER.....</b>	<b>53</b>
<b>SAMPLE RECEIPT AND WAIVER OF MECHANIC’S LIEN RIGHTS.....</b>	<b>54</b>
<b>SAMPLE REHABILITATION PROGRAM COMPLETION CERTIFICATE.....</b>	<b>55</b>
<b>SAMPLE SWORN CONSTRUCTION STATEMENT.....</b>	<b>56</b>

## **Preface**

The Owner-Occupied Housing Rehabilitation guide was developed to assist in the implementation and management of Small Cities Development Program projects. This is a companion file to the Owner-Occupied Housing Rehabilitation guide and includes sample forms and letters. Please modify and customize these forms and letters to better suit the needs of your project. These documents have been revised from earlier versions to meet the MN accessibility requirements.

## SAMPLE HOUSING REHABILITATION PROGRAM MARKETING FACT SHEET

The City of \_\_\_\_\_ has funds for homeowners seeking to make improvements to their homes.

- The following improvements areas are eligible: livability, energy efficiency, safety and accessibility. These may include replacing:
  - Defective plumbing, heating or electrical systems
  - Roofing, windows, doors, and siding
  - Ramps and bathroom accessibility conversions
- The maximum loan amount available per property is \_\_\_\_\_.
- This assistance to homeowners is in the form of an \_\_\_\_ interest, \_\_\_\_\_ loan which must/must not be matched with other funds to complete the project. The match amount is \_\_\_\_ % of the total cost of the improvements. These funds can come from low-interest loans available from other federal or state sources or the owner's contribution.
- The SCDP loan is repaid to the city when the property is sold, title is transferred, or the original borrower no longer lives in the home.

To qualify

- ✓ You must live in the \_\_\_\_\_ part of the city.
- ✓ You must own the house, either free of debt, through a mortgage or a recorded Contract for Deed. If you are buying your house on a Contract for Deed, all named parties on the contract must sign off on the loan.
- ✓ You must be able to meet the requirement for matching funds.
- ✓ Your gross annual income (including Social Security, wages and all regular sources) must be within the following limits as determined annual by HUD per household size

To apply, call \_\_\_\_\_ between \_\_\_\_\_ at \_\_\_\_\_ or email \_\_\_\_\_.

## **SAMPLE HOMEOWNER INQUIRY FORM**

Date:

Staff Contact:

### **Applicant Data**

Name of Inquirer:

How did they hear about our program?

Street Address:

Phone #:

Best time of day to reach applicant:

What is the Gross Annual Income for your household?

Sources of Income?

Number of People in Household:

### **Property Data**

Are requested improvements for your home?

Does your home have a Mortgage or a Contract for Deed or Paid in Full?

Amount of Monthly Payment:

Is your home a Single-Wide Mobile Home? If yes, the property is not eligible for assistance.

Is your home in a 100-year floodplain? If yes, the property is not eligible for assistance.

### **Eligibility**

Have you ever received a home improvement loan before from MHFA or another public agency? If yes, explain.

### **Office use only**

Based upon initial screening, the applicant appears to be (Eligible/Ineligible):

## SAMPLE CONFLICT OF INTEREST INTERVIEW FORM

**Interest of Members of City:** No member of the governing body, officer, employee or agent of the City who exercises any function or responsibilities in connection with carrying out of the project or program to which this proposal pertains, shall have any personal interest, financial or otherwise, direct or indirect, in the property or the loan agreement.

Are you or have you been in one of the following positions, during the last 12 months:

- Employee
- Consultant
- Officer
- Elected official
- Appointed official

Provide the name of the organization you had a position with:

State:

Name of Agency:

Local government/its agents:

Name and Position:

Managing/Consulting Agency:

Name and Position:

Are you and/or have you any family member with a business relationship with any of the above-named businesses or persons?

If yes, describe:

**Note:** If a conflict exists, it may be possible for the grantee and its agents to request an exception of the conflict from the funding agency.

Signature of Applicant/Date:

**SAMPLE RECEIPT NOTIFICATIONS**

**SCDP REHABILITATION LOAN PROGRAMS**  
**Lead-Based Paint Statement**

I (We) hereby certify that I (We) have received the publication “Renovate Right” and that I (we) have read and understood the information.

Signature/Date:

Signature/Date:

**SCDP REHABILITATION LOAN PROGRAMS**  
**Fair Housing Certification**

I (We) hereby certify that I (we) have received information on the Fair Housing Civil Rights Act of 1968 and that I have read and understood the information.

Signature/Date:

Signature/Date:



## **SAMPLE PROJECT DEFINITION FORM**

Project ID:  
Property Address:  
Applicant Name(s):  
Number of people in the Household:  
Phone #:  
Best time to Call:  
Inspector Assigned:

### **Property Information**

Is property located in Target Area?  
Year Built:  
Number of Bedrooms:  
Number of Baths:  
Construction Type:  
Is there a basement?

### **Applicable Standards**

Select the adopted Community Rehabilitation Standards

- HQS
- MHFA
- Property Maintenance Code
- Energy Efficiency Standards
- Secretary of Interior Standards for Historic Preservation:
- ADA Accessibility Requirements

### **Lead Based Paint Considerations:**

- Age of Building
- Children six years and under, Pregnant Woman residing In the Home
- Risk Assessment with Inspection Conducted:  
By:  
Date:

Other Pertinent Information:

Completed By:  
Date:

**SAMPLE INFORMATION AND PHOTO RELEASE**

*Note: This single form could be used for all releases if other organizations will accept it.*

***(Agency Letterhead)***

This is your authorization to release information regarding my home ownership status, income, employment, bank accounts, outstanding debts including mortgages, to order a consumer credit report (if necessary),that is necessary to support my application for a housing improvement loan from the \_\_\_\_\_ (administering agency).

My signature also serves as my authorization for digital pictures or photos of my home to be taken by the \_\_\_\_\_ (administering agency).

Signature of Applicant/Date:

Signature of Applicant/Date:

## **SAMPLE CHECKING/SAVINGS ACCOUNT VERIFICATION**

*On agency's letterhead - Send with self-addressed, stamped envelope*

Name of Financial Institution:

Date of Request:

Applicant:

To the Bank named above, I hereby grant the release of information regarding my income and assets to (Name of Agency). I understand that this information will be treated as private data. This verification request is required to establish my program eligibility and I would appreciate your prompt completion of the form.

Please return it to: (Name of SCDP Contact, Agency's Address)

Signature of Applicant:

Current Checking Account Balance:

Interest Rate Paid:

Current Savings Account Balance:

Interest Rate Paid:

Saving Certificates:

Interest Rate Paid:

Any other instrument(s) generating income or interest? If so, please list amount earned and interest rate:

To the best of your knowledge, will there be a change in earnings during the next 12 months?

Person completing this form:

Signature/date:

Title:

Phone:

## **SAMPLE LIEN VERIFICATION**

*On agency's letterhead – send with self-addressed, stamped envelope*

Applicant:

I certify that there are no past due assessments, public debts, or tax liens on my property. I also certify that, if applicable, I am current with any mortgage payments and that my property is not the subject of a pending mortgage foreclosure. Finally, I certify that I have homeowners' insurance that would be an adequate amount to provide collateral for an SCDP loan.

Signature of Applicant/Date:

Signature of Administrator/Date:

## SAMPLE MORTGAGE VERIFICATION

*Note: Use only if appropriate*

*On agency's letterhead – send with self-addressed, stamped envelope*

Date of Request:

Applicant:

Name of Mortgage Lender:

Mortgage Number:

Signature of Applicant:

To the Lender named above, I hereby grant the release of information regarding my income and assets to (Name of agency). I understand that this information will be treated as private data. This verification requires is required to establish my program eligibility and I would appreciate your prompt completion of the form.

Please return completed form to (enter name of administrator and agency address):

### **Information requested**

1. Original Date of Mortgage:
2. Type of Loan and Loan number:
3. Original Amount:
4. Current Mortgage Balance:
5. Monthly Mortgage Payment:
6. Interest Rate Paid:
7. Does this Payment include an Escrow for Taxes?
8. Is this mortgage current?

Comment on this loan if any:

Person completing this form:

Signature/date:

Title:

Phone:

**SAMPLE VERIFICATION OF ASSISTANCE**

*Note: Use only if appropriate  
(On agency's letterhead – send with self-addressed, stamped envelope)*

To: County Social Services

**Part I: To be completed by the Applicant**

I, (enter applicant's full name), living at (enter address of the property) do hereby authorize the County Social Services staff to furnish the Small Cities Development Program with information regarding payments made to me.

This information is required for income verification for the Housing Rehabilitation Program. The information you provide will be private and only used in establishing eligibility for this family.

Signature/Date:

**Part II: To be completed by the Applicable Agency**

Type of Assistance Provided:

Monthly Amount:

If the above recipient receives child support payments, please give the monthly amount:

Is this payment regular or sporadic?

If it is sporadic, what was the total amount received for the past 12 months?

Is the same amount likely to be received in the next 12 months?

Person completing this form:

Signature/date:

Title:

Phone:

Please return this form to: (Name of SCDP Contact, Phone Number, Agency's Address)

## SAMPLE VERIFICATION OF EMPLOYMENT

*Note: Use only if appropriate  
(On agency's letterhead – send with self-addressed, stamped envelope)*

Name of Employer:

Address:

Employee Name:

The person named above has stated that he or she is now employed, or will be employed by your firm. Their signature on the attached form provides you with permission to release the requested information. This request for verification of employment and earnings is required to establish eligibility for participation in our housing improvement loan program. The information you provide will be private and only used in establishing eligibility for this family.

---

1. Gross earnings including tips, bonuses and incentive pay during the past 12 months:
2. Is this person currently an employee?
3. If not, is this person expected to be re-hired?
4. If yes, please provide a projected re-hire date:
5. If person will be re-hired, please project number of hours they will be employed over the next 12 months:
6. If currently employed, average number of hours of straight time and overtime per work week:
7. Current Gross pay rate. Please also state if per week, bi-weekly or monthly:
8. What is the overtime (if applicable) rate?
9. Expected change in pay rate within the next 12 months (raise, promotion ,COLA, etc. ):
10. Employee's position or job title:

Person completing this form:

Signature/date:

Title:

Phone:

## SAMPLE REHABILITATION LOAN PROGRAM - WALK AWAY POLICY

This walk-away policy will be instituted by \_\_\_\_\_ staff for one or more of the following reasons.

1. When it is determined that the unit is not suitable for rehabilitation.
2. If a property is offered for bid on two separate occasions and no financially acceptable bid is received, or if the housing auditor confirms that the property cannot feasibly be rehabilitated to HQS and lead based paint standards, within the maximum allowable funding level, \_\_\_\_\_ may elect to “walk-away” from that property and take no further action regarding its renovation. The property owner will be notified in writing within two weeks of the determination to “walk-away.”
3. If the property to be inspected or rehabilitated is in an “unkempt” state which could present health or safety hazards to \_\_\_\_\_ personnel or a Rehabilitation Contractor who would be performing the work, the property owner will be notified in writing and given thirty days to bring the property up to an acceptable standard of cleanliness as determined by the inspector. If, within that thirty-day period, the property is not brought up to an acceptable standard, \_\_\_\_\_ reserves the right to “walk away” from that property and take no further action regarding its inspection or rehabilitation. The property owner will be notified in writing within two weeks of this decision. “Unkempt” may include, but would not be limited to, unsanitary conditions, the presence of general clutter or undisposed household garbage, either inside or outside of the property to be rehabilitated.
4. If it becomes apparent that the property owner, or tenants in the case of rental rehabilitation, at any phase of the project are not willing to comply or accept standard practices of the rehabilitation program that are outlined in the “Owners Responsibilities and Expectations” and the “What Can a Property Owner Expect” information sheets provided.
5. If the \_\_\_\_\_ Staff or the Rehabilitation Contractor decides that continued presence on the job site may constitute a liability to their company due to the owner, or tenants, personal behavior or threatening manner.

If the project is cancelled due to items number 3, 4 or 5, or if you choose to withdraw from the program after either the initial inspection or lead risk assessment/inspection has been conducted, a fee of \$500.00 per inspection, up to \$1,000.00, will be charged to the owner of the property if inspections have occurred. If you continue with the home repairs the costs of the initial inspection will be charged to the program and the cost of the lead testing will be part of the program costs or loan, depending on the program.

Payments shall be made to the \_\_\_\_\_ no later than thirty (30) days following the action that requires the repayment. If such payment is not made within 30 days, collection proceedings will begin to recapture these funds. Collection proceedings include submitting unpaid loan balance plus unpaid interest to Minnesota Department of Revenue Recapture Program.

Property Address:

Owner/Occupant Signature/Date:



## **SAMPLE - WHAT TO EXPECT AND NOT TO EXPECT FROM THE HOME IMPROVEMENT PROGRAM**

*Note: Administrators should adapt this to fit their own programs.*

### **Things that Homeowners do in the Home Improvement Program**

1. The housing program staff will help homeowners during the home improvement process, but homeowners are responsible for making the choices and doing the work listed below.
2. Homeowners provide the program staff with necessary information promptly.
3. Homeowners, not the program staff, choose contractors to put together bids.
4. Homeowners, not the program staff, select the contractor to do the work on the house.
5. Homeowners sign home improvement contracts with the selected contractor.
6. Homeowners request and approve payments to their contractors.
7. Homeowners are part of inspecting and approving work performed by their contractors
8. Homeowners work with contractors to settle disagreements during the job.
9. Homeowners contact their contractors to ask them to correct problems covered by contractor warranties during the first year after the job is completed.

### **Things Owners should think about before Taking out a Home Improvement Loan**

1. Not all the work that homeowners want to be done can always be done.
2. Repairs will correct health and safety problems, but they may not solve all problems in your home.
3. Don't expect all floors, walls, ceilings, doors, windows, etc. to be completely plumb, level, and square when work is done.
4. It can be stressful living in a house while a contractor is performing the work.
5. Very few times in life is anyone completely satisfied with things they buy or have repaired. Buying a house or having a house repaired is no different.
6. Houses always need improvements after a project is done. It would be a good idea to save at least \$50 a month to help cover the cost of future repairs and maintenance.
7. Finally, the program staff is not the contractor and cannot guarantee that homeowners will be satisfied with the work done by the contractors.
8. After the loan is finalized, you will not be allowed to take cash out with a loan refinancing or take out a reverse mortgage without penalties.

## SAMPLE INCOME COMPUTATION WORKSHEET

Date:

Project Number:

Name of Applicant:

Household size:

Staff Person:

Household Member Name (over 17 years old):

Source of Income or Place of Employment:

Hourly/Weekly or Monthly Rate:

Gross Annual Income:

Household Member Name (over 17 years old):

Source of Income or Place of Employment:

Hourly/Weekly or Monthly Rate:

Gross Annual Income:

Household Member Name (over 17 years old):

Source of Income or Place of Employment:

Hourly/Weekly or Monthly Rate:

Gross Annual Income:

Household Member Name (over 17 years old):

Source of Income or Place of Employment:

Hourly/Weekly or Monthly Rate:

Gross Annual Income:

Household Member Name (over 17 years old):

Source of Income or Place of Employment:

Hourly/Weekly or Monthly Rate:

Gross Annual Income:

Total Household Gross Annual Income:

Maximum Income Limit for Household Size:

Type of SCDP Loan:

Other Funding Source:

Other Funding Amount:

### **For Office Use**

Applicant eligibility status:

Recommended funding sources:

Comments:

**SAMPLE NOTICE OF HOME IMPROVEMENT LOAN FUNDING**

**Note:** *On Agency Letterhead*

Date:

Applicant name and address:

Project number:

Dear:

I am pleased to notify you that your application for a Home Improvement Loan funded with \$\_\_\_\_\_ in Small Cities Development Program was approved. . I will be contacting you soon to set up a meeting to go over the next steps. In the meantime, if you have any questions, please call me at \_\_\_\_\_.

Sincerely,

Rehabilitation Specialist

## **SAMPLE NOTICE OF HOME IMPROVEMENT LOAN DENIED**

**Note:** *On Agency Letterhead*

Date:

Name and Address of Applicant:

Project Number:

Dear :

Your recent application for housing rehabilitation funding under the Small Cities Development Program has been denied for the following reason(s):

- You did not meet the income eligibility requirements.
- Ownership of the dwelling could not be confirmed.
- The dwelling is not in the assistance target area.
- Other:

If you do not agree with the reasons for denial listed above, you may submit additional information within the next fourteen days which you believe will warrant a favorable determination.

Sincerely,

Rehabilitation Specialist

## **SAMPLE SHPO - REVIEW AND COMMENT**

State Historic Preservation Office – SHPO  
Attn: Manager of Compliance Unit  
Administration Building Suite 203  
50 Sherburne Avenue  
St. Paul, MN 55155

Date of Request:

Re: SHPO File No.

Small Cities Development Grant  
Grantee Name:  
Grant Number:

Dear Compliance Manager:

The attached information and photograph are provided pursuant to the MN State Historic Preservation Office's review of properties, as required by the National Historic Preservation Act of 1966, 36 CFR Part 800, etc. We hereby request review of the proposed work according to this summary.

Location (if in a municipality):

Property Address:

Township, Range, Section and Quarter-Section (if outside City Limits):

Estimated date of construction of building:

The following is the known background of the history of the building:

Brief description of the proposed work:

Sincerely,

Rehabilitation Specialist

## **SAMPLE CHECKLIST FOR COMPLETENESS - OWNER-OCCUPIED HOUSING REHABILITATION**

Date:

Project Number:

Applicant's Name:

Property Address:

Contact Number:

SCDP Funding Amount:

Type of SCDP Assistance:

Leverage Sources:

Type of Leverage Assistance:

### **APPLICATION/ELIGIBILITY**

#### **Does the file contain the following (Yes/No/Not Applicable)**

- A. Completed and signed application form.
- B. Letter regarding ineligibility and reason.
- C. Data Privacy Notice and Tenneson Warnings.
- D. Signed Releases for Verification.
- E. Photo Releases (if applicable).
- F. Signed Lead Based Paint Statement Receipt (Renovate Right).
- G. Signed Fair Housing Notification Statement.
- H. Policies and Procedures discussed with Owner.
- I. Conflict of Interest screening.
- J. Verifications.
  - Ownership (Title Verification)
  - Taxed Paid
  - Insurance
  - Ownership (Title Verification)
  - Taxed Paid
  - Insurance
  - Income Sources
  - Bank
- K. Evidence that household is below income limits (include spreadsheet).
  - Family size
  - Annual Income
- L. Approval Letter.

### **ENVIRONMENTAL REVIEW TIER-TWO**

- A. Environmental Tier Two Review
  - Historic Preservation Release from SHPO
  - Addressing all other compliance issues discovered during the Broad Level Tiered Review.

## **LEAD DOCUMENTATIONS**

### **Does the file contain the following (Yes/No/Not Applicable)**

- A. Lead Applicability Form
- B. Letter notifying residents of upcoming Lead Risk Assessment
- C. Lead presumption notice
- D. Lead Risk Assessment Report
- E. Summary Notice of Lead Risk Assessment
- F. Calculation Sheet for level of lead work
- G. Relocation Screening sheet
- H. Lead Clearance Report
- I. Notice of Hazard Reduction Completion Report

## **SCOPE OF WORK/BIDS**

### **Does the file contain the following (Yes/No/Not Applicable)**

- A. Inspection and Visual Review Report
- B. Work Write-up Drafts
- C. Work Write-up Final and Cost Estimate
- D. Acceptance of Work Notice
- E. Bid Packet
- F. Bids Summary (spreadsheet)
- G. Funding sources identified
- H. Bid Award/Non-Award Letters
- I. Applicant notified: Date of letter
- J. Contractor selection
- K. Truth in Lending (if applicable)
- L. Right of Rescission

## **PAYMENTS/CLOSEOUT FILE**

### **Does the file contain the following (Yes/No/Not Applicable)?**

- A. Contractor/owner contract
- B. Recorded Repayment agreement
- C. Pre-construction conference.
- D. Relocation screening for occupant protection
- E. Elderly waiver for relocation
- F. Contractor Notice to Proceed
- G. Change orders documented (if applicable)
- H. Interim inspections.
- I. Contractor payment record
- J. Claim for temporary relocation
- K. Signed completion certificate
- L. Lien waivers
- M. Sworn Construction statement
- N. Safe Work Practices Certification
- O. Closeout package to owner

## **SAMPLE LEAD RISK ASSESSMENT NOTICE TO PROPERTY OWNER(S)**

Date:

Property owner:

This letter is to inform you that a lead risk assessment has been successfully scheduled for your property on <the date> at around <enter the time>. As part of the rehab program, the city has hired <enter Lead risk assessor name or company> to perform the risk assessment.

Please accommodate <her/him> as <he/she> will be spending at least 3 – 4 hours on your property performing the necessary tasks to produce a lead risk assessment report.

Please contact me at <Rehab specialist's phone contact> if you have any questions.

Sincerely,

Rehabilitation Specialist



## SAMPLE CONTRACTOR APPLICATION FORM

This form must be completed by each contractor who intends to bid for work that is assisted with Small Cities Development Program funds. Satisfactory completion of this form puts you, as a contractor, on the list of “Available Contractors” that our staff will distribute to successful applicants who are ready to invite bidders. **Copies of current State of Minnesota Contractor’s Licenses and proof of insurance must be attached to this form.**

### I. General Information

- a) Name of Firm:
- b) Firm Owner:
- c) Contractor License Number:
- d) Address:
- e) Preferred Phone:
- f) Preferred Calling Hours:
- g) Name of Person completing Bids:
- h) Are you a General Contractor handling all phases of work?
- i) When was your firm established?
- j) Are you debarred per the Excluded Parties List at <https://www.sam.gov/>
- k) Are you an elected official? (Council member, mayor, etc.)?  
*If yes, you may have a conflict of interest where an exception may or may not be available*
- l) If you have a DUN’s #, please provide:
- m) Are you currently licensed as a lead supervisor?
- n) Are you currently certified as an EPA lead renovator?
- o) Are your workers trained on lead safe work practices?
- p) Are you a woman-owned or minority-owned business?
- q) Are you a Section 3\* contractor?

\* A Section 3 business is defined as either:

- 1. At least 51% owned and controlled by a low or very low-income person or
- 2. Over 75% of labor hours performed for the business over the prior 3-month period were performed by Section 3 workers

- r) In which towns and areas would you be willing to work?
- s) Can you handle more than one \$5,000 job at a time?

**Contractors must attach evidence of licenses that are required by the State of Minnesota. Our program also requires contractors to carry the following insurance coverage:** (Attach proof of insurance and current Minnesota license to this form.)

#### A. Comprehensive General Liability Insurance

- a. Bodily Injury \$300,000 each person; \$300,000 each occurrence
- b. Property Damage \$100,000 each occurrence

#### B. Comprehensive Automobile Liability

- a. Bodily Injury \$300,000 each person and each accident
- b. Property Damage \$50,000 property damage
- c. Do you carry Workers’ Compensation Insurance? Yes  No

*Note – insurance exemptions may apply*

## **II. Areas of Expertise**

Please indicate the type of work you are qualified to do and the years of experience.

1. General Carpentry:
2. Roofing:
3. Structural Support Repair:
4. Window Replacement:
5. Door Replacement
6. Siding
7. Concrete Repair
8. Plumbing
9. Lead Hazard Reduction
10. Foundation Wall Repair
11. Attic & Sidewall Insulation
12. Chimney Repair
13. Heating and Ventilation
14. Electrical

List your three most recent jobs and type of work completed:

Do you guarantee your work for one year?

I authorize the SCDP program administrator to verify the above information and I certify that the above information is true and complete.

Name:

Signature and date:

## SAMPLE WORK WRITE-UP FOR BIDDING CONTRACTORS

For improvements on property owned by \_\_\_\_\_ located  
at \_\_\_\_\_ in the city/county of \_\_\_\_\_.

---

I approve of the improvements to my property as listed in the following pages in a Work Write-up.

Property Owners Signature/Date:

### **Instructions: Contractor signs below when submitting bid.**

Grant Total of Bid: \$ \_\_\_\_\_ (to be entered by Contractor)

I (Contractor) will furnish all materials, labor, equipment, and other items of expense (including clean up and removal of all refuse) necessary to complete all Specifications itemized in the following pages for the individual and total costs shown. I agree that, with respect to said Improvements/Specifications, there shall be no deviations or alternations for which I may expect compensation beyond costs stated above, except where such changes in Proposal are authorized in writing by both the Property Owner and the Housing Rehabilitation Program.

Contractor Name:

Authorized Signature/Date:

(NOTE: This bid may be withdrawn by Contractor if not accepted within \_\_ days.)

### **Instructions: Owner signs below to indicate selection of successful bid.**

I (Owner) ACCEPT the above Contractor's proposal price pertaining to improvements to my property, and give my consent (subject to approval by the Housing Rehabilitation Program) to the Contractor to enter my property for purposes of completing those improvements. It is my understanding that the above improvements must be financed as follows:

\$ \_\_\_\_\_ (leveraged funds from MHFA etc.)

\$ \_\_\_\_\_ SCDP Loan

\$ \_\_\_\_\_ Private Rehabilitation Loan via  
\_\_\_\_\_ (lending Institution)

I further understand that all deviations or alterations to the following Work Write-up must be authorized in writing by me and the Housing Rehabilitation office, and that I have the authority to stop work at any time I am not satisfied with the quality of workmanship or materials.

Property Owners Signature/Date:

For improvements on property owned by \_\_\_\_\_ located at \_\_\_\_\_ in the city/county of \_\_\_\_\_.

I. Exterior

---

A. Roofing - # 51

1. Remove existing roofing coverings on roof and porch down to the existing sheathing. Remove all deteriorated sheathing, wood rafters, fascia board, boxing and moldings. Haul away from the premises to landfill.
2. Replace deteriorated roof boards with ½” board or ½” PBX plywood.
3. Furnish and install the following materials: See Rehab Spec #11.05, #11.06
  - a. Pre-formed valley tin
  - b. 4 R-61 plastic roof vents
  - c. 15 lb starter felt
  - d. 240 lb, 3-tab asphalt shingles, homeowner’s choice of color

Cost of Material: \$ \_\_\_\_\_ Cost of Labor \$ \_\_\_\_\_ Total: \$ \_\_\_\_\_

B. Exterior Painting - # 31

1. Power wash all surfaces, then scrape, spot prime and paint 2 coats latex on all siding, trim and exterior window sash.
  - a. Tint oil base primer to match finish color
  - b. Homeowner’s choice of color of paint; Sherwin-Williams paint — allowance of \$20 per gallon on latex paint, \$20 per gallon on primer.
2. All surfaces shall include:
  - a. All window trim and sash, to include all basement units
  - b. All exterior door units/casings
  - c. All soffit, fascia and porch/floor and ceiling
  - d. Replace any rotted/damaged siding and putty any sash where putty is missing.

Cost of Material: \$ \_\_\_\_\_ Cost of Labor \$ \_\_\_\_\_ Total: \$ \_\_\_\_\_

**Total This Page: \$ \_\_\_\_\_**

The Contractor hereby acknowledges that statements on page one of this proposal also apply to this page.

Contractor’s Signature: \_\_\_\_\_

**Note:** All shaded areas are either lead hazard reduction or are surfaces that were identified as containing lead. Methods of site preparation, work practices and site cleaning must be attached to bid when submitted.

The Owner hereby acknowledges that statements on page one of this proposal also apply to this page.

Owner's Signature (only on successful bid):

## **SAMPLE OWNER SIGN-OFF SHEET**

**Note:** *On Agency Letterhead*

Project Number:

Owner Name:

Address:

The undersigned property owner(s) has reviewed and accepted the Work Write-up as prepared by the Rehabilitation staff for the property identified above.

The owner(s) understand that the work contemplated is only that as outlined in the Work Write-up and that any changes in the scope of work must be approved by the issuance of a Change Order executed by the Rehabilitation office, the Contractor, and agreed to by the owners.

I/we certify that, should a contract be signed for this project, no verbal or written changes in the work or negotiations regarding the work shall be carried out without the written approval of the Housing Rehabilitation office.

Owner Signature/Date:

Owner Signature/Date:

Rehabilitation Specialist Signature/Date:

## **SAMPLE HOME IMPROVEMENTS DETERMINATION LETTER**

**Note:***(On Agency Letterhead)*

Date:

Dear :

Enclosed please find your copy of a list of improvements (in the form of a Work Write-up) determined necessary from the inspection on your home. Funding is dependent upon your acceptance of the improvements. Review the list of improvements thoroughly, and if you agree with them, please sign the enclosed Acceptance Notice. We require competitive bids from licensed contractors, where licenses are applicable. It is your responsibility to choose who will bid on your project, and to assist you with that, we have enclosed a list of contractors who may be willing to provide you a bid. You may know of other contractors you would like to contact so they can also bid on your rehabilitation work. Please let us know who on this list you want to bid. If you have a contractor in mind who is not on this list, include the name(s) and addresses on the space provided on the form and we may check their licenses and references.

It is your responsibility to arrange for contractors to come to your home to they can prepare a bid. Interested bidders should contact our office and we will provide copies of the bid package.

The bids will be returned to the Rehabilitation office. You will be asked to open them with our Rehabilitation staff.

We will discuss the bidding outcome and you will be asked to select a contractor. If a loan is required to complete the project, (for projects less than 100% covered by our funds) you will be required to secure those funds prior to start of work on the project.

Upon return of the Acceptance of Work Notice and the Contractors' List, your project will be ready to put out to bid. If you have any questions, please feel free to contact our office.

Sincerely,

Rehabilitation Specialist

## **SAMPLE INSTRUCTIONS FOR PREPARING BIDS AND CONTRACT AWARD INFORMATION**

### **General Requirements:**

1. The Contractor must meet all State of Minnesota licensing and/or training requirements as well as any additional licensing requirements of the county, municipality or program in which the work is to be performed. This also requires adequate liability insurance and workers' compensation coverage, if applicable, will be maintained.
2. If lead hazards have been identified in the Work Write-up, contractors and workers must have at least received lead-safe work practices training and all work must be conducted in accordance with lead-safe work practices, if project cost is less than \$25,000. For project cost greater than \$25,000, work must be completed by licensed supervisors and licensed workers.
3. All bidders must have a Contractor Application Form on record with the agency.
4. All workmanship and materials must conform to the program's guidelines as stated in the Work Write-up and Technical Specification.
5. The contractor must secure all necessary building, plumbing and electrical permits.
6. Contractors are to remove debris resulting from their work and broom sweep daily.
7. Bids are good for 90 days.
8. All material used must be code approved.
9. Any sewer, water or electrical connection charges must be included in the bid.

### **Documents to be Used:**

1. The Work Write-up as prepared by the Rehabilitation Program staff. It identifies eligible work items to be bid upon and any floor plans are diagrammatic only.
2. The Bid forms. It includes a signature area for the Contractor and an area for the separate break-out of the cost of labor and the cost of materials.
3. Technical Specifications. They define materials and workmanship quality in detail as they will be required for the program. (It may be a separate document or incorporated in the Work Write-up.)

### **Instructions:**

1. Use the enclosed Work Write-up for preparing bids. Fill in all required information. Total the costs to the nearest dollar. Keep a copy. SIGN AND DATE WHERE INDICATED.
2. Size, quantities and measurements indicated are close approximations. The Contractor is responsible for determining all needs to complete the repair work as identified in Work Write-up.
3. Unless otherwise specified in the contract, each Contractor is responsible for all cutting, patching, finishing, painting, and staining incidental to accomplishing the work.
4. Interpretations of items in the Work Write-ups shall be requested from the SCDP Rehabilitation Specialist, NOT THE OWNER. The contract for work will be between the owner and the contractor, not the Small Cities program.
5. If in the Contractor's opinion, additional work is needed, list those items with costs on a separate sheet of paper or letterhead and submit with bid. All additional items are considered separate from the base bid. Bid the Work Write-up only as written. Any work that you do which is not on the bid forms or which you do at the owner's request will not be funded by the rehabilitation program.



6. If any corrections are made on the Work Write-up, please date and initial those changes.
7. Notify \_\_\_\_\_ of any subcontractors who will provide work on the project on Contractor's List of Subcontractor/material Suppliers List.
8. All bids are to be made in ink, not pencil. Penciled bids will not be accepted.
9. Return the bid form to the \_\_\_\_\_ in the enclosed envelope. .  
RETURN ENVELOPES SHOULD BE SEALED AND READ "BID — DO NOT OPEN." Bids cannot be accepted after the deadline without approval. Notify the Rehabilitation Specialist if you wish to be present at bid opening.

**Contract Award:**

1. The job will be awarded to the lowest responsible base bid. All contractors will be notified of bid results.
2. The Owner reserves the right to reject any or all bids for work to be performed with program funds. Contractors may have their bids rejected or may be declared ineligible to bid on further projects if past performance does not meet the standards of performance identified in the guidelines. Failure to comply with the instructions for bidding may be a basis for bid rejections.
3. No work will begin until the Contractor receives a "Proceed to Work Order" from the \_\_\_\_\_, signed by the \_\_\_\_\_.
4. All bids are good for 90 days.

## SAMPLE CONTENTS OF A BID PACKAGE

- A. **Work Write-up Cover Sheet for Contractor** to use when submitting the bid. It identifies the owner's name and the project number
- B. Instructions to Bidders**
- These should include a review of requirements to participate in your program:
  - Adequate insurance, current Licenses, appropriate training, Labor Standards requirements, and a completed Application for Contractor form (if not previously submitted) on file with the agency.
  - Instructions should provide information on:
    - The required format to be used for bidding
    - Deadline for receipt of bids and where bids should be sent
    - How long bids are considered valid
    - How bids will be awarded — who selects and on what basis
    - Who will be executing the contract for work?
    - The necessity for a Pre-construction Conference
    - The requirement for a Proceed to Work Order before beginning work
  - General conditions may be attached to the Work Write-up to provide owners specific guidance about such matters as:
    - Who is responsible for securing permits?
    - How to handle change orders
    - Who removes debris?
- C. **Work Write-up** — The format varies among agencies. Use the preceding list entitled “What a Work Write-up Should Include” when preparing or evaluating your own format.
- D. **Contractor-Owner Contract** — includes the Conditions to Project. Some agencies make this a separate document but including in the contract reduces the number of related documents that might discourage good contractors from participation.
- E. **Contractor/Owner Warranty** — This is important so the bidders understand what it is they will be guaranteeing — and for how long. This is also included in the Contractor-Owner Contract in the following example.

*It is a good idea to have contractors who are NOT interested in bidding the project sign a statement to that effect and return it to the homeowner or the SCDP office. It can be used to demonstrate attempts to get multiple bids from various contractors if there is only one responsive bid received.*

## SAMPLE BID PACKAGE LETTER

**Note:** *(On agency letterhead)*

Date:

RE: Bid Package

Owner:

Address:

Dear Contractor:

Enclosed is the Work Write-up for work to be performed on the above referenced rehabilitation project. If you are interested in bidding on the work, please return your completed bid in the enclosed envelope to our office by \_\_\_\_\_.

All contractors working on properties assisted by the Small Cities Development Program must have a Contractor Application form on file at \_\_\_\_\_. State of Minnesota required licenses must be current and insurance must provide adequate coverage.

Please bid on the Work Write-up only as written. If you feel additional work is needed, list those items with costs on a separate sheet of paper or your letterhead stationery. All additional items will be considered separately from the base bid. If lead hazard reduction work is required, methods of site preparation, work practices and site cleaning must be attached to bid.

All bids will be reviewed jointly by the property owner and the Rehabilitation staff. Bids must include all requested work items, conform to the program's specifications, and be cost reasonable. The owner of the property will select a contractor to perform the work and the contract will be executed between the owner and the winning contractor.

A Pre-construction Conference will be held prior to the Proceed to Work Order in which the Rehabilitation staff and the owner will meet with the selected contractor to go over the approved Work Write-up. No changes to the approved Work will be accepted without approval of the Rehabilitation office.

Write-up can be approved before the owner and the Rehabilitation office have concurred and no work can begin until the contractor is issued a Proceed to Work Order from the owner, along with the signed contract.

If you are NOT interested in bidding on the project, please sign on the line below and return this letter in the enclosed envelope.

I am not interested in bidding on this project.

Signature of Contractor/Date:

## SAMPLE BID SUMMARY

*Note: If subs or separate specialties (electrical, plumbing, etc.) have separate bids, complete separate summaries for those contractors.*

Project Number:  
Property Owner:  
Address:

Bidders: Amount:	Unsuccessful Bid Amount:	Successful Bid
---------------------	--------------------------	----------------

---

Homeowner has selected a contractor without the lowest bid and has deposited escrow funds to pay the difference of the selected bid.

List all bidders and cost

Provide the following information for each contractor and subcontractor:

- Women or Minority owned contractor?
- Race Code\*
- Ethnicity (Hispanic)

\* Race Code: 1 = White; 2 = Black or African American; 3 = Asian; 4 = American Indian/Alaskan Native; 5 = Native Hawaiian/Other Pacific Islander; 6 = American Indian/Alaskan Native & White; 7 = Asian & White; 8 = Black/African American & White; 9 = American Indian/Alaskan Native & Black/African American; 10 = Other Multi-Racial

I certify that this bid contains reasonable material and labor costs:

Rehabilitation Specialist Signature/Date:

## **SAMPLE BID AWARD TO SUCCESSFUL BIDDER**

**Note:** (On Agency Letterhead)

Date

Contractor Name and Address

### **RE: Notice of Contractor Selection**

Property Owner:

Address:

Base Bid Amount:

This is to inform you that yours was the successful in your bid for work at the above-named property. Please stop by our office at your earliest convenience to sign the contract.

**PLEASE DO NOT BEGIN WORK ON THIS PROJECT YET.** You may begin this project after a preconstruction conference with our staff and the homeowner and a Notice to Proceed is issued. I cannot issue a Notice to Proceed until I receive a copy of all applicable permits. I am looking forward to working with you on this project.

Sincerely,

Rehab Specialist

**SAMPLE NOTIFICATION TO UNSUCCESSFUL BIDDER**

**Note:** (On Agency Letterhead)

Date

Contractor Name and Address

RE: Property Owner:

Address:

Base Bid Amount:

This is to inform you that you were unsuccessful in your bid for work at this subject property. Thank you very much for taking the time to prepare a bid and I trust you will continue to participate in our program as an active contractor.

Bids were awarded to:

Contractor:

Base Bid:

If you want to discuss this further, please feel free to contact me.

Sincerely,

Rehabilitation Specialist

# **SAMPLE PRECONSTRUCTION CONFERENCE REPORT**

## **READ CAREFULLY BEFORE SIGNING**

Project #

I (We), the undersigned, have on this date at \_\_\_\_\_ participated in a Preconstruction Conference prior to the beginning of rehabilitation on my (our) property. I (We) acknowledge the terms of the Contractor/Owner Contract, the explanation of work to be done, the roles of the Rehabilitation staff, and our responsibilities during the construction phase.

I (We) further understand that the Housing Rehabilitation program assumes no responsibilities for the work performed and does not warrant any work performed.

Signature of Property Owner/Date

Signature of Property Owner/Date:

I, the undersigned, hereby certify that the Preconstruction Conference was held on this date between the property owner(s), the Housing Rehabilitation staff, and me. I understand the procedures to be followed for change orders and request for payment and inspections. I understand and agree that the work performed must meet the standards of performance set by the program and established by the program specifications and work write-up.

Signature of Contractor/Date:

Title:

I, the undersigned, hereby certify that I participated in a Preconstruction Conference on this date.

Signature of Rehabilitation Specialist/Date:

## SAMPLE POST CONSTRUCTION SAFE WORK PRACTICES CERTIFICATION

I, \_\_\_\_\_, an employee of \_\_\_\_\_, certify that we followed safe work practices on \_\_\_\_\_ Items A- D were adhered to, in compliance with Federal, state and local regulations, except in cases where the work was exempt from safe work practice requirements as described in Item 2.

### *Check Number 1 or 2*

- 1. The following safe work practices were applied as appropriate.**
- A. The prohibited work methods listed below were not used.
- Open flame burning or torching.
  - Machine sanding or grinding without a high-efficiency particulate air (HEPA) local exhaust control.
  - Abrasive blasting or sandblasting without HEPA local exhaust control.
  - Heat guns operating above 1,100 degrees Fahrenheit, or those that that operate high enough to char the paint.
  - Dry sanding or dry scraping. (For exceptions to this rule see 24CFR 35.140 (e).)
  - Paint stripping in a poorly ventilated space using a volatile stripper that is a hazardous substance in accordance with regulations of the Consumer Product Safety Commission at 16 CFR 1500.3. and/or a hazardous chemical in accordance with the Occupational Safety and Health Administration at 29 CFR 1010. 1200 or 1926.59, as applicable to the work.
- B. Protection of occupants and preparation of the worksite as described below.
- Occupant Protection
    - Occupants were not permitted to enter the worksite during hazard reduction activities until final clearance was achieved.
    - Occupants were temporarily relocated before and during hazard reduction activities if necessary.
    - Dwelling unit and worksite were secured against unauthorized entry, and occupants' belongings were protected from contamination by dust-lead hazards and debris during hazard reduction activities.
    - Occupants' belongings in a containment area were relocated to a secure area outside the containment area or covered with appropriate materials.
  - Worksite Preparation
    - Worksite was prepared to prevent release of leaded dust and contained lead-based paint chips and other debris from hazard reduction activities within the worksite.
    - A warning sign was posted at each entry to rooms where hazard reduction activities were conducted when occupants were present
- C. Specialized cleaning after hazard reduction activities including:
- Used HEPA vacuum cleaners, or other method of equivalent efficacy, &
  - Lead-specific detergents or equivalents.
- D. Clearance of unit achieved before reoccupancy was permitted.
- 2. Safe work practices and clearance were not required.** Activities did not disturb painted surfaces below the de minimis thresholds defined below.



- The maintenance or rehab hazard reduction activities did not disturb painted surfaces that totaled more than:
  - 20 square feet on exterior surfaces.
  - 2 square feet in any one interior room or space; or
  - 10 percent of the total surface area on an interior or exterior type of component with a small surface area (such as window sills, baseboards, and trim).

Contractor's Signature/Date:

Rehabilitation Specialist's Signature/Date:

## **SAMPLE NOTICE OF RIGHT OF RESCISSION**

Property Owner Name:

Address:

### **Your Right to Cancel**

You are entering into a transaction that will result in a lien on your home. You have a legal right under Minnesota State law to cancel this transaction, without cost, within three business days from whichever of the following events occurs last:

1. The date of the transaction, which is \_\_\_\_\_; or
2. The date you received your Truth in Lending disclosures; or
3. The date you received this notice of your Right to Cancel.

If you cancel this transaction, the lien is also canceled. Within 20 calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the lien on your home has been canceled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

### **How To Cancel**

If you decide to cancel this transaction, you may do so by notifying us in writing, at:

---

---

*(Creditors Name and Business Address)*

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of the notice because it contains important information about your rights.

If you cancel by e-mail, you must send the notice no later than midnight of \_\_\_\_\_ (date), (or midnight of the third business day following the latest of the three events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

### **I/We Wish to Cancel:**

Property Owner's Signature/Date:

Property Owner's Signature/Date:

**SAMPE TRUTH IN LENDING STATEMENT**

Borrower(s):

Annual Percentage Rate	Finance Charge	Amount Financed	Total of Payments
The cost of your credit as yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
_____	\$ _____	\$ _____	\$ _____

Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due	Monthly Starting
_____	\$ _____	\$ _____	\$ _____

**Security:** You are giving a security interest in the property to improve.

**Prepayment:** If you pay off early, you will not have to pay a penalty.

**Assumption:** Someone buying your house cannot assume the remainder of the mortgage on the original terms.

See your contract documents for any additional information about non-payment, default, any required prepayment in full before the scheduled date, and prepayment refunds and penalties.

Itemization of the Amount Financed of \$ \_\_\_\_\_

The makers, guarantors, endorsers and any other parties to this Note hereby waive presentment, demand, protest and notice of dishonor and protest and hereby agree that an extension or extensions of the time of payment of this Note or any installment or part hereof may be made before, at or after maturity by agreement with any one or more of the parties hereto without notice to and without releasing the liability of any other party to this Note.

By executing this Note, the undersigned acknowledge receipt of a copy thereof prior to execution.

Borrower's Signature/Date:

Borrower's Signature/Date:

**SAMPLE NOTICE TO PROCEED**

I, the undersigned, hereby authorize the contractor to proceed with work on the property known as \_\_\_\_\_ within \_\_\_\_\_ days of the execution of this document. The property will be available to the contractor to perform the work stated in the Contractor/Owner Contract between \_\_\_\_ a.m. and \_\_\_\_ p.m., Monday through Friday, unless otherwise specified by the owner. If the contractor does not begin work within the specified time, the owner may upon proper notification, consider the property improvement contract to be in default.

Name of Property Owner:

Signature of Property Owner/Date:

Signature of Rehabilitation Specialist/Date:

# SAMPLE CONTRACTOR – OWNER CONTRACT

## CONTRACTOR CONDITIONS:

WHEREAS, the Contractor has submitted bid(s) for work to be performed in connection with the Small Cities Community Development Rehabilitation Loan Program, on premises located at \_\_\_\_\_ and owned by \_\_\_\_\_;

NOW, THEREFORE, in consideration of acceptance of said bid(s) by the Owner, the Contractor agrees as follows:

1. Hold Harmless

Contractor shall defend, indemnify, and hold harmless the Owner, and employees of the Department of Housing & Urban Development, Minnesota Department of Employment and Economic Development (DEED), and (name of SCDP agency) hereinafter \_\_\_\_\_ from all liability and claims for damages arising from bodily injury, death, property damage, sickness, disease, or loss of expense resulting from or alleged to result from Contractor's operations under this contract.\

2. Independent Contractor

For the purpose of this Agreement, the Contractor shall be deemed to be an independent Contractor, and not an employee of \_\_\_\_\_. Any and all employees of the Contractor or other persons, while engaged in the performance of any work or services required to be performed under this Agreement, shall not be considered employees of \_\_\_\_\_ and any and all claims that may or might arise on behalf of said employees or other persons as a consequence of any act or omission on the part of said employees or the Contractor shall in no way be the obligation or responsibility of \_\_\_\_\_.

3. Insurance

Before commencing work, Contractor shall furnish with certificates the following insurance is in force. Policies shall be submitted for approval of the \_\_\_\_\_ and shall be endorsed to provide that the policies will not be canceled or changed until ten days after written notice of change or cancellation has been delivered to \_\_\_\_\_.

Coverage shall be at least as follows:

<i>Class of Coverage:</i>	<i>Bodily Injury:</i>	<i>Property Damage:</i>
(1) Manufacturer's & Contractor's	\$300,000	\$100,000
(2) Product Incl. Compl Operations	\$300,000	\$100,000
(3) Auto Owned, Hired or Leased	\$300,000	\$100,000
(3) Auto Owned, Hired or Leased	As Required	

If any such insurance is due to expire during the construction period, the Contractor shall not permit the coverage to lapse and new certificates shall be furnished to \_\_\_\_\_.

4. Lien Waivers

Contractor shall protect, defend and indemnify Owner from any claims of unpaid work, labor, or material. Payment shall not be due until the Contractor has delivered to the Owner complete release of all liens arising out of the contract or receipt in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to the Owner indemnifying him against any lien.

5. Subcontractors and Assignments

No subcontract or assignment of this contract shall be made without the written consent of the Owner and \_\_\_\_\_. Contractor shall furnish subcontractor lien waiver(s) upon payment.

6. Permits and Codes

Contractor shall secure all necessary permits and licenses required to perform the work called for by this contract, and all such work shall be in compliance with all building code regulations and ordinances whether or not covered by the specifications and drawings for the work.

7. Equal Employment Opportunity

- (a) The Contractor shall provide equal opportunity to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age and status with regard to public assistance or disability.
- (b) The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, creed, sex, or national origin.
- (c) The Contractor shall provide, to the greatest extent feasible, opportunities for training and employment to lower income residents of the area and that contracts be awarded to small businesses located within the area or owned in substantial part by area residents.

8. Unacceptable Risk

Contractor certifies that he/she is not listed on the “unacceptable risk determination” list of the U.S. Department of Housing and Urban Development or the U.S. Farmer’s Home Administration, nor excluded from participating in federally funded projects.

9. Proceed to Work and Completion of Work

Upon acceptance of this bid and submission of evidence of satisfactory insurance coverage, the work will be started within seven calendar days ONLY AFTER A NOTICE TO PROCEED TO WORK ORDER is received by the Contractor. The contract work shall be fully and satisfactorily completed within \_\_\_\_\_ working days of the Proceed to Work Order date. A working day will be considered to be all days except Saturdays, Sundays, and legal holidays.  
Any modification of the above shall be set forth in Article 15 below.

10. Payments

Contractor shall be paid in full after the work is satisfactorily completed unless prior arrangements have been made for progress payments. Progress payments shall be limited to two, and shall be subject to twenty percent (20%) retainage until final satisfactory completion. Final payment of the Contract amount will be made only after final inspection \_\_\_\_\_ and acceptance by the Owner of all work performed by the Contractor.

11. Warranty As to Workmanship and Materials

The Contractor shall remedy any defect due to faulty material or workmanship and pay for any damage to other work resulting therefrom which shall appear within the period of one year of final payment. Further, Contractor will furnish Owner with all manufacturer’s and supplier’s written guarantees and warranties covering materials and equipment furnished under this contract.

This warranty does not cover defects caused by or related to:

- a. Abuse, misuse, negligence or accident by parties other than the Contractor; or
- b. Normal deterioration due to wear or exposure.

12. Debris and Materials

The Contractor agrees that during the course of work the premises shall be kept as clean and orderly as is reasonable under the circumstances and shall remove all debris resulting from the contract work from the premises each day and upon completion of the contract. All materials and equipment which are replaced and/or removed in the course of work shall become the property of the Contractor unless otherwise specified.

13. Lead Based Paint

The Contractor agrees that no lead base paints shall be used in the course of performance under this Agreement.

Where lead-based paint is involved, all work will be conducted in accordance with lead-safe work practices by appropriately trained supervisors and/or workers, and that appropriate occupant and worker protection activities will be planned and undertaken.

Contractor Signature/Date:

The \_\_\_\_\_ shall have full access to all records relating to work performed under this Agreement.

14. Modification

Any alteration, variation, modification, or waiver of the provisions of this Agreement shall be valid only after it has been reduced to writing, approved and signed by the \_\_\_\_\_ and attached to the original of this Agreement.

15. Other Remedies:

The above conditions and warranties are in addition to, and not in limitation of, any and all other rights and remedies to which the Owner, or subsequent Owners, may be entitled, at law or in equity, and shall survive the conveyance of title, and shall be binding on the undersigned notwithstanding any provision to the contrary contained in any instrument heretofore or hereafter executed by the Owner.

16. Termination of Contract:

If either party wishes to terminate this contract for any cause, they shall provide the other party with ten days notice and the contractor shall be duly compensated for any work satisfactorily completed at the point of termination.

17. Notice to Contractor:

You are required by a 1982 Minnesota Statute, Section 270.66, to provide your Federal or MN Tax Identification Number or your Social Security Number if you do business with a public body. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require you to file state tax returns and pay required taxes. This contract will not be approved unless these numbers are provided.

MN Tax ID: \_\_\_\_\_ Federal Tax ID: \_\_\_\_\_ Social Security No.: \_\_\_\_\_

18. This contract consists of the bid and proposal, the general conditions as outlined above, and the description of the work to be completed as shown on attached Work Write-up.

**BID AND PROPOSAL**

For the consideration named herein, the undersigned Contractor proposes to furnish all work, material and labor to complete the work in accordance with the attached work write-up (Specifications) and the General Conditions outlined above for the sum of \$ \_\_\_\_\_.

**OWNER CONDITIONS:**

1. The Owner certifies that the Small Cities Development Loan Funds shall be used for eligible improvements, and shall not be applied toward any work begun or completed before the date of the Proceed to Work Order.

2. The Owner shall permit the Contractor to use, at no cost, existing utilities such as light, heat, power and water necessary to the carrying out and completion of the work. Further, Owner will cooperate with the Contractor to facilitate the performance of the work, including the removal and replacement of rugs, coverings and furniture as necessary.
3. Materials and equipment that have been removed and/or replaced as part of the work shall belong to the Contractor unless otherwise specified.
4. The Owner understands and agrees that at any and all disputes, of whatever kind or nature, in conjunction with this Agreement, are solely the disputes of the Owner and Contractor to resolve without legal involvement, whether by lawsuit or otherwise. Any acts are solely in furtherance of its interest as a lender and administrator of the Small Cities Development Program and Owner shall have no recourse against the \_\_\_\_\_ for any breach by Contractor of this or any related agreement.
5. The Owner certifies receipt of the HUD/EPA form entitled, "Protect Your Family from Lead in Your Home."
6. The Owner is responsible for normal maintenance of all improvements. If a problem occurs which the Owner believes is covered by the warranty, the Owner shall contact the Contractor in writing, giving the Contractor sufficient information to enable him to resolve the matter.
7. The Owner understands and agrees with the attached work write-up and agrees to permit Contractor access to the premises to improved to the extent necessary to complete the improvements specified.
8. The Owner agrees that the improvements specified in the attached work write-up shall be inspected by \_\_\_\_\_ before funds are disbursed.

Acceptance by Contractor

Acceptance by Owner

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Name of Owner(s) (print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address of Owner

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Firm Address

\_\_\_\_\_  
Signature of Owner

**Any person who makes a false statement or misrepresentation in connection with the application for or use of a Small Cities Development Program loan may be subject to federal criminal offense penalties.**



## SAMPLE REPAYMENT AGREEMENT

*Note: Repayment Agreement terms and conditions will vary depending on community decisions.*

**THIS AGREEMENT**, made and entered into this \_\_\_\_\_ by and between \_\_\_\_\_ hereinafter referred to as “Owner”), and the \_\_\_\_\_ having its principal office at \_\_\_\_\_, Minnesota (hereinafter referred to as “\_\_\_\_\_”).

**WHEREAS**, on \_\_\_\_\_, the Grantor agreed to grant to Owner a rehabilitation Deferred Payment Loan (hereinafter referred as “Deferred Loan,” relating to the real estate hereinafter described, in the amount of \_\_\_\_\_ dollars (\_\_\_\_\_), but only on condition that Owner executes this Agreement.

**NOW THEREFORE**, in consideration of the said Deferred Loan, the parties do hereby agree as follows:

1. Owner covenants and agrees with the City that if the real estate hereinafter described is sold, transferred or otherwise conveyed, voluntarily or involuntarily, either while the Owner is living or by reason of the death of the Owner:
  - a. within a period of three (3) years after the date of the Deferred Loan to wit: \_\_\_\_\_ date), Owner shall repay to the City a sum equal to the full amount of the Deferred Loan as set forth above;
  - b. (b) within the fourth year after the date of the Deferred Loan, Owner shall repay to the City a sum to seventy-five percent (75%) of the amount of the Deferred Loan;
  - c. (c) within the sixth year after the date of the Deferred Loan, Owner shall repay to the City a sum equal to fifty percent (50%) of the amount of the Deferred Loan;
  - d. (d) within the eighth year after the date of the Deferred Loan, Owner shall repay to the City a sum equal to twenty five percent (25%) of the amount of the Deferred Loan;
  - e. (e) within the tenth year after the date of the Deferred Loan, or at any time thereafter, Owner shall have no obligation to repay the Deferred Loan or any portion thereof.

Any such repayment shall be made to the City no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as City, in its sole discretion, may designate.

2. As security for Owner’s obligation of repayment, and subject to the terms and conditions of this Agreement, Owner hereby grants and City shall and hereby does have, a lien on the real estate hereinafter described as the full amount necessary to satisfy said repayment obligation and the cost including reasonable attorney’s fees, of collecting the same. The real estate subject to said lien is situated in \_\_\_\_\_, Minnesota, and is legally described as:
3. Promptly after the date of any sale, transfer or other conveyance of the above-described real estate (or, in the event of a sale by contract or deed at least ten (10) days prior to such date of sale), Owner or his/her heirs, executors, or representatives, shall give the City notice thereof.
4. In the event Owner or his/her heirs, executors or representatives shall fail or refuse to make a required repayment within said limited period, the City may, with or without notice of Owner, foreclose said lien in the same manner as an action for the foreclosure of mortgages upon said real estate, as by statute provided.

5. Said lien shall terminate and shall be of no further force or effect in the event the City has not, on or before \_\_\_\_\_ commenced an action in the aforesaid manner to foreclose the same.
6. This Agreement shall run with the aforesaid real estate and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors, and assigns.
7. If this Agreement is executed by a contract for deed vendor or a mortgagee of the property, as one of the Owners, such execution shall be deemed for the purpose of establishing and continuing the existence of the indebtedness described herein and the lien granted herein. However, in the event of default of the terms hereof, neither the City of \_\_\_\_\_ nor its assigns shall take any action against such contract for deed vendor except such as may be necessary in order to subject to the satisfaction of said indebtedness the property described herein.

**IN TESTIMONY WHEREOF**, the parties have executed this Agreement as of the day and year first written above.

By: \_\_\_\_\_

STATE OF MINNESOTA

( \_\_\_\_\_ )

COUNTY OF ( \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, before me, a Notary Public within and for said County, \_\_\_\_\_ personally appeared to me known to be the person(s) described in and who executed the foregoing instrument and acknowledging that \_\_he executed the same as \_\_\_\_\_ free act and deed.

\_\_\_\_\_  
*Notary Public*

**Tax statements for the real property described in this instrument should be sent to the city of**

\_\_\_\_\_.

**SAMPLE REHABILITATION PROGRAM INSTALLMENT LOAN NOTE**

Names(s):

Property Address:

Date:

**FOR VALUE RECEIVED**, the undersigned (hereinafter collectively referred to as “The Borrower”) jointly and severally promises to pay to the order of the \_\_\_\_\_, a public body corporate of the State of Minnesota at its office, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), with interest on the unpaid principal amount until paid, computed from the day, which is thirty (30) days prior to the date for payment of the first installment hereof as set forth below, at the rate of \_\_\_\_\_ per annum.

Payment is to be made in \_\_\_\_\_ consecutive monthly installments of \$ \_\_\_\_\_ each, the first installment to be paid on \_\_\_\_\_ and subsequent installments on the same day of each month thereafter until the entire indebtedness evidenced hereby is fully paid, except that any remaining installments, if not sooner paid, shall be due and payable on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

All payments received by the holder on account of this Note shall be applied first to accrued interest and the balance to reduction of principal.

In the event that any monthly installment due under this Note is not paid when due, or in the event that the Borrower shall be in default or in violation of any of the covenants, certifications, terms or conditions of the instrument securing the indebtedness evidenced hereby, then the entire principal amount outstanding hereunder and accrued interest, thereon shall at once become due and payable at the option of the Note holder, without notice or demand. Failure to exercise such option upon default shall not constitute a waiver of the right to exercise such option upon any subsequent default.

In the event of any default on the payment of this Note, and if suit is brought hereon, the Note holder shall be entitled to collect in such proceeding all reasonable costs and expenses of suit including but not limited to reasonable attorney’s fees.

Borrower may prepay this Note in whole or in part at any time without penalty. Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the due date of any subsequent monthly installments or change the amount of such installments, unless the Note holder shall otherwise agree in writing.

This Note is secured by a Mortgage of even date herewith on certain property described therein, and represents money actually used for improvement to said property.

Borrower(s):

Annual Percentage Rate:

Finance Charge:

The amount of credit provided to you or on your behalf:

Total of Payments:

Your payment schedule will be as follows:

Number of Payments:

Amount of Payments:

When Payments are due:

Total of Payments:

**Security:** You are giving a security interest in the property to improve.

**Prepayment:** If you pay off early, you will not have to pay a penalty.

**Assumption:** Someone buying your house cannot assume the remainder of the mortgage on the original terms.

See your contract documents for any additional information about non-payment, default, any required prepayment in full before the scheduled date, and prepayment refunds and penalties.

Itemization of the Amount Financed of \$ \_\_\_\_\_

\$ \_\_\_\_\_ Amount Given to you directly

The makers, guarantors, endorsers and any other parties to this Note hereby waive presentment, demand, protest and notice of dishonor and protest and hereby agree that an extension or extensions of the time of payment of this Note or any installment or part hereof may be made before, at or after maturity by agreement with any one or more of the parties hereto without notice to and without releasing the liability of any other party to this Note.

By executing this Note, the undersigned acknowledge receipt of a copy thereof prior to execution.

Borrower:

Borrower:

Guarantor(s):

**SAMPLE CHANGE WORK ORDER**

Change Order Number:

Project Number:

Name of Property Owner:

Address:

Phone #:

Contractor:

Description of Change and Justification for Request:

Cost Increase per items:

Cost Decrease per items:

Net Cost of Change:

Signature of Contractor/Date:

Signature of Rehabilitation Staff/Date:

Signature of Owner(s)/Date:

**For Office Use Only**

Original Contract Amount:

Sources:

List of Approved Amendments (items and costs):

Total Approved Amendments:

Current Contract Subtotal:

Total with this Amendment:

Select the appropriate determination (Approved or Denied):

Project Director Signature/Date:

Documents Affected:

## **SAMPLE RECEIPT AND WAIVER OF MECHANIC'S LIEN RIGHTS**

Date:

Project Address:

The undersigned hereby acknowledges receipt of the sum of \$

### **Check One Box Only**

- As partial payment for labor, skill and material furnished and for value received waives all rights which may have been acquired by the undersigned to file or record mechanic's liens against said premises (only for the amount paid).
  
- As full and final payment for all labor, skill and materials furnished and for value received waives all rights which may have been acquired by the undersigned to file or record mechanic's liens against said premises (only for the amount paid).

The undersigned affirms that all materials furnished for this project have been paid in full and that no attempts will be made to collect any money from the property owner or program:

Signature:

Company Name:

Name of officer:

Title:

Address:

If this instrument is executed by a corporation, it must be signed by an officer. If executed by a partnership, it must be signed by a partner.

**SAMPLE REHABILITATION PROGRAM COMPLETION CERTIFICATE**

Project Number:

Property Owner:

Address:

Progress payment       Final payment

**Change Order Summary (if applicable)**

Description of change:

Original Contract Amount:

Change Order Amount:

Contract Amount to Date:

**Previous Partial Payments**

List dates and payments:

Net change by Change Order

Amount of Request for Payment:

Less Retainage (20%)

Total of this Payment:

Remaining on Contract:

The undersigned hereby certify that the specified improvements pertaining to the above SCDP loan for work covered under this request for payment have been completed in accordance with the terms of the contract, conform with the contractor’s warranties set forth in the Contractor/Owner Contract, and have been inspected. The undersigned Owner further hereby authorizes the Rehabilitation Program to disburse funds in the following amount: \$ \_\_\_\_\_ on his/her/their behalf to the Contractor for services for the approved improvements.

Contractor Signature/Date:

Owner Signature/Date:

Rehabilitation Staff Signature/Date:

**SAMPLE SWORN CONSTRUCTION STATEMENT**

*To be signed by all contractors prior to release of the final balance of loan proceeds by Administrators to contractors.*

**State of Minnesota**

**County of:**

The undersigned, hereinafter called "Contractor," being first duly sworn, as Contractor improving the property having the address of \_\_\_\_\_, city of \_\_\_\_\_, State of Minnesota, deposes and says that the following are the names of all parties who had or currently have contracts or subcontracts with the Contractor, for specific portions of the work on said property and building; or had or currently have contracts or subcontracts with the Contractor for material or who have contributed materials at the Contractor's request entering into the construction thereof; and that the items set forth below include all labor and materials contracted by or obtained at the request of the Contractor required to complete the work according to the Specifications and drawings of the Contract; that there are no other contracts outstanding entered into by the Contractor or the Contractor's subcontractors.

List Items and indicated and how it was furnished (by Laborers, Materialmen, or Subcontractors retained by the Contractor.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Notary Public:

Contractor Name:

*Note: Administrators must have obtained lien waivers evidencing payment in full from the contractor, material providers, and subcontractors set forth above as a condition to releasing the final balance of the loan proceeds.*