

CITY OF _____
OWNER-OCCUPIED REHABILITATION POLICIES AND PROCEDURAL GUIDE

It is the policy of this Housing Rehabilitation Program to work affirmatively to ensure that all persons regardless of race, color, creed, national origin, sex, religion, marital status, age, handicap, or reliance on public assistance, will be treated fairly and equally in their participation in the program.

The City of _____ will be responsible for the promotion of the Program at the local level and shall exercise care in avoiding promotion methods which may exclude potentially eligible applicants. Access to program information and materials will not be denied to any person for any reason including race, color, creed, national origin, sex, religion, marital status, age, handicap, or reliance on public assistance. Affirmative promotion shall include efforts to reach those persons who traditionally may not have participated in similar programs.

In order to develop or maintain an effective affirmative promotion effort, the City shall review its promotion methods from time to time during the course of the Program to determine how the methods used can be improved to increase the participation of persons who otherwise might not apply for assistance under the Program, such as single female heads of households, racial minorities, or persons with handicaps or disabilities.

Section I. ELIGIBILITY REQUIREMENTS:

A. Location:

Residence must be in the Neighborhood Target Area as defined in the application for SCDP funds and shown on the attached map. *Or, residence must be in the city limits.*

B. Conflict of Interest:

Federal regulations and Minnesota Statutes specify that elected officials, non-volunteer city employees, and administrators of the Small Cities Development Program have a conflict of interest. Those with a conflict may be able to secure an exception in order to participate in the program if they have no role in the approval of rehabilitation assistance and can meet with the approval of DEED.

C. Residency:

To receive SCDP funds applicants will be required to have year round residency in the housing unit. Recipients must occupy, or intend to occupy the selected property as their primary place of residence.

D. Ownership/Ineligible Types of Housing:

The applicant must have an ownership interest in the property to be rehabilitated such as: a title owner, a mortgagor, a contract for deed (*optional, not required by the SCDP*) vendee, or as holder of a life estate (*also optional under the SCDP*). All contracts-for-deed shall be recorded. Contract vendors must sign repayment agreements along with contract vendee. Remaindermen must sign mortgages as required on a life estate deed. No descending forgiveness of a deferred loan (if applicable) will be allowed for rehabilitation liens with life estates and contract for deed properties. SCDP policy is that no portion of the loan will be forgiven until after the full term has expired.

Single-wide mobile homes, even if the home is attached to a foundation or if it has additions, are not eligible for rehabilitation with SCDP funds. Homes in a 100 year floodplain are not eligible

unless they will soon be removed from the flood plain due to re-mapping. Evidence of the pending flood-plain change must be provided.

Minnesota Urban and Rural Homesteading (MURL) homes are not eligible for SCDP assistance.

E. Taxes/Insurance/Assessments/Liens:

All property taxes must be paid in full prior to application approval and property owners will be expected to carry insurance that, at a minimum, covers the costs of the rehabilitation work over the life of the SCDP loan. There should be no tax liens or past-due assessments or judgments on the property.

F. Asset Limitation:

There is no asset limit. However, income earned from assets must be counted as income.

G. Income:

The total income of the household must not exceed the most recent HUD Section 8 Moderate Income Limits at the time of the application. See attached limits. (*attach limits for effective year*) Income verification will follow HUD regulations and includes all of the following:

- Salaries; including tips, bonuses, commissions, overtime pay, pensions and annuities
- Public Assistance; including MFIP, SSI, MSA, Unemployment Compensation
- Social Security or Disability and Workers Compensation
- Estate/trust income, rental income, gain from the sale of property or securities, contracts for deed
- Interest earned
- Business profit

H. Substandard Housing:

The structure to be rehabilitated must be deficient in at least one of the following areas: structural soundness, living space or accessibility, water supply or sewage disposal, energy efficiency, heating system, plumbing or electrical system.

I. Nuisance Standard: The property where the house resides must conform to all local nuisance standards (weeds, junk, etc.). The exception would be items proposed for rehabilitation being alleviated through the program.

J. Homeowner Expectations: The property owner will read, understand and sign the “What Can a Homeowner Expect,” the “Homeowner Responsibilities and Expectations,” and “Walk Away Policy” forms as a condition of project approval.

Section II. TERMS OF ASSISTANCE

A. Maximum/Minimum SCDP Contribution:

The maximum SCDP contribution on any rehabilitation project shall not exceed \$ *limit proposed in application to the SCDP*. The minimum SCDP contribution on any rehabilitation shall exceed \$ _____. *The SCDP currently does not impose a minimum, but encourages a minimum in order to justify impact of administrative funds.*

B. Deferred Loans:

Assistance provided with SCDP funds will be in the form of deferred payment loans. In order for this program to be as cost-effective as possible, applicants may be required to help finance a

portion of their rehabilitation work. Other funding is available, usually in the form of reduced interest loans, to assist households to finance the remainder of their project. Households that qualify for 100% deferred payment loans through this program will also be expected to explore other funding options that may be available. The purpose of SCDP funds is to supplement other funding sources. Program staff will assist households in exploring other possible funding sources. An applicant may be eligible for SCDP funds if funding through other sources, including local financial institutions, has been denied. MHFA Rehabilitation Program loans, Greater Minnesota Housing Fund loans, Rural Development grants and loans, Weatherization Assistance, and other public/private sector funds may be used to help applicants finance rehabilitation. All LMI households unable to secure other resources may be assisted with SCDP funds not to exceed the maximum contribution. The most recent HUD Section 8 Income Limits by household size is shown in the following table:

C. **Previous SCDP Assistance:** If a home received prior SCDP assistance, all SCDP loans must have expired for the home to be eligible.

D. **Installment Loan Parameters Here (if applicable Outline Here):**

Section III. DETERMINATION OF IMPROVEMENTS

A. **Suitable for Rehabilitation:**

The property must be determined feasible both structurally and financially after all eligible assistance is calculated. The work required to correct any lead-based paint hazards will be considered in the suitable for rehabilitation determination. The suitability will be determined by the Housing Inspector and/or the Project Director.

B. **Basic and Necessary Repairs:**

Each improvement must be a permanent general improvement. Only those repairs that are needed to bring the home up to the Program's Housing Quality Standards (HQS), which are based on HUD's Section 8 Housing Quality Standards, will be included in the rehabilitation project. Additionally, reasonable repairs that improve the structural integrity, livability and safety of the home could be included in the project at the discretion of the rehabilitation inspector. These could include weatherization measures, if vitally needed and weatherization sources of funds are not available. The priority of use of SCDP funds will be to correct deficiencies that affect the health, safety and welfare of the occupants, and to improve the energy efficiency of the units.

C. **Housing Quality Standards:**

Each improvement must be made in compliance with all applicable, health, fire prevention, building, housing and energy codes and standards. The property **must** comply with local nuisance standards and meet HQS after completion of the rehabilitation work. If funding sources will be inadequate for the home to meet HQS, the home will be deemed unsuitable for rehabilitation.

D. **Ineligible Housing Rehabilitation Improvements**

The following improvements are not eligible for financing with SCDP funds:

- 1) Detached garages, garage door openers, or any out-buildings (unless elements of the structure have been identified as a hazard in a lead-based paint risk assessment).
- 2) Fireplaces, central air-conditioning units, water softeners, or wood stoves.

- 3) Decks, patios, fencing, or landscaping beyond that which is necessary in connection with foundation and basement work. Reasonable work on decks might be allowed, if the deck also serves as an entrance to the house.
- 4) Driveways and sidewalks, unless health and safety dangers are present.
- 5) Kitchen appliances, plush carpeting, decorative work, or other improvements determined by the Housing Inspector to be “luxuries” or “frills” in nature.
- 6) 200 amp services, unless needed and justifiable.
- 7) Room additions. Exceptions to this rule may be granted by the Grant Administrator only under extraordinary circumstances and with approval of DEED. Where such an exemption is granted, room additions shall only be allowed: (1) to accommodate the installation of a bathroom or kitchen if ones do not exist and current space will not allow, or (2) case by case situations discussed with DEED.
- 8) The use of materials that are deemed by administrator to be beyond standard and beyond cost-effective for the program.
- 9) Tree trimming may be allowed under circumstances where tree limbs present an immediate hazard to the home.

E. Ineligible Improvements Allowable With Other Funds

The applicant may use bank loans, his/her own funds on hand, and other funds in order to finance those improvements which are not eligible for financing with SCDP funds. Such improvements shall be allowable as part of the “other source” participation and shall be separately identified on work write-ups and bid forms.

F. No funds for Assessments

SCDP funds shall not be used for the payment, wholly or in part of assessments for public improvements: provided, however, that such funds may be used for that portion of improvements located on the property which will bring an individual water supply system or sewage disposal system into compliance with local, state or federal environmental and sanitary standards.

G. No Funds for Refinancing Existing Debt

No SCDP funds shall be used in whole or in part for the purpose of refinancing or paying off existing indebtedness. All such funds must be used to finance improvements begun after application for such funds.

H. Historical Review

If the structure has been determined historically significant, plans for exterior improvements to the structure must be reviewed and commented on by the Minnesota Historical Society.

I. Lead Paint Policy: The City of _____ will follow the current policy outlined by the MN Department of Employment and Economic Development. As participation in the owner-occupied housing rehabilitation is a voluntary decision, the program will not pay for any temporary relocation that maybe necessary due to interim controls related to lead-based paint.

J. Repayment Schedule for Deferred Payment Loans:

All SCDP funds will be secured with a lien against the property to be rehabilitated. Households will be required to repay all or some portion of their SCDP loan if the unit is sold within term outlined in application to the SCDP years from the date that the loan is issued.

The percentage of the loan amount that must be repaid is gradually forgiven over the appropriate lien term according to the following schedule:

There will be no forgiveness of the deferred payment loan until 72 months after issuance of the loan. Beginning with completion of the 73rd month, 1/48th of the outstanding principal balance will be forgiven each month until, after 120 months; the loan will be entirely forgiven.

Section IV. MARKETING/APPLICATION SELECTION AND APPROVAL

Housing program staff will review and fund eligible applications. The following process will be utilized to promote the program to eligible applicants, and for applicant selection:

A. Outreach and Public Notices:

An extensive effort will be made to reach those property owners who would benefit from the program by conducting outreach and public notice activities which will include those who expressed interest as part of the application formation, ads in newspapers, newsletters, radio announcements, personal interviews and letters to homeowners. Various housing providers, disaster relief organizations and social service agencies will be notified of SCDP funding availability. Affirmative efforts will be undertaken to ensure that those who are minorities or have disabilities are made aware of the program.

B. Application Intake:

Applications will be accepted on a first come first serve basis throughout the entire length of the program or until funds are expended.

After a preliminary screening for eligibility, applicants will then receive an on-site visit by the Housing Inspector for an in-depth inspection. If the home was built prior to 1978, a Certified Lead Risk Assessor will also visit the property to conduct a lead risk assessment.

C. Procedural Guide:

A copy of the Procedural Guide will be given to applicants for review and discussion of content.

D. Notification:

Applicants with verified LMI incomes, houses that meet the definition of suitable for rehabilitation, and also meet the Eligibility Requirements outlined in Section 1 will be selected if sufficient funds are available.

Letters will be sent to those selected as recipients, and also to those not selected, notifying them of the status of their application (accepted, rejected, or held for further consideration).

Section V. PROPERTY INSPECTIONS

A. Inspections

Program staff will be responsible for carrying out a minimum of three inspections, an initial inspection to determine scope of work, an interim inspection to monitor work and a final inspection. The initial inspection will be done to determine that:

- 1.) all necessary improvements are listed, including those required to eliminate lead-based paint hazards, and;
- 2.) The structure upon completion of rehabilitation will meet, at a minimum; the Program's Housing Quality Standards and will be livable, safe, and energy efficient.

Work Write-Ups: Upon completion of the initial inspection, the Housing Inspector shall prepare a work write-up indicating the scope of work necessary to bring the property into compliance with the Program's HQS. Any improvements deemed necessary by the Housing Inspector for the property to conform to the Program's HQS and the general program eligible improvements requested by the property owner shall be included as part of the work write-up. The Housing Inspector shall specify improvements that qualify for SCDP funding.

Work items where lead based paint hazards are present will be called-out in the work write up in a way that makes them stand out. A notation on those items that qualified contractor(s) are necessary to conduct the work will also be made. Ineligible improvements paid for with leveraged funds will be identified.

B. Risk Assessment for Lead

A Risk Assessment for Lead will be performed on homes built before 1978 prior to the work write-up. Lead Clearance will be performed at completion. The property owner will sign a repayment agreement for the rehabilitation work prior to the assessment being done, which will include the costs for the risk assessment. The cost of the assessment can only be waived if contractor bids do not allow for a cost-effective rehabilitation occur.

C. Interim Inspections

Interim inspections will be done before partial payments are made to assure that specified improvements are completed. Interim inspections will be scheduled by the Housing Inspector to monitor work progress. Program staff reserves the right to inspect the property at any time upon reasonable request to applicant.

D. Final Inspection

Upon completion of work, an inspection will be made to determine that all work has been completed in a satisfactory manner and that the unit meets the Program's Housing Quality Standards. The final inspection shall certify that all lead based paint hazards have been properly eliminated or treated. In the event of a dispute between the owner and the contractor concerning the completion of rehabilitation, the Housing Inspector shall work with both parties to negotiate a satisfactory solution. If such a solution cannot be found, the _____ City or County (*pick one*) building official shall be the final authority on when the job has been satisfactorily completed. All disputes will be resolved by binding alternative dispute resolution.

Section VI. CONSTRUCTION AND CONTRACT PROCEDURES

A. Contractor List

A list of contractors will be established by advertising in area newspapers and radio. Women and minority contractors and business owners will be urged to bid.

B. General Contractors

All rehabilitation work must be performed by a fully licensed and insured general contractor. Contractors performing specified lead-based paint eradication must be certified in accordance with DEED lead policy.

C. Contractor Eligibility and Performance

Contractors shall not be debarred and shall have been determined capable based on past performance and ability to perform successfully. If applicable, contractors will carry at least the minimum amounts of liability insurance established by the State of Minnesota.

D. Bids/Cost Estimate (if applicable)

An attempt will be made to secure competitive bids from at least three general contractors, or two in areas of low contractor supply. If the project does not involve any general contractor work and it is more feasible to solicit bids from a specific trade, an attempt will be made to secure competitive bids from at least three contractors within that trade(s), or two in areas of low supply. In the event that only one bid is received after bid solicitation, a cost estimate shall be prepared to justify the reasonableness of the sole bid.

E. Work Write-Up and Change Orders

All bids shall relate only to improvements designated by staff in the work write-up. Any changes made in the scope of work by the homeowner after the inspection and work write-up by the Housing Inspector on the scope of work will be **prohibited** and **ineligible for SCDP program funds**. **ALL CHANGE ORDERS NEED TO BE APPROVED BY THE Housing Inspector and, if applicable, Project Director. The homeowner will be responsible for all costs associated with any extra work done by the contractor that is not in the scope of work.**

F. Bid Awards

Contract will, generally, be awarded to the lowest responsible bidder complying with specifications. Owner may contract with non-low bidder when willing to pay the difference between selected contractor and lowest bidder.

G. Contractor Homeowner Warranty

ALL CONTRACT AGREEMENTS WILL BE BETWEEN CONTRACTOR AND OWNER. All contracts covering all or any portion of an improvement must contain an approval warranty of workmanship/materials as per a Contractor/Owner Warranty form.

H. Repayment Agreement:

A repayment agreement shall be signed by the property owner(s) before the Proceed to Work Order is issued. The repayment agreement will be filed/recorded either after the project costs are known to be at the SCDP maximum, or after the project is completed to account for any possible change orders that may occur.

I. Truth in Lending:

A signed truth in lending statement shall be secured from the homeowner(s) before the Proceed to Work Order is issued. The statement should be completed for installment (if applicable) and deferred loans as well, emphasizing that re-payment will be necessary if the period for forgiveness has not elapsed.

J. Right of Rescission:

A signed right of rescission form shall be secured from the homeowner(s) before the Proceed to Work Order is issued.

K. Limit for Housing Projects

Contractors will be limited to actively working on no more than three SCDP housing projects at any given time.

L. Contractor Requirements

Contractor shall be notified of requirements to comply with applicable federal/state laws. Building permit fees and any state inspection fees should be included in the contractor's bid.

M. Proceed To Work Order

Proceed to work orders will be issued after package approval and **must** be issued before work begins. A pre-construction conference shall be conducted between the homeowner, contractor and rehab specialist prior to issuance of a notice to proceed with the work. The contractor must provide a copy of the building permit before work can proceed.

N. Inspections

Interim and final inspections shall be made by the Housing Inspector. Prior to the disbursement of funds, work shall be satisfactorily completed.

O. Release of Funds

Funds are released (partial funds may be released as partial work is completed) in issued checks as completed work is verified and payment is requested by invoice from the contractor.

P. Contractor Payments

Contractors will be required to provide a draw request for each partial payment. The draw request must be signed by the homeowner, unless the homeowner has concerns that the Housing Inspector and Project Director have deemed as being unreasonable. Consultation with DEED as to what is unreasonable can occur. Upon completion of the rehabilitation construction, lien waivers and completion certificates will be executed by the homeowner, contractor, and Housing Inspector as necessary. On the homes that require lead reduction activities, final payment will not be made until after the Lead Clearance Test has been passed.

Q. Progress Payments

Progress payments shall be limited to two and may be subject to 10% retainage under terms specified in homeowner/contractor agreement.

R. Change Orders

Unforeseen construction problems will require a change order and all change orders will require signatures of both owner and contractor with approval by Program staff. Costs of changes must be included in change order. **Any work that is done and is not on the work write-up will not be paid for with SCDP funds. Any changes made by the homeowner after the inspection and work write-up by the Housing Inspector on the scope of work will be prohibited and ineligible for SCDP funds. ALL CHANGE ORDERS MUST BE APPROVED BY THE Housing Inspector and Project Director.**

S. Time For Completion

1. A maximum of 90 calendar days will be allowed for completion of contracted work on a house beginning as of the date of the Notice to Proceed. Failure to begin work by the completion date shall be grounds for termination of the contract.
2. This time period shall not be exceeded except by written Change Order, which shall outline the circumstances that require an extension of time and shall specify a revised completion date. In the absence of such a Change Order, failure to complete work on time shall be grounds for termination of the contract.

3. A waiver of this time period may be granted upon the homeowner's request to the Housing Inspector and/or Financial Analyst.

T. Termination of Contract

Rehabilitation contracts may be terminated for convenience or for cause. The provisions contained in Section XII. P. shall be a basis for termination for cause.

U. Termination of Rehabilitation

The _____ can stop the rehabilitation process if the Homeowner Expectations in Section 1, item J are not met by the applicant/property owner.

V. Selection of Materials and Colors

Homeowner selects colors, style and pattern of any materials used in home improvements. These selections will fit the neighborhood and any judgment calls about what fits the neighborhood will be made collectively among the city, grant administrator and the homeowner. Costs and types will be deemed reasonable by the rehabilitation inspector and program administrator. Products come in three types, "economy", "standard" and "deluxe". We specify the "standard" items. The _____ will be the final decision maker as to whether or not a product is "standard."

Section VII. GENERAL CONDITIONS

A. Leveraged Funds

Each selected applicant will be evaluated on an individual basis to ascertain the most appropriate and effective source and method of funding available to leverage with SCDP funds. SCDP funds will be combined with Weatherization, MHFA Rehabilitation and Home Improvement loans, Rural Development Loans and Grants, Greater Minnesota Housing Fund loans, and other public/private funds to accomplish as much rehabilitation as possible within affordable costs.

B. Repayment Proceeds

Any proceeds received from the repayment of deferred loans originated with SCDP funds will be utilized by the City of _____ in accordance with DEED approved policies for the use of program income.

C. Data Privacy

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the housing rehabilitation program about you and your household is considered private data.

Private data will only be used when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Auditors who perform required audits of this program.
- Authorized personnel from the Minnesota Dept. of Employment and Economic Development, the U. S. Dept. of Housing and Urban Development or other local, state and federal agencies providing funding assistance for your loan.
- Those persons who authorized to see it by the applicant.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

Section VIII. SUMMARY OF STAFF AND RESPONSIBILITIES

The City of _____ has contracted with _____ to administer the Project. SCDP funds will be requested through the City of _____. The City of _____ will be responsible for the submission of Post Closeout Program Income reports and will consult with _____ if necessary in order to complete the reports.

A. Project Director

The project director is responsible for coordinating all program activities and tasks. The project director coordinates payments of bills with the City. The project director also prepares and submits all required reports including the annual progress reports required by DEED. Clearance of any and all grant conditions, compliance with federal and state regulations and record keeping are also the responsibilities of the project director.

B. Housing Inspector

The housing inspector is responsible for implementing the rehabilitation activities including inspections and work write-ups, securing competitive bids, bid awards, overseeing the actual rehabilitation activities and inspections for payment.

Section VIII. APPLICATION APPROVAL/APPEALS PROCESS

A. Application Approval Process

All applications for assistance must be approved provided all eligibility criteria are met and resources are available. Applications are approved based upon the type of improvements and cost of rehabilitation being requested for the project.

B. Complaints and Disputes

Any person with a complaint concerning their project eligibility, terms of assistance or actual rehabilitation work will first take the complaint to the Project Director. Complaints shall be submitted in writing and shall be addressed to the Project Director. All complaints will receive a written response within thirty (30) days stating action taken regarding complaint.

If further action is required to resolve complaint, an appeal may be made in writing to the _____ City Administrator, as final resolution rests with the City.

C. Amendments

These policies may be amended from time to time by the _____ City Council.

Section IX. AFTER THE LOAN

A. Reverse Mortgages – SCDP loan agreements must be repaid if homeowner takes out a reverse mortgage on the property.

B. Subordination – During the life of the SCDP loan, **recipients** may refinance to secure a lower interest rate on a mortgage, not exceeding a loan to value determined by local policy. SCDP grant recipients may use the cash equity to rehabilitate the property. Cash equity for all

other uses are not allowed unless the SCDP loan is repaid in full. An exception may be granted based on special circumstances with prior approval from DEED. DEED does not process subordinations. Subordinations are to be reviewed and processed by each respective grantee.

Section XII. OUTLINE OF HOUSING REHABILITATION PROCESS

1. Interact With Interested Homeowner

- A. Fill out application for assistance.
- B. Discuss data privacy, get Privacy Warning release signed.
- C. Discuss lead based paint poisoning notification (Renovate Right Brochure).
- D. Discuss fair housing pamphlet.
- E. Obtain authorization to take pictures of house.
- F. Secure conflict-screening form. If conflict, need to secure exception from the SCDP.
- G. If contract for deed, obtain consent from contract holder.
- H. Get authorization signed by homeowner to verify income, assets and credit (latter if applicable for other leverage programs).
- I. Secure homeowner signatures on “What Can a Homeowner Expect,” the “Homeowner Responsibilities,” and “Walk Away Policy” forms.

2. Verification of Eligibility

- A. Verify income with employer or other documentation.
- B. Verify interest earned or other income.
- C. Check assets at the bank.
- D. Verify that home is not a single-wide mobile home.
- E. Recorder’s Office- verify title and check for liens.
- F. Review Treasurer’s Office- verify that current taxes are paid.
- G. Review Auditor’s Office- verify that all back taxes are paid.
- H. Clearance with State Historical Preservation Officer and home not in 100 year flood plain.
- I. Verify home in city limits or target area (if applicable).
- J. Verify home not a duplex (eligible under SCDP rental rehabilitation)

3. Inspection, Bids, Loan, Authority to Start

- A. Inspector determines project to be feasible or not feasible.
- B. Inspector determines that property is compliant with local nuisance standards (junk, weeds, etc.)
- C. Homeowner notified of lead risk assessment.
- D. Risk assessment for lead hazards completed. Summary Notice completed, copy provided to homeowner and signed copy in file.
- E. Inspection completed and detailed specification prepared.
- F. Homeowner notified of eligibility or ineligibility, and if eligible the terms of assistance to be provided.
- G. Homeowner approves specifications.
- H. Homeowner chooses contractors to bid on the rehabilitation project, two if low contractor supply in area.
- I. Bid package is provided to the selected contractors. If any of the contractors are not interested in bidding, the homeowner may select a replacement.
- J. Bids opened at pre-selected date. Homeowner chooses contractor to undertake the project. SCDP program funds their percentage of the lowest bid received.
- K. Applicants and projects must be determined as eligible before a commitment of SCDP funds is made.

- L. Homeowner is notified about approval of the scope of work associated with their project.
- M. If required, homeowner deposits “other” financing into rehabilitation escrow account.
- N. Homeowner signs repayment agreement as security for the city.
- O. Homeowner is presented with Right of Rescission form.
- P. Relocation Screening Sheet for Occupant Protection With Lead Hazard Reduction Activities completed and placed in file.
- Q. Notice to Proceed is issued to the contractor.

4. Rehabilitation Project

- A. Project change orders processed, if necessary.
- B. Mortgage amount filled in and is filed with County Recorder.
- C. Partial payments made if required after inspections are completed.
- D. Project completion certificate signed by contractor, homeowner, and Program staff representative.
- E. Lead Clearance completed.
- F. Lien Waivers obtained from contractor, subcontractors, and material suppliers.
- G. Final payment is made after lien waivers and Lead Clearance received.

5. Rehabilitation Project File Maintained

- A. A rehabilitation project file will be maintained on each application for funding, and will include all the appropriate photos, documentation and forms relating to the project.