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CHAPTER ONE: BASIC PROGRAM DESIGN

The Georgia Community Development Block Grant Program is a program designed to assist local communities in their efforts to serve the needs of the low – to moderate – income (LMI) citizens within their jurisdiction. These grants are limited in scope to the housing, safety, and health circumstances of this population. Broadly speaking, there are two elements of the CDBG grant: housing and infrastructure. Either element can be addressed individually (a "single activity") or in combination (a multi-activity"). Both activities have limiting criteria as to LMI demographics in order to be eligible.

As the name implies, the Community Development Block Grant program was developed as a tool to be used in the revitalization of the community at large. The grant is intended to serve as a tool for the reestablishment and reinvigoration of once vital communities and neighborhoods that, through age, neglect, or demographics, have fallen into a state of disrepair and disorder. To the local governing body, it will provide resources in their attempt to restore both the character and structure of the community and, in doing so, to provide a better quality living environment for its residents.

Eligible and Ineligible CDBG Activities

National Objective—Low-and Moderate-Income Benefit
Activities eligible under the State of Georgia's CDBG program are those eligible under the Housing and Community Development Act, as amended. An excerpt from this Act that lists eligible activities is contained in Appendix A of this manual.

Eligible activities:

Acquisition of Real Property in whole or in part by purchase, long-term lease, donation or otherwise by the applicant, another public agency, a non-profit, and/or private individuals and for profits for the purpose of carrying out housing rehabilitation, economic development activities, public facilities, or other eligible activities.

Disposition or costs incidental to disposing of property acquired with CDBG funds. Examples of eligible costs include appraisal, survey, marketing, legal, financial, transfer taxes, etc.

Public Facilities and Improvements, including the acquisition, construction, reconstruction, rehabilitation and/or installation are considered eligible activities. This activity includes, but is not limited to, water and sewer facilities, flood and drainage improvements, parking, streets, curbs, gutters, sidewalks, parks and playgrounds. Other activities may include the development of shelters for homeless, elderly, mentally ill, abused and impaired persons. Public facility activities may also include the development of medical, community, senior and handicapped centers, or centers for literacy training.

Clearance costs within a "targeted area" generally include the demolition and removal of structures and other items (mobile homes, dilapidated houses, junk cars, etc.) to appropriate sites.

Interim assistance to a deteriorating "target area" may include activities which are low budget and otherwise ineligible such as pothole, lighting, fencing, sidewalk, street repair, etc. Interim assistance may also include special refuse collection, trimming and removal of trees and overgrowth, etc. Assistance under this activity is generally associated with a redevelopment project.

Relocation or temporary relocation of families and individuals, businesses or other organizations are eligible activities. Relocation may be required by Federal law and regulation (the Uniform Relocation and Real Properties Acquisition Act of 1970, and pursuant regulations), or it may be "optional" and subject to local policy approved by DCA based upon need. Temporary relocation activities associated with housing rehabilitation (including lead-based paint hazard control) or reconstruction should be budgeted within the appropriate activity line item (rehabilitation or reconstruction) on Forms DCA-7 and 8, not on the relocation budget line. Only permanent relocation activities should be included in the relocation line items on Forms DCA-7 and 8.

Housing Rehabilitation will utilize CDBG funds to finance the rehabilitation of public or private residential property, including the conversion of non-residential properties (in downtown commercial districts, etc.) for housing. Rehabilitation of housing units built prior to 1978 must provide for compliance with lead based paint hazard control regulations (24 CFR Part 35).

Residential Housing is defined as any structure that meets certain locally established criteria as a residential structure containing one or more bedrooms and a minimum of one bathroom. Each structure shall have a (minimum one) separate exterior entrance for such unit. Structures are further classified as

1. Stick Built Unit: units that are assembled on-site using traditional building materials that meet or exceed all applicable State and local building codes and erected on a slab or permanent foundation.
2. Modular Unit; A unit that is constructed off-site in pieces (modules) using traditional building materials that meet or exceed all applicable State and local building codes, then transported to the building site where the modules are joined to form a complete housing unit on a slab or foundation.
3. Mobile Home Unit (MHU): A manufactured home (also known as a mobile home) that is built to the Maunfactured Home Construction and Safety Satandards (HUD Code) and displays a red certificationlable on the exterior of each transportable section. Manufactured are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis

Maximum Residential Rehabilitation Deferred Payment Loans (DPL) limits are established as not to exceed $7,000 for MHU units. A Product Devivery Cost (PDC) will be allowed for MHU rehabilitation as follows: for MHU situated on property not owned by the owner of the MHU unit, PDC will be allowed at $750; for MHU situated on property owned by owner of the MHU, PDC will be allowed at $1,000.

Reconstruction of housing provided that it is (a) owner-occupied, and (b) the house proposed for reconstruction is "not feasible" for rehabilitation. The reconstructed unit must be built on the same parcel of land as the unit it replaces. Please consult DCA for detailed guidance if reconstruction is planned.

Down Payment Assistance can be used as a strategy to encourage homeownership. This tool can be used for assistance in providing help with down payment, loan closing and other related costs as well. In keeping with HUD policy “to improve the likelihood of continued affordability,” down payment assistance requirements have been revised to support fixed rate loans. DCA encourages mortgage loans at a fixed rate of interest for the term of the loans for housing secured using CDBG down payment assistance. Community Development and Finance Division policy now requires DCA review of adjustable and/or variable rate mortgages and other flexible mortgage financing plans. Please see the guidance memorandum entitled “Determining Affordability of First Mortgages on Loans with CHIP or CDBG Assistance” published April 12, 2004 and the guidance memorandum entitled. (See Appendix J)

Code Enforcement related to the payment of salaries and overhead costs directly related to activities within a declining "target area.”

Economic Development activities or assistance to "for profit entities," whether during the Annual Competition or through the Economic Development set-aside programs, generally take one of two forms:
Direct loans to businesses/industry
Public infrastructure in support of business/industry.

Project related soft costs including appraisal costs and cost related to reviews under the Programmatic Agreement or required for extraordinary environmental compliance.

Administrative costs necessary to carry out a CDBG project; these costs may include expenses for general management, oversight and coordination. This category refers to the direct costs of overall program management, coordination, monitoring and evaluation. It also includes similar costs associated with carrying out projects with multiple activities. (For example, salaries, related expenses and all other costs directly related to the overall management, oversight and coordination of a project with several activities, such as within a defined concentrated project area should be charged to this category).

Indirect costs. Costs associated with an approved cost allocation plan prepared in accordance with OMB Circular A-87 "Cost Principles Applicable to Grants and Contracts and State and Local Governments."

Citizen Participation. Costs related to citizen participation in the planning, implementation and assessment of the program, including, but not limited to, the costs of providing program information to the public, providing technical assistance to citizens and citizen organizations, publishing notices, and holding hearings.

Reasonable costs of environmental studies (including historic preservation clearances, project specific environmental assessments, and clearances for eligible activities) necessary to comply with Federal, State and local law, and other eligible administrative costs. (Please consult FMC A-87 for guidance.)

Administrative costs, however, do not include direct costs and other professional services directly related to design and implementation of an engineering or architectural project. These costs should be budgeted as part of each appropriate engineering or architectural line item. Such costs may include the preparation of cost estimates, land surveys, easement plats, pre-design meetings, preliminary construction drawings, permits and interagency approvals, construction drawings, pre-construction conferences, meetings with contractors/recipient staff, bid openings, contractor investigations, contract administration, inspections, training, & as built drawings, etc. Other such eligible administrative costs (generally not related to the design and construction services contract) may include archaeological studies, in-depth historic assessments, archival photographs, legal fees, title work, housing inspections, etc. Please consult DCA staff for budgetary guidance.

Architectural Barriers and ADA

Removal of Architectural Barrier activity includes modifications to existing structures which are necessary to remove material and architectural barriers which restrict the mobility and accessibility of the elderly and handicapped to publicly or privately owned buildings, facilities and improvements.

Ineligible Activities

Generally speaking, activities are ineligible if they do not meet HUD's National Objectives.

Examples of ineligible activities:
Acquisition of furnishings, movable equipment, machinery, and land write-downs

Operating and maintenance expenses

Construction of buildings for the general conduct of government

Purchase of construction equipment

Cost of furnishing and personal property associated with new construction

Constructing new housing, creating a "secondary housing unit" (an in-law suite, etc.) attached to a primary unit; installing luxury items such as upgraded appliances, spas, pools, etc.; the cost of non-built-in equipment and furnishings (stoves and refrigerators are exceptions); and labor costs for homeowners themselves to rehabilitate their own property.

An exception to the new construction prohibition may be granted whenever: 1) No comparable local resources exist and the community can demonstrate eligibility under "Last Resort" as defined under 49 CFR Part 24.404; or (2) a local government provides funding to a community based housing development organization meeting the criteria outlined in HUD 24 CFR 570.204. DCA reserves the right to require additional market data and other development information prior to funding any new housing construction activities.

Any form of direct grant assistance to a business or industry (for-profit entity) is ineligible.

Definition of Low- and Moderate- Income

CDBG regulations specify the maximum income of program beneficiaries as summarized below:

A low- and moderate-income (L/M income) person is defined as a member of a household having an income equal to or less than the Section 8 Housing Assistance Program low income limit established by the U.S. Department of Housing and Urban Development (HUD).

A household includes, but is not limited to: a person who lives alone or intends to live alone, or two or more persons sharing residency whose income and resources are available to meet the household's needs and who are either related by blood, marriage, or operation of law, or who have a stable family relationship.

The Section 8 income guidelines are available for each county and are based on 80 percent of the county's median income or 80 percent of the statewide non-metropolitan median income, whichever is greater, with adjustments for family size. They are published each spring and are distributed by HUD and DCA. Refer to Appendix B for the most recently calculated income limits.

Family income is defined as follows: "the anticipated gross income from all sources (except those specifically excluded by HUD) received by all family members 18 years of age and older, including those who are temporarily absent from the unit.

Each CDBG activity must meet minimum threshold requirements for low- and moderate-income benefits. For example, all housing activities must benefit a minimum of 70% Low- and Moderate-Income persons within the target area. But note that all funds for direct benefit housing activities such as rehabilitation, reconstruction and buyer assistance must benefit 100% low- and moderate-income persons to remain competitive.

Public Facilities: 70% Benefit to Low- and Moderate- Income Persons

Economic Development: 51% Benefit to Low- and Moderate- Income Persons

Instructions for determining low- and moderate-income benefit are located in Part III of this manual. (Instructions for Form DCA-6.) A sample low- and moderate-income survey is included in Appendix C. Applicants are reminded to include a complete description of the method used to determine benefit. Neighborhood surveys are the most reliable method for area benefit projects. Please refer to DCA's "Acceptable Survey Methodology" (Appendix C) publication for assistance in designing and implementing a sample survey.

In the case of buildings serving low/moderate income persons, do not "double count" clients. DCA is interested in the total number of people using the facility - not the number of visits to the facility. DCA counts the unduplicated number of beneficiaries over a year's time.

Each activity listed in this section is eligible only to the extent to which it addresses the needs described in Form DCA-4 and benefits at least 70% (at least 51% for economic development and 100% for direct housing) low and moderate-income persons. This determination must be satisfactorily demonstrated on Form DCA-6. Failure to adequately demonstrate low- and moderate-income benefit may lead to application denial.

Loans and Grants

There are many financing techniques presently being administered under CDBG. Program policies must be explicit in eligibility and applicability for each financing technique being used in the in the program. The following are the most common being administered in the State of Georgia.

Note Regarding Loans: DCA has implemented policy regarding use of Adjustable Rate Mortgage loans. Use of fixed rate loans is recommended and strongly encouraged to insure continued affordability for the property owner. In certain circumstances, however, on a case by case basis DCA will consider the use of an ARM product. If a local government chooses to pursue this type loan for a qualified household, prior permission must be obtained from DCA before such an activity. Please consult DCA for guidance on this process.

Owner Occupied Loans and Grants

Direct Grant - A direct grant is awarded by the community with no lien placed against the property or a monetary liability incurred by the owner/occupant. Direct Grants normally address the elderly, handicapped and/or the very low income sector of your target areas. Direct Grants should be used only for "Minimum Property Standard" violations--not "General Property Improvements." Since "grants" are traditionally intended for extreme hardship cases to avoid displacement of homeowners who have no other means of financing repairs and improvements which must be made to their homes, Direct Grants normally are not made to homeowners who have any financial resources or loan affordability to meet minimum property standards.

Back End Mortgage- A "Back-End Mortgage" is a loan from the community to the property owner that will be repaid in its entirety upon sale or transfer of property within a specified time in the future. This option is usually used for owners in circumstances described in the above section but may be a better alternative as there is potential for the funds to be recaptured at a later date.

Leverage Loan - A direct loan from a federally insured private lender. The private lender is the mortgagee. The community will provide an interest or principal subsidy to the lender as an inducement to approve a loan applicant with limited income. The main purpose for subsidizing private loans is to reduce the monthly payments to an amount which "Low and Moderate" income owners can afford. This can be done by subsidizing the interest rate or buying down the principal amount of the loan (principle reduction payment) and extending the length of the mortgage term to the greatest extent feasible. Should the community decide to pay the interest or principal subsidy "up front" (at loan settlement), the lender should agree to rebate the unearned portion of interest subsidy at the time of prepayment. For the prepaid interest subsidy technique to be effective, it is essential that the "time value of money" factor be applied to the amount of interest subsidy. See the Proposed Leverage Loan Agreement (Exhibit "E") for an example in computing interest subsidy. Some of the advantages of using the "Leverage" Loan as the primary source of financing are as follows:

The community can maximize their rehabilitation funding and thereby increase the number of units produced. The funding of Direct Loans, Grants and Deferred Payment Loans require 100% of the CDBG cost of rehabilitation, whereas the "Leverage" Loan is used as a percentage of the cost. The leverage effect will increase the number of properties rehabilitated and consequently maximize impact in the project area(s).
There is no recourse to the community should a loan default. The private lender is entirely responsible for the collection of the loan. Should the loan become delinquent and foreclosure is necessary, the community will not be held accountable or liable for its collection.
The local lending market will not perceive that the community is in competition with them. The "Leverage" Loan may be used as a first or second mortgage, but in either case the yield to the lender should not exceed the current market rate of either mortgage. The "Leverage" Loan will address the "Low and Moderate" income sector of owner-occupied applicants. It also provides equitable financing for investors (rental property owners).

Deferred Payment Loan (DPL) - A zero interest mortgaged loan from the community to owner-occupants for a specified period of time. It may be conditional in the respect that the loan will graduate into a grant as it matures. The pay back will be commensurate with the remaining term of the loan. No payments shall be required from the property owner as long as the property remains his or her primary legal residence. During the term of the loan, if the property is transferred by sale or if the owner ceases to occupy the property as his or her primary legal residence, repayment will be due and payable immediately.

For example, on a $10,000 5-year loan, computed on the unexpired term of the loan period, the following repayment schedule would apply:

From Date of Mortgage	Balance due from Owner
Within Year 1	$10,000
End of Year 1	8,000
End of Year 2	6,000
End of Year 3	4,000
End of Year 4	2,000
End of Year 5	0

See Exhibit K for a sample Repayment Agreement/Deed to Secure Debt. A flexible financial assistance plan will use the Deferred Payment Loan (DPL) in conjunction with the Leverage Loan for those "Low and Moderate" income property owners whose existing Leverage Loan application does not meet the required underwriting policies of the private lender. The amount of the DPL is determined by the financing amount required in excess of the approved Leverage loan amount as per the lender's underwriting policies and/or any other approved outside financing. The example below is offered for your assistance in determining the required loan amount.

EXAMPLE: Required Rehabilitation Costs = $16,000

Financed by: Approved USDA #504 +5,000
Approved Leverage Loan +7,000

Difference in Rehabilitation Costs: $ 4,000
Amount of DPL: $ 4,000

The basic intent is to sufficiently reduce the amount of required rehabilitation costs by the actual amount of leverage loan approved by the lender and/or other financial resource(s) with the balance being financed by CDBG funds in the form of a DPL subordinate to the leverage loan.

Proceeds of the DPL normally address 1) minimum property standard violations 2) other loan related costs incurred subsequent to loan settlement.

Normally, in the case of death of the owner, the legal instrument will allow for the unexpired term of the loan to be assumed by a "low / moderate" income household. In the event of the death, the legal heir may use the property as primary residence. However, if the unit becomes a rental unit, the community must monitor the property to ensure that 1) the tenants are low / moderate income and 2) the rent charged is “affordable” as per local policies (which must be made available to the general public); and, 3) a Rent Regulatory Agreement must be agreed to by the owner and tenant. (See Exhibit J for a sample Rent Regulatory Agreement.)

Direct Loan - A low interest direct loan from the community. Normally, the loan is secured by a mortgage against the property to be rehabilitated. The city is the mortgagee and a reputable lender or agency usually services the loan. It is recommended that the Direct Loan be utilized as a last resort in financing, should the combination of other techniques be insufficient to meet the required rehabilitation

Conditional Investor Deferred Payment Loan (C.I.D.P.L.) - A mortgaged loan from the community to rental property owners to rehabilitate substandard properties. Unlike the Deferred Payment Loan for owner-occupants, the total amount of the C.I.D.P.L. will become due and payable should default occur any time during the term of the loan. There is no rebate applied to the payoff of the loan for the expired loan term. Conditions of default also include a violation of the terms and conditions of the Rent Regulatory Agreement. C.I.D.P.L. funds are usually used in three different ways or a combination thereof: an interest or principal subsidy of a Leverage Loan. Since affordability is normally not a primary factor for approval, the subsidy is based on the property producing sufficient income to exceed the debt service; or,
a cash incentive to participate in the program. To be effective this type of subsidy should not exceed 10% of the rehabilitation cost or $2,000, whichever is less. These funds must solely address rehabilitation costs, and should be used in conjunction with the "Leverage" Loan as an added inducement to participate in the program; or,
a matching Deferred Payment Loan to the investor. As a rule, CDBG funds should not exceed fifty percent (50%) of the rehabilitation costs. The investor's match can be either a private loan from a lender or cash injection escrowed at loan settlement;

The total amount of the C.I.D.P.L. should be the sum of all CDBG subsidies provided, with default terms contingent upon compliance to the conditions of the Rent Regulatory Agreement.

Emergency Assistance Grant - A direct grant from the community to the owner/occupant of a unit who has no other means of financing the repairs necessary to make the dwelling "habitable". Existing conditions of the property must be an extreme hazard to the occupant's health and safety. Units addressed by this type of grant should not be counted as "completed rehabilitation" for reporting purposes because the structure will not comply with the program's minimum

property standards. Temporary relocation may become necessary until repairs are complete. Caution should be taken in the public awareness of this type of grant as the citizenry may perceive this form of assistance to be the primary objective of your program; whereas the program's minimum property standards should prevail. Prior DCA approval is required on a case-by-case basis before any CDBG monies are expended for Emergency Assistance Grants.

Other Financing Resources - Communities should always be seeking other program sources of rehabilitation financing to supplement their CDBG assistance. The following programs are worthy of consideration:

Type	Contact Agency
USDA Loan #502 and #504 Home Repair #533 Housing Preservation Grant #515 Rental Housing Repair (62 and older, Disabled)	USDA County Office
Weatherization	Community Action Agency
FHA Title I Home Improvement	Local Lenders and HUD Office
Community Services Block Grant	County Government
Rental Rehabilitation	Georgia Housing Finance Authority
Foundation Grants	Private Foundations and Corporations
Hazard Mitigation Grant Program	Georgia Emergency Management Agency
HOME Program (including CHIP)	Georgia Department of Community Affairs

Absentee Owners and Rental Rehabilitation

In no case should CDBG funds be used as a Direct Grant to finance rental rehabilitation. In all cases, a Deferred Payment Loan mortgage will be recorded for the total amount of CDBG subsidy(s) provided. DCA rental rehabilitation policy anticipates each community to execute a written Rent Regulatory Agreement with the Owner specifying certain terms and conditions as given in Exhibit "J".

If assisted rehabilitation raises the rent/utilities of a "Low/Moderate income dwelling unit" (unit's rent/utilities do not exceed "FMR") to a level of rent/utilities that is above "Fair Market Rent" limits, the Community must replace the unit within 3 years of rehab. Replacement dwellings may include additional new/rehabilitated public housing or existing housing to receive Section 8 project-based assistance, or a vacant (3 months) substandard dwelling rehabilitated to standard conditions, with the new rent/utilities within "Fair Market Rent" limits. Also, displaced persons will be entitled to Relocation benefits under the Housing Community Development Act (Section 104d) or the Uniform Relocation Act. Current "Fair Market Rent" tables may be obtained from DCA.

Should a CDBG rehabilitated unit be converted from a "Low/Moderate income dwelling unit," or if the occupants are "economically" or permanently and involuntarily "displaced" as a result of the CDBG Rehabilitation "project", please refer to HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition. Compliance with the proposed Rent Regulatory Agreement (Exhibit "J") will prevent conversion.

It is important to remember that every Rent Regulatory Agreement developed is a local policy decision and as such should be approved by your local attorney. After local counsel's review, and prior to the community conducting rental rehabilitation, DCA requests that the agreement be submitted for final approval.

Timely Notices to Tenants

1. General Information Notice at Time of Application. As soon as feasible after the community's CDBG Grant Award the community shall issue a general information notice to the occupants of the property, or ensure that the owner issues such a notice. (See Form 16 entitled Preliminary Non-Displacement Notice).

2. Notice at Time of Approval of Application. Promptly after the approval of the Owner's application and his concurrence to the terms of the Rent Regulatory Agreement, the community shall issue to the occupants residing in the property a Final Notice of Non-displacement (See Form 17). This notice shall explain the reasonable terms and conditions under which the tenant may be temporarily relocated and/or lease and occupy the real property upon completion of the rehabilitation and, if applicable, the steps to be taken to obtain Section 8 assistance. NOTE: If this notice is not provided on a timely basis, the tenant may move and qualify as a "displaced person,"

Both notices require evidence of receipt.

Developing the Program Policies and Procedures Statement

A written public statement on the program's policies is a management tool that will protect the community from allegations of fraud and mismanagement. Due to the variance of community social-economic/demographic environments and comprehensive housing strategies, the subject matter may differ; however, the basic structure of the statement should be uniform and meet current DCA's standard. The resolution of the government, approving the Policies and Procedures as dictated by the terms and conditions of the award, must be kept on-site by the awarded recipient and made available to the public during normal business hours.

The preparation of the Program Policies statement is a major undertaking and should be given serious attention. The size of the statement will vary among the communities however, voluminous detail is not appropriate in a clear and concise "statement".

Listed below is an outline of the essential topics that should be addressed in the Program Policies and Procedure Statement.

Introduction
Basic program goals and objectives
Identification of Project Area
Source(s) of funding
Job descriptions of staff (optional)
Financial Plan
CDBG financing technique(s) definitions: eligibility and applicability
Other financial resources
Income adjustments to financing technique eligibility (optional)

Applicant Eligibility
Definition of "gross household income" (see "Verifying Income" - Chapter 3;)
"Low and Moderate" income tables (current year limits)
Owner-occupied and/or rental property owners (see "Verifying Ownership" - Chapter 3.)
Appeal procedure
Priority(s) in processing and funding (see "Taking the Application" - Chapter 3)

Rehabilitation Feasibility Test (See Exhibit "I" for Sample)
Economic
Structural

Contractors Qualifications including requirement for State License
Application procedure

Debarment conditions
Other terms and conditions (see "Securing General Contractors" - Chapter 2.)

Public Awareness
Citizens Advisory Committee
Neighborhood meetings
Fair Housing statement

Arbitration
Ad-Hoc Committee selection
Procedure and rules

Applicants/Contractors Terms and Conditions (This section may be referenced by exhibits)
Equal Opportunity Provisions
Federal/State requirements
Lead-based paint testing and requirements
Conflict of interest
Construction Contract and bid document specifications
Rent Regulatory Agreement
Financial Legal Instruments (Repayment Agreement, Promissory Note, Deed to Secure Debt, etc.)

Project Contingency (Optional)
Limitations (project and/or individual case)
Nature of work

Emergency Rehabilitation (optional)
Limitations
Eligibility (existing conditions)
DCA approval required

Bidding Policy
Open, free competitive bidding
Negotiation
Selection of Contractor
Limitation of contracts in progress
"Reasonableness" of bid
Withdrawal of bid policy

Temporary Relocation (See “Temporary Relocation” in Writing the Financial Assistance Plan)
Applicability - all occupants that will have to be temporarily relocated as a direct result of rehab, lead hazard control or reconstruction
Eligible expenses:
Moving costs to and from temporary unit
Temporary Storage
Increased housing costs
Other conditions
Policy Statement, i.e.; Relocated household will be reimbursed for all "out of pocket" reasonable costs, and offered assistance in writing prior to relocation
Certification (see form 19 –Temporary Relocation Notice and Certification)
Description and availability of Minimum Property Standards (See “Minimum Property Standards” below).
Definitions (Mandatory for CDBG Rehab)

Standard Condition: The structural/mechanical conditions of a dwelling unit comply with the State of Georgia housing code and/or, at a minimum, the Housing Quality Standards of the Section 8 Housing Assistance Payments Programs.
Substandard Condition Suitable for Rehabilitation:

The structural/mechanical conditions of a dwelling unit do not comply with the State of Georgia housing code or, at a minimum, the Housing Quality Standards of the Section 8 Housing Assistance Payments Program. However, the dwelling unit is determined to be "structurally and financially feasible for rehabilitation" according to the Rehab Feasibility Test.

Dilapidated: A substandard dwelling unit that does not meet the "Structural and/or Financial Feasibility" criteria of the Rehabilitation Feasibility Test.

Current "Fair Market Rent" (Section 8) Limits (Mandatory for CDBG Rental Rehab)

Methodology for utility costs (Mandatory for CDBG Rental Rehab)

Direct loan underwriting criteria (Mandatory, if applicable)

Method for amending policies

The Program Policies Statement must have evidence that the governing authority has officially adopted the document. The statement must also indicate the method by which it can be revised.

Submission of Policy and Procedures Statement

The Department will henceforth require the following procedure:

1. Following the award of a Single Activity housing grant or Multi – Activity grant involving a housing component, no housing activity may be undertaken until a draft copy of the Policies and Procedures (P/P) have been submitted to DCA for review and approval.
2. The recipient community will then be notified of the P/P approval or provided recommendations for the modification of the document. Upon approval by DCA, the Recipient will formally adopt the P/P and incorporate them into the appropriate local CDBG file.
3. Administrative and housing activity draws will generally not be permitted until the P/P have been reviewed and approved by DCA.
4. Submission of the P/P statement, as described above, will henceforth be made part of the Special Conditions of all Housing and Multi-Activity awards.
5. The submission of the P/P statement must be made to the Department within 120 days of the grant award date. Failure to comply may result in the delay, forfeiture, or de-obligation of the awarded funds.

Addressing Minimum Property Standards and Building Codes

In order to truly "localize" a CDBG housing rehabilitation program, DCA has refrained from imposing a uniform code of property standards. It is recognized that local officials are more aware of the community's housing conditions and needs than anyone else. Consequently, they can realistically establish property standards that will be practical to administer and tailored to their specific needs. Minimum Property Standards are not to be confused with Standard Building Codes adopted by the State of Georgia (addressed below).

While it is important that the community rehabilitate the number of units stated in the application, quality in the construction is essential for the program to impact favorably in the target area. Quality rehabilitation, initially achieved, will cause a "snowball" effect in the neighborhood and quantity will eventually become evident.

If the program cannot qualify a property to meet the standards because of excessive costs, the property should not be rehabilitated. (See "Reconstruction" below as a possible alternative). In no case should the Rehabilitation Advisor compromise the program's minimum property standards by omission of required work items or applying a double standard. Consequently, a thorough and accurate survey should be conducted in the target area with particular attention to the existing condition of housing prior to the community selecting the appropriate housing activity(s) in the program application. Communities are now required to use the Rehabilitation Feasibility Test Form (Exhibit "I") for this reason.

The importance of the Rehabilitation Advisor being thoroughly familiar with the program's minimum property standards and the state's adopted Standard Building Codes cannot be overstated. One cannot prepare a work write-up without knowing what work is eligible in the program, or determine if a property is going to be feasible for rehabilitation according to program policies. The best way for a Rehabilitation Advisor to become familiar with the standards is to participate in the selection of the appropriate standards for the project area with the assistance of the local building inspector and the local historic preservation planner.

In order to assist communities in the selection of appropriate minimum property standards for their CDBG rehabilitation program, DCA recommends use of model codes and standards being used in Georgia.

These codes and standards are intended to assist Georgia communities by serving the following purpose:

A. To present to local governments and regional development centers that plan to administer a Community Development Block Grant (CDBG) Housing Program a definition and description of applicable codes and standards that can be adopted as the minimum property standards for the program.

B. To suggest that communities, who are currently administering a CDBG housing program, analyze and assess their existing program standards by identifying problems and constraints which can be corrected by modifying and amending their standards for future programs.

C. To present a method for communities to easily review the applicable codes and standards and adopt the items indexed that will be appropriate for the program.

D. To assure compliance to the Georgia State Energy Code and Historic Preservation standards.

E. To provide a sound economic and regulatory basis for energy-efficient housing rehabilitation.

The following codes and standards are mandatory* by Georgia law and are applicable to all construction.

International Building Code (Standard Building Code)

CABO One and Two Family Dwelling Code

National Electric Code

Standard Gas Code

Standard Mechanical Code

Georgia State Energy Code

Standard Fire Prevention Code

Standard Plumbing Code

HUD lead-based paint requirements (24 CFR Part 35) compliance mandatory for all programs using CDBG, HOME USDA or other Federal funding.

*These mandatory codes are applicable in units undergoing rehabilitation only to the extent that the proposed rehabilitation work shall replace or modify existing components covered by the code. For example if electrical work is required in a unit, that work must meet all provisions of the electric code. However if the electrical system in the unit is safe and no electrical work is proposed, the program is not required to bring the unit electrical system "up to code".

The following codes and standards are permissive and may be adopted by the local government:

HUD Section 8 - 882.109 Housing Quality Standards

United States Secretary of Interior's Standards for Housing Rehabilitation.

Standard Housing Code

Standard Existing Buildings Code

Standard Unsafe Building Abatement Code

Writing the Financial Assistance Plan

The key factor in developing loan and grant programs under the CDBG program is the development of a will thought-out Financial Plan and a key part of the plan is FLEXIBILITY. A variety of financing techniques and resources will allow the community to assist more property owners by combining CDBG funds with other resources to accomplish the program goals and affordability. A combination of techniques and resources can result in "total" rehabilitation, whereas an exclusive technique could disqualify an application because of its program "ceiling" and income limitation. Without good resource planning, your community inherits the risk producing "partial" rehabilitation (rehab that does not bring property up to prescribed minimum property standards) or, worse, an ineffective and chaotic result.. In short, the community will not have to compromise its standards with a flexible financial assistance plan.

The Financial Plan, (an example is shown in Exhibit "H") is designed to assist the community in determining what is realistic and affordable in financing the rehabilitation of "low and moderate" income housing. In the process of developing this plan, the following factors should be considered:

1. The amount of funds appropriated for housing rehabilitation from the CDBG grant.
2. The number of owner-occupied and rental properties in the community's target area(s) that are suitable for rehabilitation (derived from the housing survey-Exhibit G).
3. The minimum property standards that the community desires to achieve.
4. The availability of other financial resources.
5. Each family's "ability to pay" based on the estimate of "gross household income" of all eligible units in the target area(s); derived from housing survey. (Exhibit "G")
6. Total proposed cost of rehab (CDBG plus Other funds) per unit.
7. Additional budget for Lead Hazard Control for all units built prior to 1978 (use 25% of total rehab cost estimate per unit to derive this budget item).

An appropriate housing survey it will be necessary to compose a financial assistance plan to meet the program's goals and objectives. (See “A Word on Survey Methodology” later in this section).

Temporary Relocation

NOTE: Provision of Temporary Relocation benefits is NOT mandatory for OWNER occupied units undergoing rehabilitation or reconstruction. Should the community CHOOSE to provide this service; OR if the rehabilitation of an investor owned unit will result in the need for temporary tenant relocation (provision of temporary relocation benefits for tenants is mandatory under URA), the following shall apply:
When necessary or appropriate, an occupant who will not be required to move permanently may be required to relocate temporarily for the project (i.e. Substantial Rehabilitation, Reconstruction, Lead-based paint hazard control or Emergency Rehabilitation). All conditions of temporary relocation must be reasonable. At a minimum, the occupant shall be provided:

Reimbursement for all reasonable "out-of-pocket" expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs at such housing.

Appropriate advisory services, including reasonable advance written notice (see Form 19) for:
the date and approximate duration of the temporary relocation;

the address of the suitable, decent, safe, lead-safe, and sanitary dwelling to be made available for the temporary period;
the terms and conditions under which the tenant may lease and occupy a suitable decent, safe and sanitary dwelling in the building/ complex upon completion of the project; and
the provisions of (1) above.

The occupant(s) shall be reimbursed for actual reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if:

1. The "Low and Moderate" Income occupant must relocate temporarily because continued occupancy of the dwelling unit constitutes an immediate danger to the health or safety of the person or the public (i.e. Emergency Rehabilitation); or

2. Lead-based paint hazard control work can generate hazardous dust and debris. If the housing unit is occupied prior to commencing lead hazard control work, the occupants must be temporarily relocated until the work is finished and final clearance is achieved; or

3. Reconstruction is undertaken on the owner-occupied unit; or

4. During the course of normal rehabilitation, it becomes necessary to temporarily incapacitate an essential system (i.e., plumbing, electrical or heating) in excess of 24 hours.

NOTE: If the occupant is not reimbursed for all eligible and reasonable "out of pocket" expenses incurred for temporary relocation, the community may be responsible for paying relocation benefits under the Uniform Relocation Act and/or the Housing and Community Development Act (Section 104d.). Consequently, the community should request a written statement (see Form 19) from every Head of Household that is temporarily relocated stating the eligible expenses reimbursed by the community or paid directly to the services, and certification that after he or she re-occupied the unit there were no outstanding debts related to the temporary relocation nor did he or she have to pay any expenses "out of pocket."
The community should file all invoices from the services provided.

Circumstances for the Reconstruction of a Housing Unit

CDBG funds may be used to "reconstruct" housing that is owned and occupied by "Low and Moderate" income households and will be located on the same property as the original structure. There are two situations when reconstruction can be approved - Planning and Rehabilitation.

Planning: After completing the housing survey, planners may choose to reconstruct certain houses that were determined not "structurally feasible" for rehabilitation (see Exhibit "I") in lieu of acquisition and relocation activities provided all the following conditions are met:

1. Unit is "unsuitable for rehabilitation" as indicated in the "structural feasibility" test and Reconstruction is more cost effective than Acquisition/Relocation in the "Economic Feasibility" test.

2. The estimated cost of reconstruction (constructing a comparable replacement house on the same property) will be substantially less than the estimated cost to purchase a comparable house (including land) that would be newly constructed in a comparable neighborhood within the community's jurisdiction.

The estimated cost of reconstruction will be less than the fair market value of the property (dwelling and land) after reconstruction. This is determined by obtaining an appraisal prior to reconstruction on the projected value of the property including the reconstructed house and land. Note: Rehab Feasibility Test form (Exhibit "I") must be submitted to DCA for prior approval of each unit.

During Rehabilitation: After a housing rehabilitation Construction Contract has been awarded and work has commenced, the Contractor and/or the Rehabilitation Advisor may discover additional work necessary to bring the property in compliance with the program property standards (such as replacing hidden rotten joists and sills or structural termite damage). If the estimated costs for the change order (when added to the current contract amount) will exceed the economic feasibility for (approved) replacement housing (see Exhibit "I") and the condition of the house does not meet the "structural" feasibility test the community may decide "reconstruction" would be the most cost effective action to undertake. At this point, issue a stop order to the contractor and contact DCA for approval. If approved, it is important to note that the current Construction

Contract should stay in effect with the same contractor. Non-applicable items should be deleted from the existing Work Write-up and a new Work Write-up for reconstruction all incorporated into a change order. A cost estimate should be prepared and each item negotiated to determine reasonable costs.

Since demolition of existing dwelling is included in the reconstruction work, Section 104(d) one-for-one Replacement Housing is triggered. The reconstructed unit will qualify if the number of bedrooms and living area are comparable. The number of bedrooms should not be increased beyond the number in the original unit, however, the number of bedrooms may be decreased to a minimum of two if the family size and composition so warrant.

Marketing and Public Awareness

Housing rehabilitation, at its best, is a "people" program. If experience is any teacher, marketing the program to the public is as critical to the program's success as the development of an effective financial plan. It is easier for a program to begin on a positive note if the administering agency will take the program to the people in the Project Area(s) and allow them to speak freely about the program and its objectives. If the project is confined within a specified Target Area the best forum for this neighborhood meeting is not necessarily at city hall or the county courthouse, but at a facility such as a church, school, or other public facility located in the target area. In a city/county wide project a centralized location providing equal geographic access should be located.

It would be to the best interest of the local government to select a "civic coordinator" to help promote the program. This individual should reside in the target area and have a reputation of respect among the citizens of the neighborhood. Naturally, this person should be made familiar with the program's policies and procedures and be willing to volunteer his or her services to the advancement of the program.

Caution should be taken in the preparation of the meeting agenda to avoid being sidetracked into unrelated issues. The following agenda is offered for the first neighborhood meeting:

1. Introduction of program staff with brief description of duties.
2. Program goals and objectives
3. Presentation of previous housing rehabilitation programs.
4. Financial plan and applicability
5. Eligibility criterion
6. Program policies
7. Purpose of minimum property standards
8. "Fair Housing" objectives and requirements
9. Question/answer
10. Registration of applicants (pre-application for assistance)

Clear and concise disclosure without minuscule detail will remove a great deal of skepticism on the part of the citizens when it comes time to take applications. Program staff must be very careful not to make commitments to individuals in regard to eligibility at this stage.

A helpful aid to promoting the program has been the use of a small booklet or flyer that addresses:

1. Financing techniques and its applicability in layman terms
2. Staff assistance
3. Program objectives
4. Location and phone number of the office
5. Applicant eligibility and the required documents necessary to make application
6. "Fair Housing" objectives and requirements

As the program progresses, neighborhood meetings should continue in order to maintain a close relationship and an open forum for the people to express their feelings about the program. Some communities prepare and mail newsletters or bulletins on the program's progress. This periodic update tends to create an air of unity and pride among the citizens - all necessary to achieve the program's goals.

A Word on Survey Methodology

Any type of survey that fulfills criteria discussed below can be used to determine whether an area qualifies as low and moderate income. The most commonly used surveys are:

1. telephone surveys
2. door-to-door surveys
3. mail surveys.

For CDBG planning, however, "door-to-door" or an equivalent form of one-on-one survey will usually yield the best results. Door-to door surveys involve a little more work than telephone or mail surveys. The interviewers must actually go outside, knock on doors, and do the "leg work" necessary to obtain interviews. In small areas, this type of survey may be the best because you can define the target area by its geographic boundaries, observe area needs and develop procedures for sampling so that no list of the families in the area is needed beforehand.

Selecting the Sample. In sampling, you are looking at a portion of everyone in a group and making inferences about the whole group. For those inferences to be most accurate, everyone who is in the group should have an equal chance of being included in the sample. For example, if you are sampling from a list, using a random numbers table will provide you with a highly random sample. In using a random numbers table, you take a list of your universe and draw from it according to the table. If, for example, the first three random numbers are 087, 384, and 102, then you would go through your universe list and take the 87th, 384th, and 102nd families to try to interview. Continue until you have achieved the desired sample size.

Local Official Awareness

Decision-making for certain policy matters of the rehabilitation program is in the hands of the local officials. Since the policy matters of this chapter are complex, and the program authority lies in the hands of these officials, it is vitally important that they become aware of the program and its objectives as well as educated as to how it actually functions. Some communities in Georgia have established CDBG committees consisting of elected officials of the city who are appointed to report back to the main body with their recommendations for the program.

It is suggested that the Director arrange for a series of meetings with the committee for the sole purpose of teaching every member the applicability of program policies, including financing techniques, standards, and the staffing requirements.

If the committee is knowledgeable of how the program will function from the beginning, they will be able to make practical decisions on any subsequent issues affecting the program and efficiently respond to their constituents.

COMPLIANCE WITH FEDERAL REGULATIONS REGARDING LEAD-BASED PAINT

The U.S. Department of Housing and Urban Development has published a final rule entitled "Requirements for Notification, Evaluation and Reduction of Lead-based paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance". The regulation is being issued under sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992. Sections 1012 and 1013 of Title X amended the Lead-Based Paint Poisoning Prevention Act of 1971. The regulation appears within title 24 of the Code of Federal Regulations as part 35 (24 CFR 35). This rule, which updates and expands previous rules, directly effects federally assisted housing rehabilitation and Homebuyer Programs.

Rehabilitation of all housing constructed prior to 1978 is subject to these regulations (Subpart J). Additionally, all Home Buyer Programs where purchase of a pre-1978 unit is proposed must comply (Subpart K). Exempt properties are outlined on the following page.

A. Requirements Disclosure:

Distribute EPA “Protect Your Family from Lead in Your Home” pamphlet within 60 days of rehabilitation activity. (It’s a good idea to give out the pamphlet at the time of the application for assistance AND at contract signing).
Disclose results of all testing and risk assessment.
Disclose all planned Lead hazard reduction activities.
Disclose results of all clearance examinations
Written verification of receipt of ALL OF THE ABOVE must be in the case file (See Form 13).

B. Lead Hazard Evaluation:

Conduct visual assessment, paint testing and/or risk assessment, depending on activity.
Presume presence of Lead-Based Paint

C. Lead Hazard Reduction:

Conduct Lead hazard reduction activities including paint stabilization, interim controls, standard treatments, or abatement depending on the activity type.
Only Certified RRP Firms whose employee(s) has/have completed and passed the 8 hour RRP Certification course
Contractors may perform paint stabilization, interim controls or standard treatment activities.
Only Georgia EPD Certified Abatement Contractors can perform abatement.
Conduct Clearance Examination to confirm that no lead-based paint hazards remain when work is complete.

D. Exemptions

PROPERTY EXEMPTIONS UNDER THE LEAD-BASED PAINT REGULATION

Residential structures built after January 1, 1978.
Areas where state or local governments banned lead-based paint prior to January 1. 1978.
Properties found not to have lead-based paint during previous inspections that met prior evaluation requirements.
Properties where all lead-based paints has been identified and removed using approved methods.
Unoccupied housing units that will be demolished.
Property that will not be used for residential habitation.
Rehabilitation that does not disturb paint.
Child occupancy unlikely.
Zero-room dwelling units
Elderly and disabled housing
Emergency action activities

NOTE: Elderly and disabled housing refers to units built for EXCLUSIVE use by these populations. It does not mean any housing occupied at present by this population.

In summary, the rule requires the following:
Prohibits the use of lead-based paint for properties constructed prior to 1978, applicants for rehabilitation assistance and tenants of property to be rehabilitated must be notified:

a. That the property may contain lead-based paint;
b. Of the hazards of lead-based paint;
c. Of the symptoms and treatment of lead-based point poisoning;
d. Of the precautions to be taken to avoid lead-based paint poisoning;
e. Of the advisability and availability of blood lead level screening for children under seven years of age; and in the event lead-based paint is found on the property, appropriate hazard control methods will be used to remove identified hazards.

Copies of all reports (Inspection, work write-up, risk assessment, clearance) are provided to the owner. (Written evidence of receipt must be in the file.) The housing unit must pass clearance prior to re-occupancy of the unit.

Communities must complete the "Watch Out For Lead Paint Poisoning" disclosure notice (See Form 13) for all heads of households and owners of vacant units and retain a signed copy at which time a copy of the EPA pamphlet "Protect Your Family from Lead in Your Home" shall be distributed to the occupant of each unit constructed prior to 1978 within 60 days of the start of rehabilitation work. (Written evidence of receipt must be in the file.)

For properties constructed prior to 1978, procedures are established to eliminate lead-based paint hazards. The elimination procedures, described below, include evaluation, testing and Hazard Control actions that must be implemented.

A. Lead Hazard Control for Rehabilitation Programs

The amount of federal assistance that will be provided in a unit is the key to determining the minimum level of Lead Hazard Control required. The amount used for this determination should include only the hard costs involved in the rehabilitation disregarding lead hazard reduction costs and soft costs (administration, relocation, environmental review, etc). The minimum required level of Hazard Control is broken down into three categories according to the amount of Federal assistance per unit. The following chart describes the three levels of activity.

REHABILITATION Subpart J			
Amount of Federal Assistance	<$5000	$5000-$25,000	>$25,000
Approach to Lead Hazard Evaluation and Reduction	DO NO HARM	Identify and Control Lead Hazards	Identify and Abate Lead Hazards
Notification	YES	YES	YES
Lead Hazard Evaluation	Paint Testing (on surfaces to be disturbed only)	Paint Testing and Risk Assessment	Paint Testing and Risk Assessment
Lead Hazard Reduction	Repair Surfaces Disturbed During Rehabilitation	Interim Controls	Abatement (Interim controls on Exterior Surfaces not Disturbed by Rehabilitation)
Clearance Requirement	Clearance of work Site	Clearance of Unit	Clearance of Unit

Clearance Standards for Federally assisted projects:

Floors	40µg/SF
Interior window sill (stool)	250µg/SF
Window trough	400µg/SF
Exterior Concrete Surfaces	800µg/SF
Soil* 1200µg/SF - in child play area	400µg/SF

*Applies only to risk assessment

Level I: For units where the amount of Federal assistance provided will total up to (and including) $5000, the painted surfaces that will be disturbed during rehabilitation need to be evaluated (tested for presence of lead-based paint) before rehabilitation activities begin. This must include all defective paint surfaces. If lead-based paint is discovered, the contractor must use safe work practices in the areas that lead-based paint is found. In 2010, EPA issed a Final Rule called the *The Renovation, Repair and Painting Program Rule (RRP).* This rule coves renovation projects in properties built before 1978**.** The contractor must provide documentation that they are a Certified RRP Firm whose employee(s) has/have completed and passed the 8 hour RRP Certification course. The rule covers Safe work practices include wet scraping, wet-sanding, repair (painted components to be repaired should be thoroughly wetted prior to repair), HEPA vacuum sanding, HEPA vacuum needle gun, or covering defective surfaces with durable materials (wallboard or vinyl siding) with all joints sealed and caulked. Safe work practices are required on surfaces larger than 2 ft² in any one interior room or space and on exterior surfaces totaling more than 20 ft². If all painted surfaces to be disturbed (or in deteriorated condition) are going to be repaired, the assumption can be made that lead-based paint is present and testing can be skipped. Safe work practices must be used since presence of lead is assumed. Regardless of which approach is used, a clearance examination must be conducted (and passed) at the worksite(s) where lead-based paint is found or assumed. A clearance examination is defined as an activity conducted by a Georgia EPD Certified Lead-based Paint Inspector or Risk Assessor following lead-based paint hazard reduction activities to determine that no soil-lead hazard or settled dust-lead hazards exist in the dwelling unit or worksite (as applicable). Clearance must be performed by a "neutral" third party not otherwise involved in the actual hazard control work. In no cases can the contractor performing work in the unit in any capacity or any designee of the contractor perform the

clearance examination. The clearance process includes a visual assessment and collection and analysis of environmental samples, and a report detailing hazard control methods used and sample information. Clearance is not required if rehabilitation did not disturb painted surfaces measuring total surface area parameters listed above.

Level II: For units where the amount of Federal assistance provided falls between $5000 and $25000, the entire unit must be visually inspected for presence of deteriorated paint. Deteriorated paint and all coated surfaces that will be disturbed by rehabilitation activities must be tested for lead-based paint by a certified Lead Inspector and, if present, a risk assessment must be completed. The rehab advisor may choose to have a lead-based paint inspection done, especially for a unit requiring extensive rehab. Generally, an inspection will be less costly than a risk assessment and if inspection results are negative, will preclude a risk assessment since no lead-based paint is present. If inspection reveals presence of lead-based paint a risk assessment is necessary. Provided that the person performing the inspection is a certified Risk Assessor, they may be instructed to complete a risk assessment while still at the property.

Lead-based paint inspection is defined as a surface by surface investigation to determine the presence and location of lead-based paint on all painted, varnished or coated surfaces performed by a Georgia certified Lead Inspector and provision of a report detailing results of the investigation.

Risk assessment is defined as an on site investigation by a Georgia certified Risk Assessor to determine the existence, nature, severity, and location of lead-based paint hazards; and provision of a report by the firm or individual conducting the risk assessment detailing results of the investigation and options for reducing the lead-based paint hazards.

Using the risk assessment report as a guide, the rehab advisor must make a decision as to the implementation of the recommendations using cost, long-term benefits, effectiveness, and rehab goals as some of the factors. Interim control measures are allowed to reduce lead hazards in this category. Interim controls are defined as a set of measures designed to temporarily reduce human exposure or likely exposure to lead-based paint hazards. Interim controls include, but are not limited to, repairs, paint-film stabilization, temporary containment, specialized cleaning, clearance activities and operation of management and resident education programs. Generally speaking, interim controls will be less expensive than abatement (see level III below) and will provide more flexibility to the rehab advisor when completing the work write-up but cannot be used in all situations. If planned rehab activities include replacement of components that test positive for lead-based paint, such activity may be deemed abatement and the rules for abatement are triggered. Similarly, some interim controls cannot be used on defective substrate materials such as rotted wood or damaged drywall. In these instances, the cause of the damage should be corrected then the damaged component should be replaced.

On April 19, 2001 EPA and HUD issued a joint notice that basically states that only activity intended as abatement shall be covered by the strict abatement guidelines. Intent is defined as “when “abatement” is specified in work specifications, job write-ups, cost allocation or similar documents or when abatement is specifically ordered by responsible state or local agency or court order”. A copy of this letter is available through DCA or on the HUD website. However, Georgia EPD is the agency responsible for regulating lead-based paint activity. They have indicated that any work that can be deemed an abatement technique (e.g., component removal regardless of intent) must be performed by a certified lead contractor. In order to avoid a non certified contractor from violating the EPD regulations, it is advised that questions regarding this issue should be directed to EPD prior to instituting interim control activity.

In all cases where interim controls are used, the contractor MUST utilize safe work practices. The contractor must provide documentation that they are a Certified RRP Firm whose employee(s) has/have completed and passed the 8 hour RRP Certification course. Only a certified abatement contractor can perform abatement activity. The rehab advisor may use a combination of abatement and interim controls to eliminate the lead hazards in the property. Clearance of the entire unit must be achieved after work is completed. The contract language should contain a clause making the contractor responsible for costs associated with failure to pass clearance (i.e.: re-cleaning, additional testing, additional relocation etc.).

Level III: For units receiving federal assistance above $25000, abatement of all lead hazards is required. Abatement is defined as a set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards. (Permanent means an expected design life of at least 20 years.) Abatement includes: (1) The removal of lead-based paint and dust-lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and (2) all preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures. Abatement activities can only be performed

by Georgia certified lead firms and individuals. Only Georgia certified lead contractors may perform abatement work. A listing of certified lead contractors is available through the Internet site: https://epd.georgia.gov/lead-based-paint. All abatement work is governed by rules and regulations promulgated by the Georgia Department of Natural Resources, Environmental Protection Division. EPD requires notification of all abatement work and issues fee based permits for abatement work. Abatement activities can be subcontracted to a certified contractor for completion of the lead abatement activities.

An example of work specifications for lead hazard control are included in the DCA 'Guidelines for Residential Rehabilitation Programs' manual (Exhibit F2c1).

All contractors working in rehab for CDBG are encouraged to attend the 8 hour RRP Certification course (This training is MANDATORY for contractors hired to perform interim controls). Contractors interested in becoming Certified Lead Abatement firms must attend EPA certified training and pass a Georgia EPD certification exam. Further information on the availability of training is available through DCA.

Hazard Control without testing: The grantee may forego testing and control all interior and exterior surfaces covered by the rule in accordance with the methods described above. Under this assumption, all coated surfaces are assumed to have lead-based paint and all surfaces must be treated accordingly. A risk assessment is required prior to rehabilitation activities in all units receiving over $5000 in Federal assistance (levels II and III) even if lead-based paint is presumed (24 CFR part 35 § 35.930). Presumption of lead-based paint in units receiving under $5000 in Federal assistance requires that all defective paint and all coated surfaces to be disturbed are assumed lead-based paint, and approved hazard control methods must be utilized and clearance passed.

Exemptions: De Minimus Levels. Safe work practices are not required when maintenance or hazard reduction activities do not disturb painted surfaces that total no more than:

(1) 20 square feet (2 square meters) on exterior surfaces;
(2) 2 square feet (0.2 square meters) in any one interior room or space; or
(3) 10 percent of the total surface area on an interior or exterior type of component with a small surface area. (examples included window sills, baseboards and trim).

A. Regulations These lead-based paint regulations require that CDBG recipients utilize certain housing rehabilitation forms and procedures:

1. A "Watch Out for Lead-Based Paint" disclosure receipt form must be completed (see Form 13). It or an equivalent notice with the required disclosure must be completed for every owner and tenant (where applicable) of a pre 1978 unit.

2. A copy of the EPA pamphlet "Protect Your Family from Lead in Your Home" shall be distributed to the occupant of each unit constructed prior to 1978. Copies of this publication are available through DCA. Form 13 will serve as the signed acknowledgement of receipt of the pamphlet.

3. Applications for Rehabilitation Assistance (see Form 1) should contain applicant certifications that: they received a copy of the "Watch Out for Lead-Based Paint" form and a copy of the EPA pamphlet "Protect Your Family from Lead in Your Home", and

4. Work write-up procedures should indicate whether the unit: (a) has been built prior to 1978; (b) that a lead-based paint inspection and risk assessment has been performed; (c) whether hazard control measures are required and are included. If hazard control procedures are required, the write-up should reflect what method will be used; (see Exhibit F2C1for sample of lead hazard control specifications).

5. The Certificate of Final Inspection should show that the property conforms to the Federal and State Lead-Based Paint Regulations and Policies. (See Form 14)

6. Bid Document Specifications must require that the Contractor is a Certified RRP Firm whose employee(s) has/have completed and passed the 8 hour RRP Certification course, or a Certified Abatement Firm, as applicable. Contact DCA for further guidance in this subject.

7. Minimum Property Standards must include the following verbatim:

   "Inspection and Testing: Local government is required to perform lead-based paint inspection and risk assessment in all units constructed prior to 1978. Elimination of lead-based paint hazards by recognized hazard control methods shall be included in the work write-up. If testing reveals presence of lead-based paint hazards, elimination those hazards will be a part of the work write-up and bid document specifications. Testing is required for all units constructed prior to 1978.

B. Compliance Standards:

1. Testing of paint surfaces and Hazard Control activities to eliminate the hazard of lead-base paint poisoning shall be in compliance with HUD lead-base paint regulations (24 CFR, Parts 35 and 570).

2. The dwelling unit shall be in compliance with HUD Lead-Based Paint regulations, 24 CFR, Part 35 and 570 Subpart "J") issued pursuant to the Lead-Based Paint Poisoning Prevention Act. Also, the Local Government shall provide a certification that the dwelling is in accordance with such HUD Regulations and the Georgia Department of Community Affairs Policies and Procedures on Lead-Based Paint Poisoning and Prevention. (See Form 14)

3. If the property was constructed prior to 1978, the Family upon occupancy shall have been furnished the notice required by HUD Lead-Based Paint regulations and procedures regarding the hazards of lead-based paint poisoning, the symptoms and treatment of lead poisoning and the precautions to be taken against lead poisoning.

C. Testing

1. Testing must be performed by a Georgia EPD Certified Inspector or Risk Assessor:

   Lead concentrations must be determined either (1) on-site using a portable X-ray fluorescence (XRF) analyzer or (2) by taking paint samples and having them analyzed in a NLLAP Certified laboratory.

2. Standards. Test readings of 1.0 milligrams per square centimeter (mg/cm2) or greater, using an XRF, shall be considered positive for presence of lead-based paint. This standard can be used with laboratory analysis, if it is possible to take a paint sample of known area. If not, the standard for presence of lead-based paint shall be a level equal to or greater than 0.5 percent by weight (equal to 5,000 parts per million).

3. Paint samples. Paint samples for laboratory analysis must include all layers of paint down to the substrate material (e.g., plaster or wood). If the paint sample is not of known area, it must not include any substrate material. Inclusion of substrate material dilutes the lead concentration of the sample. This method of testing is destructive and is not recommended (in most cases) as the primary means of performing a lead-based paint inspection.

4. Qualifications of testers and laboratories. An inspector or risk assessor certified by the State of Georgia Environmental Protection Division must conduct testing. Documentation of current certification is required. The U.S. Environmental Protection Agency (NLLAP) must accredit all laboratories used for analysis by the inspector, for analysis of heavy metals.

D. Occupant Protection

The dwelling unit occupants and environment must be protected from contamination from lead-containing materials during hazard reduction activities.
Occupants shall not be permitted to enter worksite during hazard reduction activities and not permitted to re-occupy until all hazard control work has been completed and clearance has been achieved.

Occupants shall be temporarily relocated before and during hazard control activities. (Certain exemptions to this requirement may apply. Contact DCA for guidance on this subject.)
The dwelling unit and the worksite shall be secured against unauthorized entry, and occupant belongings protected from contamination from dust-lead hazards and debris during hazard reduction activities.
Occupant belongings in the containment area shall be relocated to a safe and secure area outside the containment area, or covered with an impermeable covering with all seams and edges taped or otherwise sealed.
The worksite shall be prepared to prevent the release of leaded-dust, and contain lead-based paint chips and other debris from hazard reduction activities within the worksite until they can be safely removed.
Warning signs shall be posted in accordance with 24 CFR Part 35 Section 35.1345(b)(2).

E. Clearance

All lead hazard control activity MUST pass clearance. Clearance is defined as an activity conducted following lead-based paint hazard reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled dust-lead hazards exist in the unit (or, if Federal Assistance is less than $5000, worksite only). In all cases, the clearance examination must be performed by a Georgia EPD certified inspector or risk assessor. In most cases this will be the same personnel that conducted the risk assessment. While this is not mandatory, the clearance examination MUST be performed by a certified individual who is a "neutral third party" that has no relationship with the contractor who performed the hazard control activity. In NO case should the contractor or their designee perform the examination. The lead hazard control contract should have provisions that make the contractor responsible for any costs associated with failure to pass clearance (additional cleaning, continued relocation, additional testing, etc.).

The rehabilitation advisor should keep in mind that for Level II and III activity, the ENTIRE unit must pass clearance, even if work was not performed in the entire unit. This means that write-ups for these units must include the specification of specialized cleaning in preparation for clearance testing that must be performed for the entire unit, including any outbuildings or other appurtenances. See Clearance Standards section on page 18.

F. Lead Hazard Control for Homebuyer Program

All federal assistance provided for the purpose of purchase of pre 1978 housing must meet the following conditions:

The proposed owner must receive the EPA pamphlet "Protect Your Family From Lead In Your Home"
The proposed unit must undergo Visual Assessment for deteriorated paint. Personnel conducting this assessment should complete the HUD Internet Course for Conducting Visual Assessment. This course is available at http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm If deteriorated paint is identified, the paint must be tested and, if found to contain lead-based paint, stabilized using safe work practices. Clearance must be achieved in the unit prior to occupancy if vacant or, if occupied, immediately prior to Federal Assistance.

The owner must be provided all reports related to lead hazard control activity: Inspection/risk assessment report, lead hazard control work write-up, and clearance report that includes lead hazard control work completed. Written documentation of receipt of these items is required (see Form 13)

CHAPTER TWO: SELECTING THE KEY PARTICIPANTS

With the citizen's involvement in the program and the community officials' approval of the Program Policies Statement and Minimum Property Standards, the Director is ready to hire his or her staff. The size of the staff will be justified by a careful analysis of: 1) the number of properties suitable for rehabilitation, 2) the goals set forth by the community officials, 3) the amount of funds appropriated in the approved CDBG application for administrative expenses and inspection fees.

Selecting the Staff

A well designed staffing plan is important to the success of a housing rehabilitation program. The Director can justify his or her demand for the size of the staff by presenting the required workload to meet the program goals for each position.

Realizing that housing rehabilitation is a complex process, some small communities may have no means of administering their own program. Local officials and staff may be too busy with their normal workload to undertake such a responsibility or there may be no one qualified locally to administer the program. There are outside resources available such as Regional Development Centers, private consultants, nonprofit sponsors and other governmental agencies to fulfill the need. For those communities who will be limited in scope and administrative expenses, it is suggested that they retain a qualified Rehabilitation and/or a Financial Advisor to be paid for their respective services on a fee basis. There are many professionals in the private sector, such as architects, contractors, consultants, mortgage loan processors and consumer finance managers that are available for part-time employment. It is essential that an employment contract be written for those individuals or firms that will be rendering services to the Rehabilitation program on a fee basis. This contract must clearly indicate their responsibilities and duties for which they will be paid and it is further suggested that the City/County Attorney approve the contract before execution. Specific tasks, goals, milestones and performance measures along with dates and deadlines should be clearly outlined in the contract that stipulate the conditions and accomplishments that must be achieved in order to receive compensation under the contract.

Communities are reminded that they are expected to comply with their own Employment Policies/Standards and Federal "Fair Employment Practices" in the hiring of staff that will be on payroll. The selection of Consultant Firms or any other private enterprises retained for services in the CDBG Rehabilitation Program must comply with the Federal "Fair Employment Practices" and O.M.B. Circular A-102. Communities will be audited for compliance.

Regardless of who administers the program, there are certain positional functions that must be addressed either by part-time employees for each position, or full-time employees responsible for a combination of positional duties. The following is a sample list of typical job descriptions:

The Program Director (Full-Time CDBG Director)

The Director should be capable of performing the following duties:

1. Work constantly to improve the program by streamlining procedures.
2. Be prepared to make presentations to all types of groups.
3. Expand his or her knowledge of state and national housing programs and issues.
4. Maintain close surveillance of staff activities and balance the workload accordingly to assure quality control.
5. Provide progress reports of the program to appropriate local officials.
6. Spot check monitoring of contractor's workmanship and overall program administration to assure consistency and integrity.
7. Assume responsibility for the performance of the program.

The Financial Advisor

The Financial Advisor should have the following qualifications:

1. Knowledge of mortgage lending practices either from experience or education if using a loan technique.

2. Administrative capabilities.
3. Basic computer/word processing/spreadsheet skills.
4. Community mindfulness; a sincere concern for the people he or she will be serving.
5. Communicative ability to discuss the program effectively to all levels of people.

NOTE: Experience in title examination and appraising is very helpful.

The Rehabilitation Advisor

The Rehab Advisor should have the following qualifications:
NOTE: RESUME INCLUDING EXPERIENCE AND BACKGROUND MUST BE KEPT IN THE GRANT RECIPIENT FILE.

1. Experience and/or education in the field of residential construction.
2. Computer/construction software literacy
3. Understand and capable of accurate cost estimation
4. Knowledge and capability to write appropriate job specifications.
5. Thorough understanding of federal lead-based paint regulations.
6. Community mindfulness; a sincere concern for the people he or she will be serving.
7. Communicative ability to discuss the program effectively to all levels of people.

The Clerk

The Clerk should have the following qualifications:

1. Basic computer/word processing/spreadsheet skills.
2. Capability of completing/processing write-ups accurately and in a timely manner.
3. Understanding the importance of completing legal documents flawlessly.
4. Communicative ability to discuss the program effectively to all levels of people.
5. Be able to act as the office receptionist and the Director's secretary.
6. Maintain a quality filing system.

Obviously, the clerk's responsibilities are significant to the success of the program. This position should not be treated lightly when hiring. This position is an important link to all of the staff's functions.

Regional Development Centers and private consultants are strongly urged to train a local government clerk to act as the contact person in their absence. This is a must if the program is going to be under control and monitored properly by the Administrator.

Selecting the staff is a significant phase of a successful rehabilitation program and should be dealt with accordingly.

Selecting the Appraiser

Should the program require the need for rehabilitation appraisals, the following are the qualifications recommended for the program appraiser:

1. Has a general reputation among users of appraisals for satisfactory real estate appraisal work,
2. Has performed staff appraisals while in the employment of a firm, bank insurance company or other businesses which utilizes real estate appraisals in its operations,
3. Has an educational background in real estate which would include, but not limited to, college level courses in appraising and general real estate training sponsored by appraisal organizations and is certified by the Georgia Real Estate Appraisers Board,

4. Can provide copies of three narrative "demonstration type" appraisal reports which demonstrate the appraisers' understanding of, and ability to deal with the types of appraisal situations encountered in providing rehabilitation appraisals.

It is extremely important that the appraiser is aware of the program objective for the target areas. The appraiser must understand that the value of the property to be rehabilitated must also take into consideration the neighborhood upgrading expected as a result of the community's housing rehabilitation program. Should the appraiser refrain from applying this vital consideration in the overall valuation of the property, it is conceivable that the assessments will be too conservative. Consequently, this will result in some applications being disqualified and the program will not achieve its anticipated impact.

Like the attorney, the appraiser's timely service will be critical to the program's progress. When the community has approved an appraiser, their name and qualifications should be referred to the local lenders participating in the "Leverage Loan Program" for their concurrence.

Selecting the Attorney

In order to complete the loan package for approval, it will be necessary in most cases, to obtain a preliminary title examination on the property to be secured, and subsequently a final title examination after loan settlement. This function is vitally important to the Financial Advisor as the certificate will, in conjunction with the applicant's verified income and liabilities, reflect what "package" of financing would be appropriate for the applicant's needs.

Special attention should be given to the selection of an attorney. A Director should consider not only the reputation of the attorney or law firm, but whether the firm can deliver your certificates in a timely manner. The attorney should be made aware that this service is critical to the success of the program. They should also be made aware that final certificate is required before the contractor begins work. This should not be a time consuming task since a preliminary examination of the chain of title has already been completed. Assure the attorney the program will assist in clearing any "clouds" on the title, but insist upon timely service. Should an attorney meet these qualifications refer their name to the local lenders participating in the program for approval.

If the program is using the Direct Grant and/or the Deferred Payment Loan techniques the Certificate of Title from an attorney may be substituted by a certified statement of "fee simple" by a staff member who has verified the applicant's ownership of the property to be rehabilitated at the county courthouse deed room. The community must assure itself of ownership as of the date of the CDBG subsidy award with supporting documentation. The decision to use an attorney for this purpose is a local one. See CHAPTER THREE "VERIFYING OWNERSHIP" for details.

Securing General Contractors

NOTE: ALL GENERAL and RESIDENTIAL CONTRACTORS NOW ARE LICENSED BY THE STATE OF GEORGIA. The License Number MUST be documented and noted in the client (Homeowner) case file.

The first step toward creating and maintaining a quality rehabilitation program is to establish a list of competent and reputable General Contractors. It is suggested that the community inquire with the following sources:

1. The City and/or County Building Inspector's Office
2. Local Building Supply Dealers
3. Lumber Yards
4. Local Insurance Agencies (Property Insurance Claims)
5. Yellow Pages
6. Neighboring Communities presently administering rehabilitation programs
7. Local Newspaper - place an ad addressed to experienced general contractors.
8. Local agencies administering other housing programs.

The Community should take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms in their area are solicited to participate in the program.

When contractors begin to inquire about the program, it is important that they understand the pre-qualification procedure. This will involve a personal interview with the Director who will ascertain if the contractor is truly a General Contractor with residential construction experience, or a systems subcontractor. Once it has been determined that the applicant is a General Contractor, he should be given an application form to be completed and returned to the Director. This form (sample available from DCA) should include the following questions:

1. State of Georgia General or Residential License Number
2. Name/address/social security number of principals
3. How long in business
4. Construction equipment owned
5. Other contracting firm titles under which the principals have operated or are presently operating under
6. Listing of State Certified Subcontractors (name and address)
7. Financial references (construction loans and checking accounts)
8. Listing of material suppliers (name and address)
9. Name and address of three most recent customers of which major structure construction has been completed.
10. Tax number of Business.

Should the "Common Rule" procurement standards apply (see Chapter III; "Invitation to Bid") to the program because the Community is considered to be a party to the construction contract, the following affirmative steps are required:

Placing qualified small and minority businesses and women's business enterprises on approved contractors register;
Assuring that small and minority businesses and women's business enterprises are invited to bid;
Dividing total rehabilitation when economically feasible, into smaller tasks or quantities (systems work) to permit maximum participation by small and minority business, and women's business enterprises;
Establishing program schedules which encourage participation by small and minority business and women's business enterprises;
Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
Requiring the prime contractor, if subcontracts are to be let to take the affirmative steps listed above.

Besides the information requested on the Contractor's application form, there should be a section included for conditions that the Contractor agrees to comply while performing the rehabilitation work. The following is a listing of these conditions:

1. To only use contract forms previously approved by local government;
2. That work will be performed by state certified workers in accordance with the program specifications, the Statewide Uniform Construction Codes, applicable Federal regulations and the Building/Housing codes adopted by the community;
3. That work will be subject to the inspection of the local government and its designee, the U.S. Government, and the Georgia Department of Community Affairs;
4. That if work performed by the Contractor is found to be unsatisfactory by the local government, or if contract relations between the General Contractor, or his subcontractors and the homeowner is found to be unsatisfactory, the local government may remove the Contractor's name from the approved Contractor's register;
5. That evidence of the required Comprehensive Liability and Property Damage, and Workman's Compensation insurance will be provided prior to every contract award;
6. That the Contractor will abide by the Equal Employment Opportunity provisions of the Civil Rights Act and other applicable regulations listed in the construction contract;
7. That the withdrawal of a bid, without justification as determined by the local government, could remove the contracting firm from the Approved Contractor's Register.
8. That if a dispute arises between the Owner and Contractor on matters related to the Construction Contract, the Contractor will abide by the decision of the Arbitration Committee (if applicable).

The principals of the contracting firm will inform and officially acknowledge the preceding conditions when they sign the application. All subsequent execution of documents, such as the bid forms and construction contracts, should have at least one of the principal's signatures as indicated in their "application", or it should not be accepted.

A major concern of a Contractor, when considering doing work in the program, is the time frame and the source for receiving his money. The Director should provide assure that there will be progress payments as per the contract terms, and a check will be available within a reasonable time period; once an Affidavit and invoice is submitted and the Rehabilitation Advisor concurs in writing.

Since the role of the Contractor is so critical to the success of the program, certain items of the Contractor's application should be investigated with the findings documented. The investigation should include:

1. DCA clearance of De-Barred List
2. Credit Bureau reports on the principal(s)
3. Financial references cleared
4. Material supplier references cleared
5. Recent customers visited at home to evaluate quality of work. If the customers are out of town, a letter should be sent to them requesting: a) the extent of the work, b) time period for completion c) their rating of the work. (Form letter available at DCA).

When all the above information has been verified, the Director is ready to evaluate the Contractor. The following factors should be considered:

1. Is the Contractor financially sound with the ability to finance a job to its completion? If not, is "factoring" the contract with a local lender a practical alternative?
2. Does the Contractor have the ability to coordinate his work effectively?
3. Does the contractor complete the work in a timely manner?
4. Does the contractor have the ability to get along with clients?
5. Does the contractor have sufficient construction and estimating experience?
6. Does the contractor conduct their work in a professional manner?
7. Does the quality of the contractors past work meet the program specifications?

The established register of approved Contractors, and all Contractors subsequently approved, should be listed on the "Clearance of Prime Contractor" form and submitted to DCA.

Contractors Conference

A major challenge to the small community is selling the program to local contractors. Perceiving that the program is complex, they may be hesitant to get involved in something they do not understand. Small contractors do have legitimate concerns about involvement in federally funded programs, and the most effective way to address these concerns is a public forum.

The first step in setting up a Contractors' Conference is to obtain a list of all the contractors in your area. Send a letter to all the contractors on the list briefly describing the program goals (number of units to be rehabilitated) and the minimum property standards (electrical, plumbing, heating, framing and mechanical systems). The letter, along with an advertisement in the local newspaper, should invite the contractors to an open conference at a certain time and place.

The basic purpose of the conference is to explain the program and how it can benefit contractors financially. The conference itself can be handled with a detailed agenda that covers all the items of importance to contractors. The following is a sample agenda:

Welcome and Introductions of staff
Source(s) of Funds/Project Area
Previous Program Experience

Temporary Relocation (if applicable)
State Certification of Contractors
Georgia Lien Statute
Terms and Conditions for Contractor's Qualification
Bid Document Specifications (see Exhibit F(2)c)
Codes Compliance
Federal lead-based paint regulations
Bidding Procedures (See Form 20)
Insurance Requirements
Construction Contract
Progress Payments
Changes in scope of work
Permits and Licenses
Inspections
Removal from Register
Escrow of Rehabilitation Funds (if applicable)
Arbitration Committee (if applicable)
Question/Answer
Adjourn

All Contractors should be given a copy of the Contractor's Application along with the agenda as they enter the meeting place.

It is essential to periodically conduct meetings with your contractors in order to retain their interest in the program, allow them input into streamlining procedures, and provide a forum to voice their concerns.

Monitoring the Contractors

During the course of the project, difficulties may arise between a contractor and the staff. Some of the danger signals to watch for are:

1. Failure of the contractor to respond to messages,
2. Lack of supervision at the job site,
3. Failure of the contractor to respond to "call backs" during the warranty period,
4. Financial problems (comments from creditors and suppliers),
5. "Shortcutting" and using alternatives from the specifications,
6. Conflict with the Owner.

All of these problems require prompt attention by the Director. Contractors should be kept under close control, but by the same token, every contractor deserves to be treated fairly and with respect at all times.

It is suggested that the community establish a Board of Arbitration to conduct hearings with the Contractor, staff and/or Homeowner on any disputes that the Director cannot resolve. This committee may consist of a: 1) respectable homeowner from the target area; 2) building materials dealer; 3) social worker; 4) "outside" construction contractor; 5) attorney. All board members should not have any self interest in the rehabilitation program. If a community established a committee for this purpose, it should be noted in the Program Policies Statement and in the terms and conditions of the Contractor's Application and the Construction Contract.

After the Director has completed all of the activities stated in chapters one and two of these guidelines, the program is ready to take its first application. Assuming, of course, that all of the Grant Award documents have been properly executed and submitted, and all "special conditions" have been cleared.

CHAPTER THREE: ADMINISTERING THE PROGRAM (PRE-SETTLEMENT)

Taking the Application

The most popular method of handling eligible applications is the "first come, first served" basis. However, the priority system for the processing and funding of cases addressing all the units identified in the CDBG application as being feasible for rehabilitation should be defined in the Program Policy Statement. One example of this prioritization system could be the following:

1. Elderly/handicapped - owner/occupied applicants
2. Owner/occupied applicants
3. Rental property homeowners (low and moderate income)
4. Rental property investors (low and moderate income tenants)

Where will you find your first application? In most cases, the Director has maintained a waiting list during the planning (housing survey) and start-up stages of the program. Many residents have heard about the program through various public awareness efforts. If the Director did not keep a waiting list, the best opportunity to secure a list of potential applicants is when the Director held his initial neighborhood meeting in the target area. Before closing every meeting, the Director should ask for those eligible homeowners who are interested in the program to list their name, address and phone number before leaving.

The Director should keep in mind that the first job will be the most important job of the program. After categorizing the applications according to the priority policy (if applicable, see above) the Director and the Rehabilitation Advisor should survey the eligible properties under the most severe class to select a structure that will reflect the most dramatic change from the outside; and without question, feasible for rehabilitation. Ideally, the Owner will have a small mortgage on the property that can be refinanced with a loan that may reduce the borrowers housing expense after rehabilitation. Your first applicant may become the program's strongest supporter, but by the same token should there be problems, the Owner can be the one who can hurt your program the most. The Director should remember that many people living in the project area will be going by and looking at the property while it is under rehabilitation.

Once the first applicant has been selected and it has been confirmed that the unit was targeted in the grant application, the applicant should be asked to bring the following documents:

1. Form of Identification (i.e., Driver's License)
2. Warranty Deed for the property to be rehabilitated, including the year the home was constructed
3. Current Homeowner's Insurance Policy,
4. Most recent real estate tax receipts for property to be rehabilitated,
5. Recent pay stubs and/or documentation of income from all sources for all adult members of the households,
6. If self-employed, last two year's tax returns and current financial statement,
7. Name, address, account numbers and balances of the following: a) Mortgage Company(s), b) Open Creditors, c) Depositories of savings and/or checking accounts,
   NOTE: Item (7) is applicable only with Direct Loans and Leverage Loans.
8. A list of construction work desired (optional).
9. List of special needs (i.e. handicap measures).
10. Lawful Presence Certification – OCGA 50-36-1(e)(2). See “Exhibit L”

On occasion the Financial Advisor should be prepared to take the application at the applicants’ home if he or she is disabled or otherwise unable to come to the office. Before the appointment, the Financial Advisor should have the following documents ready for disclosure and execution:

1. Rehabilitation application (See Form 1 for sample)
2. Verification of Employment(s)
3. Verification of Deposit(s)

4. Verification of Mortgage(s) (applicable for Direct Loans and Leverage Loans)
5. Terms and Conditions of Rehabilitation Assistance (See Exhibit F2g;)
6. Financial Statement (See Form 2 or 3; applicable for Direct Loans)
7. Lead-based paint notice and EPA Pamphlet (Form 13)
8. Selection of Bidding Procedure (see Form 20)
9. General Release of Information Form (see Form 8)
10. Identification of Rehab Property by owner on target area map

Verification forms and cover letters are available at DCA.

At the time of personal contact with the applicant, he or she should be introduced to staff and briefed as to how each member will be involved in the rehabilitation procedure. The Financial Advisor should begin the application process by disclosing the elements of the program in the following order:

1. The sequence of processing the case
2. The benefits of the program
3. The eligibility requirements for assistance, including compliance with lead-based paint regulations
4. The limited use of funds
5. The bidding procedures

After disclosure of the above, the Financial Advisor is ready to divulge and execute the eight documents previously stated above.

Now the Financial Advisor takes the position of an interviewer. He or she will complete the following items on the Rehabilitation Application (Form 1):

1. All basic applicant information and address as it reads on the Warranty Deed
2. Section I should include all full time occupants of the dwelling
3. Section II includes all income information for household members. See "Documenting Income" section below
4. Information on existing debt on property to be rehabilitated
5. Applicant must read and sign certifications

Two samples of income/assets vs. expense/liabilities forms are included. This type form is useful in determining income/debt ratios for applicants to determine potential credit availability.

Copies should be made of all pertinent documents brought to the interview and the originals returned prior to the applicant leaving the office.

"Do's" and "Don'ts" of Interviewing

DO:

1. Be thorough in your explanation
2. Present a good appearance (office and dress)
3. Answer every question realistically and honestly
4. Be organized

DO NOT:

1. Promise the applicant anything that the program cannot deliver
2. Ask irrelevant questions
3. Over emphasize or inflate expectations
4. Commit approval to financing eligibility

By conducting the interview in a professional manner, the applicant should leave with positive feelings about the program. The challenge to the Rehabilitation staff at this stage is to instill enough faith and confidence into the applicant at first

meeting that he or she will be assured their interests are going to be protected. This impression should be retained throughout the process.

The next step is to give the applicant a copy of the "Terms and Conditions of Rehabilitation Assistance" (Exhibit F2g) and advise them that the Rehabilitation Advisor will be in touch in the near future to arrange a meeting at the subject property to inspect the property and mutually determine what work needs to be done to meet the Minimum Property Standards.

Application Processing (Initial)

With the written authorization on each of the verification forms secured at the time of application, the Clerk should be instructed to prepare and mail the forms to the respective institutions. A cover letter should be enclosed along with a return stamped envelope for their convenience. As the verifications are returned, the information should be entered in the appropriate place in the application.
A folder should be created with the applicant's name and address as it reads on the Warranty Deed. This file should include all the copies of the documents submitted and executed by the applicant besides copies of the letters and verification forms mailed.
A Rehabilitation Tracking Sheet should be prepared and placed in the file (See Exhibit "A"). This form is a useful "at a glance" tool in checking for completeness of the file.

Documenting Income

HUD has available an Income Calculator for use by CDBG and HOME programs. It is available at the following website:

http://www.hud.gov/offices/cpd/affordablehousing/training/calculator/calculator.cfm

This calculator was developed by the HOME program but usable for CDBG or any other program. This allows grantees to efficiently determine income eligibility of applicants for rehabilitation loans, homeownership assistance, etc.

All sources of "gross household income" and earnings of all adult members anticipated to be received in the 12-month period following the effective date of income certification(s) which will be used to determine whether the applicant is eligible for assistance, must be verified and documented. Copies of these documents must be maintained in the applicant file. Communities must use one or more of the following means of documenting the applicant's recent income.

1. Completing and printing calculations using the HUD Income Calculator described above.

2. Completed Verification of Employment Form. A completed "Request for Verification of Employment Form," (available at DCA), or another acceptable verification of employment form designed by the community which includes all the information on the DCA form, is the best means of verifying income. However, the verification of employment form must be mailed by the community to the employer and by the employer back to the community; these forms should not be hand-carried by applicants.

3. Previous Year's Income Tax Return (1040). The Federal Income Tax Form (such as the IRS 1040 Form), signed by the applicant and filed with the IRS, generally is acceptable as a sole source of income documentation if the borrower is applying for assistance funds in the early part of the year. The IRS tax forms are the most accurate source of income verification for applicants with irregular incomes or with updated information for the current year. These forms are required for all self-employed borrowers. During the last six months of the calendar year, the Federal tax forms should be supplemented with recent income documentation, such as one or more pay stubs or a documented telephone call to the employer. This will help ensure that the applicant's income has not changed significantly since the Federal tax form was prepared.

4. Salary Pay Stubs. When the income is solely from salary, salary pay stubs may be used as the sole or primary source of income verification. These salary stubs must be for a recent, continuous one-month period. When the

salary pay stub documentation supplements a different verification source, such as the previous year's W-2 form(s), one typical pay stub may suffice to verify the current salary.

5. Previous Year's W-2 Form(s). Like the Federal tax form, the previous year's W-2 form(s) for all employment income is generally an acceptable sole source of income verification, but only if the applicant is applying for assistance in the early part of the year.

6. Pension, Disability, Social Security or Social Services Benefits. Acceptable methods of verifying such income include any one or more of the following, which are listed in order of preference:
   - A. Requesting information from the Social Security Administration Office which services the community. In order to receive prompt service, it is best to send the request to the attention of a particular individual;
   - B. A current copy of the award letter;

7. A photocopy of a regular benefit check, if the prospective borrower can bring the check to the office for photocopying.

8. Bank statement which clearly indicates a direct deposit for fixed income benefits (such as social Security, SSI, etc.).

9. Currently Dated Balance Sheet and Statement of Operations. Where the principal source of income is from the applicant's business, whether owned individually or by a corporation or partnership, or where the applicant itself is a corporation, partnership or other legal entity, the community must obtain audited financial statements for the entity prepared by an accountant, including a currently dated balance sheet and statement of operations, or a signed copy of the legal entity's most recent tax return filed with the IRS. For partnerships, the community must also obtain this same information from all general partners. For limited partnerships, the community must also obtain this same information from as many limited partners as necessary to determine whether the partnership is an acceptable risk. (This may or may not include all limited partners.)

10. Separation or Divorce Settlement Statement. A separation or divorce settlement statement for alimony or child support payments is necessary. This statement must be supplemented by some evidence of regular payment of the alimony or child support payments.

Verifying Other Income. The community must either use the previous year's Federal income tax return or the sources listed below to verify the following types of other income:

1. Income and Expenses from Investment Properties -- verifiable with signed leases for income, cancelled checks or copies of receipts marked paid for expenses, audited profit/loss statements or other statements from leasing agents or; a completed Pro-Forma (available at DCA).
2. Interest or Dividends from Stocks, Bonds, or other Financial Institutions -- verifiable with statements from the broker or financial institution. A "Verification of Deposit" form is available at DCA;
3. Payments of Principal or Interest on Notes or Mortgages -- verifiable with copies of the legal instrument and some evidence of regular payment. A "Verification of Mortgage" form is available at DCA;
4. Overtime, Bonuses or Commissions -- verifiable with statements from the employer;
5. Regular Contributions or Payments from Others, including funds contributed by other family members regardless of whether they live in the same dwelling as the prospective borrower -- verifiable with cancelled checks written by the payer, bank statements showing deposits in the prospective borrower's account, or a written statement concerning the contribution or payment.
6. Various "Odd Jobs" -- verifiable with an executed notarized legal "affidavit."

NOTE: Telephone verification may be used in lieu of forms and statements only when the services are not responding to your written requests. The information gathered over the telephone should include:

1. ALL the information required on the appropriate verification form
2. Name and position of person providing information
3. Date and time of telephone call

This information should then be documented in the applicant's file.

After all the "gross household income" of the occupants has been verified, the community should compute the annual income to determine if it is within the current "low and Moderate" Income Tables. If the annual income exceeds the "lower" limit, the applicant is not eligible for financial assistance.

Verifying Ownership

If the community is processing a Direct Loan or a Leverage Loan Application it must retain an attorney to prepare a "Preliminary Certificate of Title Examination" on the property to be rehabilitated. Forward a copy of the Warranty Deed and real estate taxes with your request to the attorney. Normally, this is done after the Owner has accepted the "reasonable" low bid.

Should the community be processing a Direct Grant or Deferred Payment Loan application it may use one of the following methods to verify ownership:

1. Secure a "Certificate of Title Examination" from an attorney.
2. Secure a "fee simple" certification from an attorney without researching title objections to the property.
3. "In-house verification of "Fee simple" ownership by a staff person who will locate the Warranty Deed at the county courthouse deed room and search all the indexes to the current date to assure the applicant is the current legal owner of the property. A certified statement should be prepared by the staff person conducting the title search which indicates: (1) Date of search (2) Deed Book and Page number of Warranty Deed examined (3) "Fee Simple" of ownership (4) Certification of current ownership.
4. Secure a certified statement from the community's Tax Assessor confirming present ownership.

An applicant is considered to have met the requirement to own a dwelling if the person holds any of the following interest in the real property:

1. Fee title, a life estate, a 99-year lease, or a lease, including any options for extension; or
2. An interest in a cooperative housing project which includes the right to occupy a dwelling; or
3. A contract to purchase any of the interests or estates described above (ie., Land sales contract); or
4. Any other interest, including a partial interest, which, in the judgment of the local attorney, warrants consideration as ownership of the dwelling.

Note: The term "dwelling" means the place of permanent or customary and usual residence of a person, according to local custom or law, including a single family house; a single family unit in a two-family, multifamily, or multi-purpose property; a unit of a condominium or cooperative housing project; a non-housekeeping unit; a mobile home; or any other residential unit.

Preparing the Work Write-Up and Cost Estimate

The Rehabilitation Advisor's initial concern is whether the property is feasible for rehabilitation. (See Rehabilitation Feasibility Test Exhibit "I") This is normally determined by the Rehabilitation Advisor during the housing survey. An inspection checklist, if used properly, will be a "measuring stick" for evaluating feasibility and eligibility for assistance. It is imperative that the final feasibility decision, as it is stated in the Program Policies and Procedures Statement, be verified at this stage of processing so as to avoid later embarrassment and wasted time and work. The Rehabilitation Advisor will initially have to make a thorough inspection of the property classifying all of the Minimum Property Standards (MPS) Violations, Incipient violations, and the General Property Improvements (if applicable).

Should there be any doubt about the feasibility of rehabilitation due to the existing condition of the structure, or should the Homeowner dispute the community's decision, it is recommended that the rehabilitation advisor complete the write-up listing all MPS violations with cost estimates. The Director should then request an appraisal on the property indicating the replacement costs and as-is value. The appraisal in conjunction with the cost estimate should professionally justify the feasibility of rehabilitation, as it is defined by local policy. The Rehabilitation Advisor should always keep in mind that the property after rehabilitation must meet the program Minimum Property Standards.

The Rehabilitation Advisor should prepare the write-up at his earliest convenience. One cannot over-emphasize the importance of being specific and clear on each and every item. The write-up should be written in such a manner that it prevents misunderstanding by the bidding contractors and the homeowner. The Rehabilitation Advisor should not only be informed of the program's Minimum Property Standards, but should also be knowledgeable of the bid document specifications (see Exhibit "F2c) to make cross-reference as needed in the write-up.

COMPLIANCE WITH LEAD-BASED PAINT REQUIREMENTS - If the dwelling was constructed prior to 1978, a lead-based paint inspection is required for all CDBG grants awarded to communities after September 15, 2000 unless the property is otherwise exempt (see Section I). If applicable, the inspection for lead-based paint should occur at this time. If lead-based paint is detected, a risk assessment should be performed at the time of the inspection (if mandated by the level of federal assistance. See the chart on page 14). The rehab advisor should use the risk assessment report as a guide in determining how to best reduce the hazards found in the dwelling. If the federal assistance for the unit falls between $5000 and $25000 interim controls are a design option for lead hazard control. Above $25000, abatement is mandatory. It is imperative that the rehab advisor has a thorough understanding of the issues and procedures involved in this process to achieve maximum effectiveness in the goal of creating lead-safe housing. In all cases where lead-based paint is detected, clearance requirements must be met. Technical assistance is available through DCA on this subject.

Once the Rehabilitation Advisor has completed the write-up, a "Local Cost Index" (A current listing of all standard rehab materials and labor costs that prevail in the community) should be used to estimate the costs for each item. The Rehabilitation Advisor should then meet with the Director who has secured the Finance file with all of the verifications completed and returned. The Director should have an idea as to whether or not the program will be able to afford loan assistance to the applicant considering the budget evaluation, the availability of funds, and the maximum loan and grant limitations.

When the determination has been made to proceed with the processing, the Rehabilitation Advisor should contact the Owner to finalize the write-up. Every item must be disclosed to the Owner, who should be made aware that the write-up will be exclusive for bidding purposes. Copies of write-ups with cost estimates should be submitted to the Financial Advisor for their file. The Rehabilitation Department is now ready to invite contractors to bid on the property if the Owner has selected the "open, free and competitive bidding" method (see Form 20).

The Owner may select a General Contractor of his or her choice provided, however, that the Contractor qualifies under the community's eligibility criteria and agrees to perform the work according to the Bid Document Specifications. The Owner must also agree that the negotiated contract amount must prove to be advantageous to the program as determined by the Community.

Invitation to Bid (Competitive Bidding)

The Clerk should make as many copies of the write-up (without cost estimate figures) as there are contractors on the register. Bid Packages should be created including (1) the Bid Document General Conditions (see Exhibit F2a & b), (2) the Bid and Proposal Form (see Exhibit F2d), (3) the write-up, with the Contractor's Bid Packet cover form (See Form 6) on top. A letter should be sent to the contractors on the Register specifying the bid opening date, time and location, and inviting them to pick up their packets at the Rehabilitation Office. It is suggested when the contractors pick up bid packets that they sign and date a log or register (see form 21).

An excellent way to market the program to the public is advertising the invitation to bid in the local newspaper. Citizens and contractors will note the progress of the program by how frequent the ads appear.

A letter, with the write-up (without cost estimate figures) should also be sent to the Homeowner advising that contractors will be contacting them shortly to make arrangements for inspections. This letter should also invite the Homeowner to the bid opening.

Rehabilitation Advisors are warned not to amend or alter the write-up on minor items after contractors have received bid packets. This could lead to unnecessary confusion with the bidders and result in embarrassment to the community. Any necessary write-up changes can be effected at the Pre-Construction conference by executing a change order immediately after

the Contract has been signed. If major items of the write-up need to be modified, all the contractors need to be informed that the bid opening has been cancelled.

The Bid Opening (Open, Free and Competitive Bidding)

It is possible that some contractors will submit their bid prior to the bid opening date. Should the staff receive any bids within this period there are three steps that should be taken; the first step is to make sure that the bid is in a sealed envelope, and the second is to mark the envelope "received" with the date and time noted on the envelope and initialed by the staff member receiving the bid; the third is that the bid should be recorded on the "bid abstract" register (see Form 9). Attention should be given in assuring that the contractor's name, the rehabilitation property address, and bid opening date is indicated on the envelope. The primary purpose of the bid opening is to determine whether the low bidder has submitted a "reasonable" proposal - not to award a bid.

At the bid opening, the precise time should be synchronized with all interested parties present. The Rehabilitation Advisor should be present to answer any questions concerning the write-up. The Clerk should be present to record the bids (See Form 9) while the Director presides over the meeting. After all of the bids have been opened, the Rehabilitation Advisor should determine as soon as possible what percentage the low bid is to the estimate. The ten percent spread (plus or minus) is a popular limitation to ascertain the "reasonableness" of the low bid. If the low bid is below the "reasonableness" margin, as per local policy, the Rehabilitation Advisor must meet with the contractor immediately to determine how he arrived at his bid price. It could possibly be an estimate miscalculation on the part of the Rehabilitation advisor and not the contractor. If the Rehabilitation Advisor can be assured that the acceptance of the bid will not cause the contractor to fail in completing the work for lack of funds, then he can recommend the bid to be accepted by the Owner. By the same token, if the bid is above the "reasonableness" margin, a close analysis should be taken of the cost estimate. In either case, both the Homeowner and the programs interest should always be protected. The Homeowner will reserve the right to reject any and all bids. However, the Owner will be relying on the Rehabilitation Advisor for an opinion as to whether the bid is "reasonable". Withdrawals of bids should always be in writing addressed to the owner. Contract awards will be made to a responsible contractor whose proposal is most advantageous to the program (with price and other factors considered) regardless of the method of bidding selected by the owner.

NOTE: If the final bid is above 20% of the allocated budget (in the original grant application) for the unit, the work write up (with bid figures) must be submitted to DCA for review along with a cover letter detailing the reason(s) for the cost exception as well as proposed method for financing the difference in cost. Approval to proceed from DCA is required prior to awarding the bid.

When the Owner has accepted the bid, the Financial Advisor will determine the most beneficial and affordable financing package to achieve the required rehabilitation. In order to accomplish this evaluation, the Financial Advisor must complete the Homeowner Project Financing Summary (see Form 22). After completion of this information the Financial Advisor can at least determine the probability of eligibility, "ability to pay," and refinancing at this stage with supporting documentation.

The applicant, after accepting the most reasonable bid, is quite anxious for the work to begin, but he or she is even more concerned about the grant or loan eligibility. The Financial Advisor should advise the owner whether or not the bid qualifies his application for assistance, but final determination for a loan cannot be made until an appraisal and title examination has been made on the property and a credit bureau report has been secured.

Negotiated Bids

While open competitive bidding is the preferred method of selecting a contractor, it is permissible to use the negotiated bidding method in instances where a community cannot attract multiple contractors to form a contractor pool or when a property owner requests using a contractor of their choosing.

In all cases, the contractor must meet the programs contractor eligibility criteria as described in the previous section. The bid submitted by the contractor must meet the criteria established in the program for determining a “reasonable” bid (usually within 10% of the rehab advisors cost estimate). If the bid does not meet the criteria, the rehab advisor may negotiate price in

order to get the bid within a qualifying range. If the negotiation is not successful, the project should be re-bid OR the owner may pay the difference between the contractor price and the cost estimate.

Similarly, should the owner choose to use a contractor not deemed “most advantageous to the program” by the rehab advisor because of a high bid, the owner may pay the difference to the contractor of their choosing.

In all cases, the owner is required to participate financially at the level required by the program and the differences cited above would be in addition to that amount.

Loan Processing (Final Stage)

The Financial Advisor requests: 1) Appraisal Report; 2) Certificate of Title Examination; 3) Credit Bureau Report from the appropriate sources. A copy of the Warranty Deed and current tax receipts should be enclosed with the letter to the Attorney. A copy of the Warranty Deed and the write-up should be enclosed with the letter to the Appraiser. Every effort should be made by the Financial Advisor to assist the Appraiser and the Attorney in completing their services in a timely manner. The Financial Advisor should also be prepared to provide the Credit Bureau all the essential information for a written report.

Selecting Type of Financial Assistance

When the Rehabilitation Department is in receipt of the appraisal, title certificate, and the credit bureau report, the Financial Advisor can: 1) make the final determination of eligibility; 2) ascertain "ability to pay" a Direct or Leverage loan; 3) provide the most beneficial financing package to the applicant; 4) complete the rehabilitation application. The Homeowner Project Financing Summary (see Form 22) is a good tool to achieve effective packaging.

If the primary source of financing is the Leverage Loan, the Financial Advisor should determine whether a Deferred Payment Loan will be necessary to supplement rehabilitation costs. The eligibility and the actual amount of the DPL can be determined by using the DPL Eligibility/Computation Form (available from DCA). As stated in the first chapter, "flexibility" in the financing program should provide for a sound and beneficial "package" to the applicant.

Once the type(s) of financial assistance has been identified by the Financial Advisor, contact should be made with the applicant to provide information regarding the amount of the grant and/or loan, monthly payments (including taxes and insurance, if applicable), and term of loan, etc. With the applicant's concurrence, the Financial Advisor has a fully documented financial package with his recommendations ready for approval. For Direct and Leverage loans it is important that all essential objections to title have been cleared and all supporting documentation is attached to the Title Examination Certificate, with copies in the file.

Preparing the Financial Package

In all cases, the Financial Advisor should feel confident that his or her "package" is completely documented and all the eligibility test forms can be supported. This is especially important when submitting your cases to local lenders who are professionals in the loan processing business. It is critical that the program reflect a professional image by living up to the terms of the "Leverage" Loan Agreement that directs the CDBG staff to accomplish the origination (See Item 9 of Exhibit "E"). Should the transmittal be complete, the lender will have nothing more to do but give the community their decision. The only judgment factor that can be imposed by the lender is a questionable Credit Bureau Report. The Financial Advisor should be prepared to research and justify any inaccurate report from a credit agency, as this occurs frequently.

Arranging and Preparing for Loan/Grant Settlement

When the Financial Advisor has been advised of the loan and/or grant approval, he is ready to set a date certain for settlement.

Unfortunately, in some cases, the recommendations for approval may be rejected by the approving source. Again, "flexibility" in your financial plan will still allow an alternate form of assistance to the applicant (See Chapter 1). Assuming the package has been approved, the Financial Advisor should arrange a convenient time for all concerned parties to attend the pre-construction conference and settlement. Upon contacting the applicant and advising him of the approval, it is important that he or she knows exactly when and where the conference and settlement will take place. This action should immediately be followed up by a letter to the applicant(s) (copy to lender) and the contractor to confirm the arrangements.

Between the time of contact and the date of settlement there are three more steps that should be taken by the Financial Advisor:

1. Contact the applicant's insurance agency to arrange for any lender required insurance coverage, with evidence of same to be obtained at loan settlement, being effective on the date certain;
2. If refinancing is involved, the exact payoff must be secured from the mortgagee in writing;
3. A complete review of all the pre-construction and loan/grant settlement documents at least one day before date certain;

Regardless of the financing technique(s) used, the person who packaged the loan and/or grant should not approve the CDBG financial assistance. Normally, the approval is executed by a local government official with the recommendation by the Financial Advisor.

CHAPTER FOUR: ADMINISTERING THE PROGRAM (SETTLEMENT)

Conducting the Pre-Construction Conferences

The pre-construction conference should be arranged prior to loan/grant settlement. At the pre-construction conference the Director, the Rehabilitation Advisor, the Owner, and Contractor will meet to discuss the terms, general conditions, and subsequently execute the construction contract.

The Director should preside throughout the conference. The disclosure must be thorough, allowing the owner and the contractor to ask questions concerning the contract and its contents. The primary objective is for the owner to leave with the assurance of knowing exactly what he or she will be receiving from the funds appropriated for the contract. The Contractor should leave the conference with the understanding of what will be expected of him before any funds are disbursed. Disclosure should be in the following order:

1. General Conditions by Director
2. Work Write-up by Rehabilitation Advisor
3. Identification of Exhibits by Director
4. Execution of three original Contracts by Owner and Contractor
5. Right of Rescission (See Form 24) – If a Lien or Mortgage will be placed on the property, federal law requires that the agreement entered by the owner may be rescinded by the owner (in writing) with no penalty within 3 days of entering the contract.
6. Contact DCA for further information on this subject.

At the time the award is made, the Director should remind the applicant and the Contractor that the undertaking of the work covered by the contract is subject to issuance of a Notice of Commencement (See Form 10) by the Owner within the number of days stated in the General Conditions of the contract. Upon award of the contract, the Community should notify unsuccessful bidders that they have not been awarded the contract.

In the award of a construction contract for rehabilitation, the Owner and Contractor should execute three original contract documents. The Director should distribute the executed contract documents to the Owner, Contractor, Local Government and a copy to the Local Lender (if applicable).

Elements of Construction Contract

The following is a list of items normally included in a standard CDBG housing rehabilitation construction contract:

1. Date
2. Names of parties to contract
3. Performance period
4. Required insurance (comprehensive liability, property damage and workman's compensation)
5. Obtaining applicable permits and licenses
6. Conformance of work to all applicable codes (local, state and Federal)
7. Conflict of interest
8. Guarantee or warranty - one year from final acceptance of work. Furnish Owner written guarantees and warranties covering materials and equipment furnished in contract
9. Assignment of contract not allowed
10. Lien waiver provision
11. Method of payment and retainage provisions
12. Regulations affecting subcontractors (i.e., required state certification)
13. Provision for "Remedies" and "Termination For Cause and Convenience"
14. "Hold Harmless" clause protecting governmental entity (optional for 2-party contracts)

15. Equal Employment Opportunity provisions
16. Materials conform to specifications. All work shall be performed in workmanlike manner and only new materials will be accepted
17. General Contractor will supervise work
18. General Contractor will protect Owner's furnishings
19. Utilities to be used at no cost to contractor during work
20. Provisions on whether Occupant will or will not occupy premises
21. Clean up provisions - protection of vegetation and utilities
22. Allow inspection at all times by Local government, State and Federal officials
23. Provisions for change orders, if needed. To be in writing and approved and signed by Program Director (or designee), Owner and Contractor
24. Provision for "liquidated damages"
25. Time period for issuance of "Notice to Proceed"
26. Arbitration Procedures (optional)
27. Identified exhibits incorporated into contract (to include federal requirements) such as:
    a. The Bid Document Specifications and General and Special Conditions
    b. The Bid and Proposal
    c. The Work Write-up
    d. The Drawings (if applicable)
    e. The Terms and Conditions of Rehabilitation Assistance
    f. The Progress Payment Schedule (if applicable)

    All of the above exhibits are attached to the contract and identified by property location and name(s) of Owner(s).
28. Signature of parties witnessed and notarized.

See Exhibit "F1" for a sample private two-party (owner/contractor) construction contract.

Georgia Lien Requirements

Georgia lien statute amendment, O.C.G.A.§44-14-361.5, provides that not later than 15 days after the Contractor physically commences work on the Owner's property, "Notice of Commencement" shall be filed either by the Owner or the Contractor in the Superior Court in the county where the property is located. It is suggested that the community assume this responsibility. The notice must include (1) legal description of the property; (2) the name and location of the project, and the name and address of the following: a) the contractor, b) the true owner of the property, the person at whose instance their work is being furnished if not the true owner (e.g., a tenant), c) the surety (if any) and d) the construction lender (if any) (see Form 10).

Once a Notice of Commencement is filed, any potential lien claimant that the community was not informed of (e.g., everyone but first tier subcontractors and suppliers) must provide a "Notice to Contractor" to the Owner and the contractor within 30 days from the day it first furnishes labor or materials, or from the day the Notice of Commencement was filed, whichever is later. The Notice to contractor must include the name, address and telephone number of the person providing the labor or materials, the name and address and telephone number of the person providing the labor or materials were furnished, and a description of the labor or materials being provided. The Notice must also include the contract price or anticipated value of the labor or materials. Any potential lien claimant not in privity of contract with the contractor, and not providing a Notice to Contractor within the time required, will not be entitled to file a lien. The statute makes filing a Notice of Commencement mandatory. If a Notice of Commencement is not filed, the only consequence is that lower tier subcontractors and suppliers are relieved from having to serve a Notice to Contractor and the requirements of Section 44-14-361.5 do not apply.

The statute also allows a subcontractor or supplier to request a copy of the Notice of Commencement from the Owner or Contractor. If the Notice is not provided within 10 days of the request, the section's requirements do not apply to the subcontractor or supplier making the request.

The purpose of the Notice of Commencement is twofold. First, it enhances the ability of lien claimants to file lien and bond claims, since the information necessary for filing such claims is provided in the Notice of Commencement.

Second, the Notice provides the Community with a mechanism for keeping track of lower-tier subcontractors and material suppliers. Armed with this knowledge, owners and contractors should be better able to make sure that everyone performing in the rehabilitation is paid in a timely manner, and to eliminate the filing of last-minute liens by previously unidentified subcontractors and suppliers.

Federal Contractual Requirements

A major decision to be made by the community is whether the local government should be identified as a direct party on a contract that will involve work performed by a private Contractor on privately owned property. This is a decision that should be made by officials of the local government only after legal counsel. If the decision is made that the contract will not identify the local government as a direct party but solely a facilitator of financial assistance and a mediator between the Homeowner and the Contractor, the following federal laws and regulations will apply:

1. Equal Employment Opportunity; Executive Orders 11246/11375 ($10,000+)
2. Lead-based Paint prohibition

If the community elects to be a direct party to the construction contract, it must include both of the above provisions along with Section 3 clause of the Urban Development Act of 1968, and comply with OMB Circular A-102 Local Government Procurement Standards and the "Common Rule" which includes provisions for "Remedies" in case of Violation" and "Termination."

Should the community administer a contract with an owner who owns eight or more contiguous properties or eight or more owner-occupied units awarded as one contract (regardless if the units are contiguous) the Fair Labor Standards Act is "triggered". Besides the regulations stated above, the contract must also include and comply with the following legislation:

1. Davis/Bacon Act
2. Contract Work Hours and Safety Standards Act
3. Copeland Anti-Kickback Act
4. Health and Safety Act

Regardless of the type of contract the community elects to use, the context of the contract should be prepared by the city/county attorney prior to executing the first approved case.

Executing the Loan Settlement

During loan settlement the Financial Advisor should proceed with the disclosure and execution in the following order for Direct and Deferred Payment Loans:

1. Rehabilitation Application; (copy of entire application and worksheets to Borrower)
2. Notice of Right of Rescission; original and two copies to owner - if applicable
3. Truth in Lending Disclosure Statement (original to Borrower) - if applicable
4. Promissory Note (copy to Borrower) - if applicable
5. Owner's Affidavit (copy to borrower) - if applicable
6. Deed to Secure Debt (copy to borrower) - if applicable
7. Obtain Borrower's signature on proceed order to be retained until such time the three-day recession period has expired and it is anticipated that the Borrower does not intend to cancel the loan.

Upon completion of the local government's loan settlement, the Financial Advisor should accompany the homeowner for the leverage loan settlement (if applicable).

Rehabilitation Escrow Account Transactions

As mentioned in Chapter 1, only the amounts due to the Contractor may be paid out of the escrow account. See Exhibit "D" for an example case in the ledger.

The Financial Advisor should not disburse any progress payments to the contractor until the following has been dated, signed and submitted:

1. Contractor's Affidavit (to include a one-year warranty on all work completed and a release of liens; see Form 11)
2. Subcontractor/Material Supplier Release & Waiver of Claim (see Form 12)
3. Contractor's invoice (as per terms of contract)
4. Inspection Report (see Form 4) from Rehabilitation Advisor authorizing payment

If a community has not established a rehabilitation escrow account, the funds necessary to achieve rehabilitation should not be drawn down until the work has been satisfactorily completed.

Requesting Final Title Examination

Promptly after loan settlement, the Financial Advisor should instruct the Attorney, in writing, to record all legal instruments and submit a Certificate of Title Examination dated no earlier than date certain of settlement. For Direct Loans only, the community will also need a written opinion from the Attorney with regard to legality and efficiency of the executed Promissory Note and Security Deed. The attorney will review the preliminary Title Report to assure that proper disposition has been made of the exceptions in title of which loan was subject to.

If the community is using a staff person to certify title instead of an attorney, it will be necessary to certify "fee simple" by checking the current index for the period between initial certification and date of loan and/or grant settlement, at the County Deed Room and document the file accordingly. (See Chapter 3 "VERIFYING OWNERSHIP").

Once the Financial Advisor is assured that there have been no subsequent liens or judgments against the property since the preliminary title examination, and all of the required exceptions have been cleared in the title, and the borrower has not cancelled the loan as per Truth in Lending provisions (if applicable), he or she is ready to:

1. Disburse the checks for (a) mortgage payoff; (b) accrued escrow; (c) insurance binder; (d) current Real Estate taxes; (e) reimbursement to community for services previously paid.
2. Prepare the Loan Settlement Transmittal (available from DCA) forwarding the essential documents to the servicing agency; (if applicable)
3. Issue the Notice of Commencement (Form 10) to the Contractor;
4. Forward the settlement transmittal to the approving officer.

CHAPTER FIVE: ADMINISTERING THE PROGRAM (POST-SETTLEMENT)

Inspecting the Work

After the Notice of Commencement has been delivered and receipt by the Contractor is documented, it is the responsibility of the Rehabilitation Advisor to inspect the work when it starts, and as it progresses. Inspections should be frequent enough so that the Owner and the community will be assured that the workmanship and materials meet all specifications. It is also suggested that the community appoint a responsible official, possibly the Program Director, to monitor the work in progress on a "spot" basis. It should be clear to all involved, however, that these visits are not inspections. Only the Rehabilitation Advisor will conduct inspections as outlined in the construction contract. The General Contractor should be made aware in the beginning that:

1. The Rehabilitation Advisor will be available for technical assistance;
2. The required Equal Employment Opportunity notices are posted in a conspicuous place, if applicable;
3. The daily work schedule of the crew will be performed in a reasonable time period so as not to infringe upon the owner's private family life;
4. The Building Permit, if required, has been posted;
5. The Rehabilitation Advisor will be the liaison between the Homeowner and the General Contractor.
6. The Rehabilitation Advisor will inspect all work prior to any payments.
7. He should not deviate from the write-up or specifications without an executed change order. If unauthorized changes are made, the contractor bears sole responsibility for those changes.

There are certain "do's" and don'ts" that a Rehabilitation Advisor should keep in mind while inspecting:

"DO"

1. Make inspections requested by the General Contractor as promptly as possible;
2. Make sure that the materials and workmanship meet specifications;
3. Assure the Owner that his interest is being protected;
4. Verify building permit, (if required) is completed and posted;
5. Document every inspection (See Form 4);
6. Be knowledgeable of Minimum Property Standards and Bid Document Specifications;
7. Report any problem at the job site to the Director that cannot be resolved promptly.

"DO NOT"

1. Supervise a job for the Contractor;
2. Request a Contractor to do any work for which he will not be compensated;
3. While negotiating, relate one job with another;
4. Fail to document all negotiations for change orders;
5. Fail to check that all the required permits have been secured;
6. Fail to document every work item that is in nonconformance and the date the Contractor was notified; (See Form 4)
7. Fail to take immediate action in the event of poor workmanship, improper materials, etc., during the course of construction.

All progress payments should be contingent not only on the percentage of work completed, but also upon the Contractor maintaining satisfactory progress. A retainage (usually 10%) of the completed work should be withheld by the administrator for each progress payment.

All electrical, mechanical, plumbing, framing and roofing work should be inspected by the community's Building Inspection Department. An Inspection Card should be posted at the job site accessible to the Rehabilitation Advisor for follow-up. Before a job can be certified completed, this card should be reviewed by the Rehabilitation Advisor to assure the necessary inspections have been made and signed off. All other inspections as work progresses should be the responsibility of the Rehabilitation Department.

As previously stated inspection of the work in progress is essential to assure that all the work is performed and completed in accordance with the Specifications and Codes and properly monitored to prevent serious disputes before they happen. The question is: how many and how often? There is only one way to determine the frequency of inspecting work in progress, and that is by experience. Some Contractors require closer attention than others. The Contractors who have become accustomed to your frequent inspection routine will not feel harassed. In fact, they should welcome your presence.

Frequent inspections will: (1) prevent many disputes from arising; (2) assure the homeowner that the community is protecting his or her interest; (3) prevent the Contractor from extra expenses borne of needless work that could have been prevented had the Rehabilitation Advisor been on the site to advise the Contractor before the work was performed; (4) remind the Contractor of the remaining amount of contract time.

Change Orders

The complexities involved in preparing a write-up after initially inspecting the property often make it impossible to detect every hidden code or Minimum Property Standard's violation before and during the performance of the work. In some instances, the Rehabilitation Advisor is reluctant to certify that the structure will meet the Minimum Property Standards when the initial work write-up has been completed. The alternative is to prepare an Amendment to Contract (see Form 7) describing the item(s) of work and the additional costs and days to be added to the contract when they become visible during the performance of the work. This document is more commonly referred to as a "change order". The procedure for obtaining a reasonable amount to do the additional work is basically the same principle in securing a negotiated bid.

1. The Rehabilitation Advisor prepares a list of the additional work on the Amendment form describing it in detail as in the work write-up;
2. The Contractor will price each item listed and submit the Amendment to the Rehabilitation Advisor for review;
3. The Rehabilitation Advisor will determine whether or not the figures and the additional time are reasonable and document justification by comparing the Contractor's proposal to local cost estimates;
4. The Rehabilitation Advisor discloses the Amendment (See Form 7) with the figures to the homeowner for final approval;
5. With the Homeowner's concurrence, the Amendment is prepared and executed. The Amendment must be signed by the Contractor, Rehabilitation Advisor AND Owner, and becomes part of the contract.

NOTE: Change orders should also be executed to extend the contract expiration date when necessary to allow for "excusable delays" (see Exhibit F2a). If the extension of time is overlooked, the "Liquidated Damages" clause could be "triggered" inappropriately;

Grant Modification and Extension Requests

A. Grant Modification describes the following petitions submitted to DCA and include, but not limited to:
   1. Grant Adjustment Request.
   2. Modification of Scope.
   3. Units originally proposed as Rehabilitation now being considered as Reconstruction.
   4. Additions and/or substitutions of a unit or units not identified as a targeted unit in the original application.
   5. Expansion or modification of the Target area differing from that identified in the original application.
   6. “Request to Exceed” maximum when costs for a unit are anticipated to be over 20 percent of the original unit budget.

B. In applying for a Grant Modification related to Housing, the Office of Community Affairs will now require a full synopsis of the current status of each individual project including which unit #'s are complete, in progress, not yet started, dropped-out, or become in-eligible, etc. **A "Rehab Feasibility Test Form" must accompany any unit that has been modified from Rehabilitation to Reconstruction or for any newly added or substituted proposed Reconstruction**.

C. An Extension Request must indicate why an extension is required AND provide a synopsis as to the status of each originally proposed unit or project.

D. Modification of the "Financial Plan", Exhibit H, (ver. 8/2011) will now show address of each unit. This will be included in all future Applications and will be required for all current Grant Modification Requests. See Appendix II for a copy of the current version of the "Financial Plan" form.

Disputes

When disputes arise, the Director with the Rehabilitation Advisor should go out to the property and meet with the Homeowner and the Contractor on the site where all concerned parties can see the problem. Hopefully, a workable solution can be agreed upon on the spot, but should there be any doubts, no commitments should be made until the Director has investigated the matter. Above all, the Director should be sure that all disputes arising from the work are resolved before the case is ready for final inspection. If the dispute cannot be resolved, the matter should be referred to the Arbitration Committee (See "MONITORING THE CONTRACTORS" in Chapter Two).

Executing Closeout

Final inspections should always be made at the request of the Contractor, and never conducted on the assumption that the work has been completed. Before the inspection, the Rehabilitation Advisor must be assured that all of the required code inspections have been completed and signed off by the Building Inspector.

When the Rehabilitation Advisor is making this inspection, the write-up and all the change orders should be used as a checklist to ensure compliance. Any work items that do not meet the Specifications should be listed and defined as to the nature of the discrepancy. This "punch" list should be given to the Contractor with instruction to contact the office when these items have been completed.

Upon the satisfactory completion of the items on the "punch" list, the Rehabilitation Advisor should prepare and submit a Certificate of Final Inspection (see Form 14) to the Financial Advisor who will prepare the following forms and requests for checks:

1. Satisfaction Statement from owner (see Form 15)
2. Disposition of Funds Statement; (see Form 5)
3. Cover letter transmitting check;
4. Check endorsed by Homeowner(s) for remaining amount due Contractor;
5. Check for excess funds remaining in the Rehabilitation Escrow Account (if applicable).

Prior to the Financial Advisor preparing the above forms, the Contractor should submit the following to the office:

1. Invoice for remaining funds due as per contract;
2. Contractor's Final Affidavit (Release of liens, final invoice & 1 year warranty, see Form 11.)
3. Copies of all warranties from the manufacturer on mechanical items installed on the job.
4. Certification of Installation of Insulation (see Form 23) if applicable
5. Subcontractor/Material Supplier Release(s) and Waiver of Claim(s) (Form 12).

The Financial Advisor should reconcile and recap the Rehabilitation Escrow Account, by running a tape on both his debit and credit columns to be sure all disbursements balance to deposits. Upon completion, the Clerk should recheck this procedure and initial the tape which is stapled to the respective page in the ledger.

The Rehabilitation Advisor and the Financial Advisor should then go to the property to execute close-out in the following manner:

1. Certificate of Final Inspection (original) delivered to the owner.
2. Owner signs Satisfaction Statement.
3. Financial Advisor discloses and executes "Disposition of Funds" statement (See Form 5).
4. Financial Advisor has Owner endorse "Excess Funds" check and gives him a copy of the cover letter indicating how disposition of funds was handled.
5. Final payment check is endorsed by Owner(s) and delivered to Contractor with cover letter.
6. Repayment Agreement/Deed to Secure Debt is filed with the County with evidence of recorded lien provided for the case file.

Immediately after close-out, a Leverage Loan transmittal is forwarded to the Approving Officer (if applicable).

After sixty days from the date of final inspection, the Rehabilitation Advisor should make a follow-up inspection of the property to ascertain if there are any defects with the completed work performed by the Contractor. Should there be any valid complaints during the one year warranty; the Rehabilitation Advisor should assist the owner in obtaining prompt corrective action from the Contractor.

Documentation and Filing System

Organization, as in any other business, is a critical facet to the success of the program. The filing system and documentation procedure reflects the professionalism of the staff. Painstaking care should be taken by the Director to be sure he or she is always prepared for an audit. The following filing system is recommended:

1. Active Finance file - a composite file consisting of all the documentation of a case from the time of application to close-out.
2. Rehabilitation file - all of the rehabilitation advisor's documentation including his supporting information in contract negotiations, change orders, and cost estimates.
3. Cancellation file - any applicants who have cancelled with supporting documentation as to the reason.
4. Rejected file - any applicants who have been rejected for rehabilitation assistance with supporting documentation.
5. Contractor file - this file should consist of:
   a. executed contractor's application
   b. Certificate of Insurance
   c. completed investigation form, and supporting documents
   d. copy of "receipt of specifications" statement
   e. copies of all inspection reports
   f DCA approval of contractor (DCA-WR2)
6. Form files - supplies for all forms in numerical order readily available for use.
7. Completed files - this is established immediately after close-out. It will serve as a review for essential documentation. All of the documentation from the active financial file is assembled in chronological order of processing and fastened to the inside covers of the binder with a completed inventory on top.

Audit Requirements

Local officials and Rehabilitation Directors should be aware that their program must be examined by an independent auditor on an annual basis. The Audit covers not only financial operations but also compliance with federal and state laws. Audits

must be made in accordance with the General Accounting office standards. The Recipients' Manual published by DCA covers Audit Requirements in greater detail.

Home Owner Participant files: Recipient and Program Administrator responsibilities.

1. All program records including *original home owner participant's files* must be maintained at a secure location in control of the recipient political jurisdiction. Under no circumstances will individual home owner participant files, information, data, statistics, income, or other identifying information contained therein be available for public review or inspection except as may be required by law.
2. The Program Administrator, if a separate entity not affiliated with, or under direct control of the recipient governmental body, may maintain a copy of home owner participant files in an off-site location until such time as the grant has been closed. All off-site program records including home owner participant's files must be maintained at a secure location under the direct control of the Program Administrator. Under no circumstances will individual home owner participant files, information, data, statistics, income, or other identifying information contained therein be available to any third party not affiliated with the recipient jurisdiction, the Department of Housing and Urban Development (HUD), the Georgia Department of Community Affairs (DCA), it's agents or other individuals authorized by DCA except as may be required by law.
3. All copies of home owner participant files under the control of the Program Administrator including information, data, statistics, income, or other identifying information contained within the participant files will be turned over to the recipient within three business days of the close of the grant

4. All records pertaining to the awarded DCA grant that have been created, developed, obtained, copied, or otherwise reproduced by the Program Administrator including all contracts, documents, plans, specifications, or; information, financial data, statistics, income, or other identifying information contained within the participant files are considered the property of the Recipient Political Jurisdiction "Recipients not following these requirements are subject to sanctions by DCA."

DCA Monitoring

Community's Responsibility. Good recordkeeping, including a record of contacts with affected persons, are necessary to carry out the policies in these guidelines in an effective manner that ensures continuity regardless of staff turnover. The community is responsible for ensuring compliance with applicable law, regulations, and these guidelines regardless of any third party's contractual obligation to the community to carry out such policies and requirements. The community must keep records in sufficient detail to demonstrate such compliance. The failure to document such compliance may lead DCA and/or HUD to assume that such compliance did not take place. All pertinent records shall be retained until at least three years after the date the project has been completed or the date required by applicable program regulations. Communities are reminded to comply with the Georgia Open Records Act (O.C.G.A. 50-18-70, et seq).

Confidentiality of Records. Records maintained by the community to demonstrate compliance with the policies in these guidelines are confidential. They shall not be made available as public information unless required by applicable law. Only authorized staff of the community and DCA shall have access to them. However, upon the written request of an affected person, the community shall give the person or his designated representative the opportunity to inspect and copy all pertinent records during normal business hours, except material which the community determines should not be disclosed to anyone for reasons of confidentiality.

When a DCA Program Representative visits your community for Rehabilitation monitoring, the following appropriate documents should be made available:

1. Original and amendments of Program Policies Statement with local resolution adopting same;
2. Copy of adopted Minimum Property Standards for program being monitored;

3. Copy of Bid Document Specifications and Construction Contract;
4. General Contractors files;
5. Rehabilitation Escrow Account Ledger, checkbook, and monthly bank statements (if applicable);
6. Original of executed Leverage Loan Agreement (if applicable);
7. CDBG General Funds Account Ledger;
8. All applicant files maintained by the staff. These files, at a minimum, should include:
    - Contractors Affidavits and Sub-contractor/Material Supplier Release and Waiver of Claims
    - Certificates of Final Inspection
    - Lead-based Paint warning notice and signed evidence of receipt of "Protect Your Family from Lead in Your Home" booklet
    - Work write-up
    - Cost Estimate
    - Notice of Commencement
    - Inspection Forms
    - Homeowner's Satisfaction Statement
    - Copies of warranties covering appliances and mechanical equipment
    - Certificate of Installation of Insulation (if applicable)
    - Disposition of Funds Statement (if applicable)
    - Rent Regulatory Agreement (if applicable)
    - Abstract of Bids
    - All bids submitted
    - Copy of advertisement for bids (if applicable)
    - Copy of Homeowner's Insurance Policy showing community as "Loss Payee" (if applicable)
    - Supporting documentation justifying Reconstruction and/or Emergency Rehabilitation
    - Acknowledgement of Receipt of "Preliminary Information Notice - Tenant Not Displaced"
    - Acknowledgement of Receipt of "Final Notice of Non-Displacement to Residential Tenant"
    - Acknowledgement of Receipt of "Relocation Eligibility Notice"
    - Temporary Relocation Notice (if applicable)
    - Certification of no "Out-of-Pocket" temporary relocation expenses have been paid by occupant(s) (if applicable).
9. Rehabilitation Advisor's Cost Index;
10. Terms and Conditions of Rehabilitation Assistance (if applicable);
11. Original service or employment contracts for administration (if applicable);
12. Underwriting policies for Direct Loans (if applicable);
13. Wage rates schedule and Employee Interview forms. Contractor's payrolls upon request (if applicable);
14. Quarterly Expenditure and Progress Reports;
15. Authorized Signature Cards for
    - General Funds
    - Rehabilitation Escrow
    - Rehabilitation Funds (Lump Sum Drawdown)
16. Statement of Special Conditions;
17. CDBG Grant Amendments (if applicable);
18. CDBG Application;
    - Relocation/Rental Assistance Claim (if applicable).
    - Lead-Based Paint inspection/Risk assessment and Clearance reports
    - Required permissions from DCA (20% rule, etc.) if applicable
    - Signed Notice of Right of Rescission (if applicable)
    - Evidence of Lien Recorded (if applicable)

Lump Sum Drawdown

Communities that have been awarded a CDBG Grant since FY 1993 may draw funds from their letter of credit in a lump sum to establish a Rehabilitation Fund Account(s) in one or more federally-insured private financial institutions for the purpose of financing the rehabilitation of privately owned properties if the program intends to have a local private financial institutions participating in the effort. The fund may be used in conjunction with various rehabilitation financing techniques, including direct loans, deferred payment loans, leverage loan interest subsidies, loan guarantees, and loan reserves. The fund may also be used for making direct grants, but only for the purpose of leveraging non-CDBG funds for the rehabilitation of the same property.

The funds that a community may deposit to a Rehabilitation Fund Account must bear interest and shall not exceed the grant amount that the Georgia Department of Community affairs reasonably expects will be required (including the anticipated program income from interest and loan repayments), for the rehabilitation activities during the period specified in the Leverage Loan/Lump Sum Drawdown Agreement (Exhibit “E”).

The Rehabilitation Funds Account cannot be used solely for the purpose of investment nor can it finance the rehabilitation program’s or the Lender’s administrative costs. The interest rate paid by the financial institution on the Rehabilitation Funds shall be no more than three points below the rate on one year Treasury obligations at constant maturity at any time during the term of the agreement.

A community may have more than one Rehabilitation Fund Account established in their program. For instance, an interest earning checking account to serve as an Operating account and a six-month Certificate of Deposit as a Holding Account. However, the maximum amount of deposit is $100,000 and an individual Leverage Loan/Lump sum Drawdown Agreement must be executed for each account.

The following standards will be considered when DCA reviews the proposed Lump Sum Drawdown Agreement:

1. Lender’s loan commitment/Lump Sum Amount.
2. Lender’s loans are at or below market interest rate.
3. Lender’s maximum term of loan.
4. Lender’s fee for servicing Direct Loans (if applicable) is at no cost or at lower than actual cost.
5. Refinancing Limits (if applicable).
6. Community’s administrative capacity.
7. Prior level of rehabilitation activity.

The implementing HUD regulations (24 CFR 570.513) that govern Lump Sum Drawdown state certain terms and conditions that must be included in the agreement between the Community and the financial institution. Items 13, 14, 17, 18, 19, and 20 of the Proposed Leverage Loan/Lump Sum Drawdown Agreement (Exhibit “E”) address these requirements.

A community who has secured a local financial institution that is willing to participate in the CDBG housing rehabilitation program by providing administrative services and/or loan funds at a below market interest rate, may apply for lump sum drawdown by first submitting a completed draft proposed Agreement with a completed Proposed Financial Plan (Exhibit “H”) to Georgia Department of Community Affairs for review.

Rehabilitation Escrow Account

The purpose of the rehabilitation escrow account is to allow the community to make prompt payments to contractors who depend on cash flow. Under this provision, a community may drawdown the amount of the construction contract that will be disbursed in ten (10) working days. "Contingency" may be included in the drawdown amount only if these funds are obligated in a legal instrument and the additional work will be completed within this ten day period. As soon as the drawdown is received, a check is written out of the "General Funds" account (identified as "loan and/or grant proceeds") and

endorsed by the homeowner. This check, as with other previous or subsequent "proceeds" checks is deposited into the community's "Rehabilitation Escrow Account".

It is important to note that these funds are considered spent at this point and the only way the community can maintain legal custody of the monies in escrow is to have the homeowner agree in writing. This can be accomplished by utilizing the Terms and Conditions of Rehabilitation Assistance (see Exhibit F2g). The rehabilitation application should state that the applicant has received a copy of it and will comply by its terms. Also, the Terms and Conditions should be incorporated into the Construction Contract when executed.

Once deposited, checks can be disbursed for progress payments to contractors as often as necessary. However; one hundred percent of the deposit amount must be expended within the 10-day period from date of deposit. In no case should these funds be intermingled with other CDBG funds nor serve any purpose other than the escrow of rehabilitation financial assistance to homeowners.

The escrow account is particularly valuable to assist small contractors who have a limited amount of capital and need prompt payment to meet their ongoing costs. Should a community decide to utilize an escrow account, it is recommended that a percentage of the cost of each progress payment request (up to 20% in some instances) be withheld until the job is completed. This will serve notice to the contractor that the community will maintain control over the "purse strings" until the work is satisfactorily completed. In small communities where city councils or boards must approve all invoices and where other elements of the approval process require additional time, the escrow account may prove to be an invaluable aid in maintaining adequate cash flow in the rehabilitation program.

If it is determined by the community that the escrow account procedure is needed to procure the services of small contractors, it may be utilized subject to the following additional requirements:

1. The request for drawdown of funds on a case by case basis should not occur until after the Construction Contract is executed;

2. Only one (1) interest bearing escrow checking account with one federally-insured depository shall be established by the community. However, a community may establish an escrow checking account with each private lender participating in a "Leverage Loan" program.

3. The amount of funds in the escrow account at any time must not exceed the amount expected to be disbursed from the account within 10 working days from the date of deposit. If the community has, for whatever reason, withdrawn more than 10 days cash needs, it shall immediately return the excess funds to its program account. In the program account, the excess funds would then be subject to the Treasury's usual rules governing erroneous draw downs.

4. The terms of the rehabilitation contract between the owner and the contractor must provide expressly for payments through the escrow account.

5. Accrued checking account interest shall be remitted to DCA on a quarterly basis.

6. Non-contractual eligible costs, such as CDBG administrative costs or professional fees, are prohibited from passing through the escrow account.

Obviously, it is extremely important that the community maintain accurate records of the rehabilitation escrow account. To do this, it is necessary to reconcile the bank statement each month by running a recap of all the individual account balances within the escrow account, as of the date of statement, and balancing the sum with the CDBG "General Funds" ledger. When all funds have been disbursed from the individual account, a "Disposition of Funds" statement (see Form 5) should be prepared and signed by the homeowner. See Exhibit "D" for an example of a closed out case in the Rehabilitation Escrow Account Ledger.

Legal Counsel Review and Document Preparation

It is strongly advised that the following documents be reviewed and approved by the local government attorney:

1. Program Policies Statement
2. Terms and Conditions of Rehabilitation Assistance (see Exhibit "F2g") as referenced on page 2 of the Application for Rehabilitation Assistance (see Form 1)
3. Leverage Loan/Lump Sum Drawdown Agreement (see Exhibit "E")
4. Contractor's and Sub-contractor's Affidavit (see Forms 11 and 12)
5. Construction Contract (see Exhibit "F"
6. Rent Regulatory Agreement (See Exhibit "J"
7. Promissory Note or equivalent legal instrument
8. Deed to Secure Debt/Repayment Agreement (See Exhibit “K”)
9. Notice of Commencement (See Form 10)
10. Amendment to Contract (see Form 7)

SAMPLE
Form 1 Application for Housing Assistance

APPLICATION FOR HOUSING ASSISTANCE

Date _____

Name _____ **S.S. No.** _____
(Applicant)

Address _____
_____

Phone _____ **Ownership of Home** _____
_____

Directions to Home _____

I. FAMILY COMPOSITION

Family Member No.	Name of Family Members	Relation to Head of Household	Date of Birth	Age	Gender	Social Security No.
1						
2						
3						
4						
5						
6						
7						
8						

II. INCOME

A. TOTAL INCOME

Family Member No.	Source, Rate and Type of Income	Estimated Past 12 Months	Income Next 12 Months	Occupation

EXISTING DEBT ON PROPERTY TO BE REHABILITATED

1. **Original Mortgage Amount $_____**
2. **Name of Lender _____**
3. **Unpaid Balance _____**

Race _____

Handicapped _____ Yes _____ No **Year Home was Built: _____**

The applicant(s) certifies that all information in this application and information furnished supporting of this application (if given for the purpose of obtaining rehabilitation assistance), is true and complete to the best of the applicant(s') knowledge and belief. The applicant(s) has (have) received a copy of the EPA pamphlet entitled: "Protect your Family From Lead in Your Home" and the "Terms and Conditions of Rehabilitation Assistance" and agrees to abide by those requirements and conditions in connection with any loan and/or grant that may be made or referred by the (LOCAL GOVERNMENT) pursuant to this application.

The proposed property to be rehabilitated is or will be occupied by a child with an Elevated Blood Lead Level (EBL): Yes_____ No_____

I am related to the City Mayor or a Member of City Council or County Commission: Yes_____ No_____

The proposed property will be my Primary Residence for (at least) the timeframe specified in the Terms and Conditions of Rehabilitation. Yes _____ No_____

_____ _____
Signature **Date**

_____ _____
Signature **Date**

……

For Office Use Only

Eligibility Determinant
Comments

I.	Development Area	_____ Yes	No ___
II.	Income	_____ Yes	No ___
III.	Owner/Occupant	_____ Yes	No ___
IV.	Condition of House	_____ Yes	No ___

General Repairs to Housing Units:

_____

_____
_____

Comments:

_____
_____

_____
_____

Interviewed by: _____ Date: _____

Reviewed by: _____ Date: _____

Action Taken on Application:

_____

_____

_____

TOTAL GRANT: _____

Form 2 Financial Statement

FINANCIAL STATEMENT

(For Owner-Occupied Direct Leverage Loans Only)

_____ _____

Owners Name Account Number

IMPORTANT: Please review all your debts before signing before signing this statement. Make sure that all your debts of whatever type have been disclosed and **DO NOT**, under any circumstances, omit any debts. Failure to disclose any and all debts may result in disqualification and/or immediate repayment of any loan or grant.

For the specific purpose of being evaluated for a Housing Rehabilitation Loan, I hereby make the following statement as to my income and liabilities:

My present wages or salary is $ _____ per week/month. Total other income is $ _____per week/month. The only persons or companies to whom I owe money along with their names and amount owed are as follows: (Also include any obligation on which you are a co-signor, co-maker, surety, endorser, or guarantor. Also include any disputed claim, matter in litigation, etc.) **BE CERTAIN TO INCLUDE ALL DEBTS.**

	NAME OF CREDITOR	**MONTHY PAYMENT**	**BALANCE OWED**
BANKS, CREDIT UNIONS	_____	$_____	$_____
AND FINANCE COMPIES:	_____	$_____	$_____
MORTGAGE COMPIES:	_____	$_____	$_____
(HOUSE, LAND, AUTO	_____	$_____	$_____
TRUCK, EQUIPMENT)	_____	$_____	$_____
	_____	$_____	$_____
RETAIL STORES:	_____	$_____	$_____
(DEPARTMENT,	_____	$_____	$_____
HARDWARE,	_____	$_____	$_____
DRUG STORE, etc.)	_____	$_____	$_____
JUDGEMENTS AGAINST	_____	$_____	$_____
YOU:	_____	$_____	$_____
ALL OTHER DEBTS:	_____	$_____	$_____
(DOCTOR, GROCERY,	_____	$_____	$_____
FUEL, UTILITIES, CREDIT	_____	$_____	$_____
CREDIT CARDS, etc.)	_____	$_____	$_____
		TOTAL OF ALL DEBTS AND CLAIMS	$_____

I understand that my application for a Rehabilitation Loan is contingent on my financial condition as shown in this statement made by me. I understand that giving a false statement of my financial condition may result in my application being disqualified. I HAVE READ THE INSTRUCTIONS BEFORE I COMPLETED THIS STATEMENT.
I further certify that this is a true and complete list of all my debts.

Made by me this _____day of _____, _____

_____ _____

WITNESS APPLICANTS SIGNATURE

_____

APPLICANTS SIGNATURE

Form 3 Financial Statement (For Investor Direct/Leverage Loan Only)

FINANCIAL STATEMENT (FOR INVESTOR DIRECT/LEVERAGE LOAN ONLY)

OWNERS NAME _____ ACCOUNT # _____

ASSETS		LIABILITIES			
Description	Cash or Market Value	Creditor's Name, Address, and Acct. Number	Other name(s) on Acct.	Monthly payment	Balance unpaid
Checking & Savings (Institution, Acct #)		Installment debts (include revolving Accts)		$	$
Stocks/Bonds (number, description)					
Life Insurance Net cash value Face value $					
		Alimony, child support Maintenance payments		$	
Subtotal Liquid assets		Vehicle loans		$	$
Real Estate Owned (Mkt. value from schedule of Real Estate owned)		Real Estate Loans a) liens superior to 312 secured by subject property excl. loans being refinanced with 312			
Vested interest in Retirement Fund		(b) all others			
Net worth of Business (Attach Financial Statement)		Other debts (stock pledges (specify)			
Vehicle Make & year		Total Liabilities			$
Personal Property and equipment		Negative cash flow from other properties and from rental units			
Other Assets (itemize)		Total monthly payments other than Housing expense. EXCLUDE all debt With 10 or less payments and all Real Estate loans (Total monthly payment in this box should be added to monthly housing expense for debt/income ratio)		$	
Total Assets	$				
NET WORTH TOTAL ASSETS MINUS TOTAL LIABILITIES					$

Schedule of Real Estate Owned (If additional properties owned, attach separate sheet)

Address of property [**S** if sold, **PS** if pending sale, **R** if] rental for income	Type of property	Present market value	Mortgage Amt	Gross income	Mortgage Pmt	Taxes Ins. maint.	Net rental Income
		$	$	$	$	$	$
TOTALS:	$	$	$	$	$	$	$

I Understand that my application for a Rehabilitation Loan is contingent on my financial condition as shown on this statement made by me. I understand that giving a false statement of my financial condition may result in my application being disqualified. I have red the instructions before I completed this statement.

I further certify that this is a true and complete list of all my debts.

Made by me this _____ day of _____, _____

_____ WITNESS

_____ APPLICANTS SIGNATURE

"SAMPLE"

Form 4 Inspection Report

INSPECTION REPORT

DATE: _____ NO. _____

ADDRESS: _____

OWNER: _____ CONTRACTOR: _____

EXPIRATION DATE OF CONTRACT: _____

WORK COMPLETED: _____

_____

_____

ITEMS NOT IN CONFORMANCE: _____

DATE OF NOTICE OF NON-CONFORMANCE TO CONTRACTOR: _____

PERCENT OF WORK COMPLETED _____

CHANGE ORDER REQUIRED? _____ IF YES, SPECIFY ADDITIONAL DAYS _____

REMARKS: _____

_____

_____

_____

REHAB ADVISOR (Signature) _____ DATE: _____

DIRECTOR (Signature) _____ DATE: _____

"SAMPLE"

Form 5 Disposition of Funds Statement

Disposition of Funds Statement

Owner's Name _____ Rehabilitation Address _____ Case No. _____

Source of Funds: Loan $_____ DPL/Grant $ _____ Owner $ _____

Date	Payee Information & Explanation	Amount Deposited	Amount Disbursed	Balance

Disposition of Funds: Total Deposits $ _____

Total Disbursements $ _____

Remaining Balance $ _____

Disbursement of Balance (if any) To: _____

The above is an official record of the financial accounting for the disposition of this housing case.

_____ _____ _____

Signature Title Date

This statement is accepted as a complete and final accounting for my escrow account funds.

_____ _____

Owner Date

Owner	Date

Sample"

Form 6 Contractors Bid Packet

CONTRACTORS BID PACKET

BID OPENING CONDITIONS

1. You are invited to submit a proposal for improvements listed on the attached work write-up to the property located at: _____

_____

2. Should you submit a bid, it must be delivered to this location in a *sealed* envelope addressed to:

3. (Name/Address of rehabilitation owner) _____

care of: (rehabilitation office) _____ no later than _____

at which time bids will be opened and publicly read.

3. You are requested to complete IN FULL the enclosed "Bid and Proposal Form" and attach your itemized write-up.

4. For your convenience, the Property Owner's telephone number is indicated on the work write-up. Please contact the Owner(s) prior to making your inspection so as to prevent any intrusion of privacy on the occupants.

5. Should you have any questions or concerns about any of the items on the write-up, please contact the Rehabilitation Advisor (indicated on the write up) for clarification PRIOR to bidding.

6. You are reminded to bid only on the items designated on the write-up. Should the owner request additional work or deletion of any work from the write-up while you are inspecting, please ignore it. Consideration of any changes will be negotiated with the owner after the bid opening.

7. The "General Conditions and Bid Document Specifications" previously provided will be applicable to this contract. If additional copies of this document are needed, please contact the Rehabilitation Advisor (indicated on the write up).

8. The property will be: ☐ Occupied ☐ Vacant during construction.

Enclosures:
1. Bid opening Conditions (General and Special)
2. Work Write-Up
3. Bid and Proposal Form

Amendments to Contract _____

Owner Name: _____ **Date:** _____

Address of Property: _____

The parties of the rehabilitation contract dated _____ hereby agree to the addition of and/or deletion of work on the above listed property.

Scope of work: $ Amount

1. Add:

Delete:

Justification:

2. Add:

Delete:

Justification:

3. Add:

Delete:

Justification:

Total of Additions……$
Total of Deletions……..$

Total Amount of Change Order to Contract → **$**

This Change order adds _____ Days to Term of Contract. New Expiration date_____

This amendment is made part of the Contract first dated _____ mutually agreed by:

Contractor Name	**Owner**	**Rehab Advisor**
Signature	**Signature**	**Signature**
Date	**Date**	**Date**

BID ABSTRACT

SAMPLE

Jurisdiction Name
Your Program Name
DCA Grant Number

Bid and Proposals
Date/Time of Opening

_____ Rehabilitation Address

_____ Property Owner

	Name of Company	Amount of bid (Add amounts at bid opening)
1.	_____	$ _____
2.	_____	$ _____
3.	_____	$ _____
4.	_____	$ _____
5.	_____	$ _____
6.	_____	$ _____

Use additional sheets as necessary

NOTICE OF COMMENCEMENT

_____

REHABILITATION ADDRESS (legal description of property)

_____

DATE

_____

CONTRACTOR NAME AND ADDRESS

_____

OWNER NAME AND ADDRESS

In accordance with our contract dated _____, for the rehabilitation of the above referenced property, this notice is to authorize you to proceed with the work specifically outlined in our contract. The completion date (as determined by contract) is _____. Please keep the Community Development program of the (Local Government) informed of your starting date in order that required inspections can be made.

Should a change in the scope of work become necessary, an AMENDMENT TO CONTRACT must be authorized prior to any change in the work write-up. The Community Development Program shall make no payment for work performed NOT previously approved in writing.

Final payment will not be made until all warranties and notarized *Release and Waiver of Claim for Subcontractor or Material Supplier* forms have been submitted.

Owner Signature	Construction Company
Co-owner Signature	Contractor Signature
Address	Address
City, State Zip	City, State Zip

"SAMPLE"

Form 11 Affidavit General Contractor's Invoice, Release of Liens and Warranty

AFFIDAVIT
GENERAL CONTRACTOR'S INVOICE, RELEASE OF LIENS AND WARRANTY

TO: _____
(Owner)

c/o _____ (Local Government) _____

_____

_____

Number: _____

Rehabilitation Property Address: _____

Contract Date: _____ Contract Amount: _____

Personally appeared before the undersigned officer duly authorized to administer oaths _____ _____ , who, after first being duly sworn deposes and states under oath as follows:

1. As an invoice, the undersigned hereby certifies that there is due from and payable by the Owner to the Contractor under the above referenced contract the balance of sum of: $ _____.

2. The undersigned further certifies that the work required under this contract has been performed in accordance with the terms thereof, and that there are no unpaid claims for materials, supplies or equipment, no unpaid claims for subcontractors, and no unpaid claims of laborers or mechanics for unpaid wages arising out of the performance of this contract **except** for the following: (if none-so state)
_____

3. That in consideration of the amount stated in Paragraph 1 hereof, the undersigned does hereby release the Owner from any and all claims arising under or by virtue of this contract; provided, however, that if for any reason the Owner does not pay in full the amount stated in Paragraph 1 hereof, said deduction shall not affect the validity of this release.

4. The undersigned hereby guarantees the work performed under said contract for a period of **one year** from the date of acceptance of the work required by the contract shown on the CERTIFICATE OF INSPECTION dated _____. He also attaches herewith all manufactures' and suppliers' written guarantees and warranties covering materials and equipment furnished under this contract.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument this ____ day of _____, 200_

By: _____ _____

Contractor Signature and Title of Officer

Sworn and subscribed before me this _____ day of _____ , 20__.

By: _____

Notary Public

"SAMPLE"

Form 12 Affidavit Release and Waiver of Claim for Subcontractor or Material Supplier

AFFIDAVIT
RELEASE AND WAIVER OF CLAIM FOR SUBCONTRACTOR OR MATERIAL SUPPLIER

State of Georgia
County of _____

Personally appeared before me, the undersigned officer duly authorized to administer oaths for:
_____ , who, after first being duly sworn deposes
and states *(Name of subcontracting firm or material supplier)*

under oath as follows:

1. All payrolls, material bills, sales tax, license or privilege tax, payroll tax, state and federal unemployment insurance and other expenses relating to its performance of the work or supply of materials in connection with the construction of property located at _____ and owned by _____ have been paid in full by _____ ;
(Name of Contractor)

2. _____ waives any claims, and releases
(Name of subcontracting firm or material supplier)

   the Owner from any rights or claims for debts due and owing by virtue of the furnishing of any material, supplies, or any lien thereon; and

3. _____ has cancelled all liens, if any,
(Name of subcontracting firm or material supplier)

   which have been filed against this project.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument this ____ day of _____ 20 .

_____ By: _____
(Name of subcontracting firm or material supplier) Signature and Title of Officer

Sworn and subscribed before me this _____ day of _____ , 20__.

By: _____
Notary Public

Watch out for Lead-Based Paint Poisoning

I have received the pamphlet "**PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME**" informing me of the potential risk of lead hazard exposure from renovation activity to be performed in my dwelling unit. I received this pamphlet within 60 days before the work began.

_____

(*Printed name*)

_____ _____

(*Signature)* *(Date)*

_____

(Street address of unit)

_____

(City, State)

Complete below (if applicable):

❑ *I have received the Inspection and/or risk assessment report completed for my property*

_____ _____

(*Signature)* *(Date)*

❑ *I have received a copy of the work plan for lead hazard control for my property*

_____ _____

(*Signature)* *(Date)*

❑ *I have received the clearance report (including hazard control activity completed) for my property*

_____ _____

(*Signature)* *(Date)*

Certificate of Final Inspection

DATE: _____

OWNER NAME: _____

REHABILITATION PROPERTY:

ADDRESS: _____

CITY: _____

CONTRACTOR: _____._____

Final Inspection has been completed at the property listed above. All construction work has satisfactorily been completed in accordance with the contract. The property conforms to the requirement of the __(Local Government)_____ program policies and procedures and Minimum Property Standards as of this date _____.

Additionally, the property conforms to HUD Lead-Based Paint Regulation (24CFR, Part 35).

_____ _____

REHAB ADVISOR (Signature) DATE

_____ _____

DIRECTOR (Signature) DATE

Satisfaction Statement

I, _____ , Owner(s) of the property

located at _____ , hereby

state that I am satisfied with the rehabilitation work performed by :

_____ on my house and

property, and request the *(local Government)* to disburse (Progress / Final)

payment to the above named contracting firm.

IN WITNESS THEREOF, the undersigned has signed and sealed this

instrument this _____ day of _____ , _____ .

_____
(Owner)

_____
(Owner)

Witness:

_____

Sworn to and subscribed before me this
_____ Day of _____ , _____.

_____
Notary Public

GUIDE FORM PRELIMINARY NOTICE THAT TENANT THAT WILL NOT BE DISPLACED

(date)

Dear _____:

On __(date)___, __(property owner)____ submitted an application to the ____(Grantee)__ for financial assistance to rehabilitate the building which you occupy at ____(address)_____.

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.)

If the application is approved and Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30 percent of your average monthly gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because Federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact _____(name)_____, _____(title)_____, at ____(phone)_____, (address)_____.

Sincerely,
_____(name and title)_____

NOTES.

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery.
2. This is a guide form. It should be revised to reflect the circumstances.
3. This notice should be issued immediately after Project Grant is awarded

GUIDE FORM FINAL NOTICE OF NONDISPLACEMENT TO RESIDENTIAL TENANT

Grantee or Agency Letterhead

(date)

Dear _____:

On ___(date)_____, we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On__(date)___, the owner's request was approved, and the repairs will begin soon.

This is a notice of non-displacement. You will not be required to move permanently as a result of the rehabilitation. This notice guarantees you the following:

1. You will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex upon completion of the rehabilitation. Your monthly rent will remain the same or, if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.

2. If you must move temporarily so that the repairs can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you have any questions, please contact: _____(name)_____,_____(title)_____ at ___(phone)_____, _____(address)_____.Remember, do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

_____(name and title)_____

==========

NOTES:

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery.

2. This is a guide form. It should be revised to reflect the circumstances.

3. This notice should be issued immediately after Owner's application has been approved.

SAMPLE

Form 18 Tenant Data

TENANT DATA

_____ _____ _____
(Address) (Sq. Footage) (# of Bedrooms)

OCCUPANTS

NAME	AGE	SEX	GMHI	AMT. VERIFIED	SOURCE

OCCUPANCY LIMITS: _____ TOTAL: _____ _____
# of bedrooms

AMOUNT OF RENT: $_____ "LOWER" INCOME LIMITS: $_____

LEASE? _____(YES) _____(NO)

HOW LONG HAVE YOU AND YOUR HOUSEHOLD RESIDED AT THE ABOVE ADDRESS? _____

UTILITIES (MONTHLY AVERAGE)

	TENANT PAID	OWNER PAID	VERIFIED AMOUNT
ELECTRICITY:	$_____	$_____	$_____
GAS:	$_____	$_____	$_____
WATER/SEWER	$_____	$_____	$_____
OTHER (DESCRIBE)			
_____	$_____	$_____	$_____
TOTALS:	$_____	$_____	$_____

TOTAL VERIFIED RENT & UTILITIES: _____
CURRENT FAIR MARKET RENT LIMITS:_____

ANY TENANT IMPROVEMENTS ON PROPERTY? _____(Describe)_____

NOTE: Minority Group Data Are obtained for statistical purposes only. Data will not be considered by any local or federal official in determining the applicant's eligibility.

I do not wish to furnish this information (Initials) _____

The Tenant is	(Check)
A. White (non minority)	( )
B. Black	( )
C. American Indian	( )
D. Hispanic	( )
E. Asian	( )
F. Other Minorities (not included above)	( )
G. Female Head of Household	( )
H. Handicapped	( )

Tenants Certification:

The tenant(s) certifies that all information on this form and information furnished in support of the owner's application (if given for the purpose of obtaining rehabilitation assistance,) is true and complete to the best of the tenant(s) knowledge and belief. Verification may be obtained from any source named therein. The tenant(s) has received a copy of the LEAD-BASE PAINT WARNING NOTICE.

The proposed property to be rehabilitated is or will be occupied by a child(ren) under seven years old:
( )yes ( )no
The proposed property to be rehabilitated is or will be occupied by a pregnant woman:
( )yes ( )no
The proposed property to be rehabilitated is or will be occupied by an EBL child:
( )yes ( )no

(SEE LEAD-BASED PAINT WARNING NOTICE)

_____ _____
Signature of Tenant Date

_____ _____
Signature of Tenant Date

NOTES

1. This data form should be completed immediately after the owner has made application for CDBG assistance.
2. This is a guide form. It should be revised to reflect the circumstance

Form 20 A Owner's Selection of Bidding Method and Contractor-Rehabilitation

OWNER'S SELECTION OF BIDDING METHOD AND CONTRACTOR-REHABILITATION

I, _____, understand that I may select either one of the following bidding methods for the rehabilitation of my property located at _____:

( ) "Open, Free Competitive Bidding"

Property Owner will award the Construction Contract to the "qualified" low bidder referred by the _____, provided the _____ offers the following technical assistance: (1) Prepare a cost estimate; (2) Make available a list of the current "Contractors Register"; (3) Collect and summarize all bids; (4) Evaluation of low bidders "Bid and Proposal"; (5) Review of low bidders qualifications (i.e. past work and financial background); (6) Prepare all necessary contract documents.

Property Owner also understands that the _____ will only recommend a "Bid and Proposal" for award from a responsible firm whose proposal is "reasonable" and most advantageous to the program, with price and other factors considered.

_____ _____

Witness/Date Owner Signature/Date

( ) "Negotiation"

Property Owner may select a General Contractor of his or her choice provided; however, that the contractor qualifies under the _____ eligibility criteria and agrees to perform the work according to the Bid Document Specifications. Property Owner must also agree that the negotiated contract amount must prove to be "reasonable" and advantageous to the program as determined by the_____.

_____ _____

Witness/ Date Owner Signature/Date

Contractor Selection (Competitive Bidding Only)

The _____ conducted a bid opening for the rehabilitation of my property located at _____. I have reviewed the bids registered on the Bid Abstract including the bid that the _____ considers being the most "reasonable" and advantageous to the program submitted by _____.

( ) I hereby select the above contractor recommended by the _____ and am willing to enter into contract with them.

( ) I do not accept the _____ recommended contractor and hereby select _____ for the following reasons:

_____

_____

Note: I also understand that I must pay the difference in excess of the _____ recommended bid and proposal and the contractor of my choice and bid and proposal, at the time of contract award.

_____ _____

Witness/Date Owner Signature/Date

OWNER'S SELECTION OF BIDDING METHOD AND CONTRACTOR-RECONSTRUCTION

I, _____, understand that I may select either one of the following bidding methods for the reconstruction of my property located at _____:

( ) <u>"Open, Free Competitive Bidding"</u>

Property Owner will award the Construction Contract to the "qualified" low bidder referred by the _____, provided the _____ offers the following technical assistance: (1) Prepare a cost estimate; (2) Make available a list of the current "Contractors Register"; (3) Collect and summarize all bids; (4) Evaluation of low bidders "Bid and Proposal"; (5) Review of low bidders qualifications (i.e. past work and financial background); (6) Prepare all necessary contract documents.

Property Owner also understands that the _____ will only recommend a "Bid and Proposal" for award from a responsible firm whose proposal is "reasonable" and most advantageous to the program, with price and other factors considered.

_____ _____

Witness/Date Owner Signature/Date

( ) <u>"Negotiation"</u>

Property Owner may select a General Contractor of his or her choice provided; however, that the contractor qualifies under the _____ eligibility criteria and agrees to perform the work according to the Bid Document Specifications. Property Owner must also agree that the negotiated contract amount must prove to be "reasonable" and advantageous to the program as determined by the _____.

_____ _____

Witness/ Date Owner Signature/Date

<u>Contractor Selection (Competitive Bidding Only)</u>

The _____ conducted a bid opening for the reconstruction of my property located at _____. I have reviewed the bids registered on the Bid Abstract including the bid that the _____ considers being the most "reasonable" and advantageous to the program submitted by _____.

( ) I hereby select the above contractor recommended by the _____ and am willing to enter into contract with them.

( ) I do not accept the _____ recommended contractor and hereby select _____ for the following reasons:

_____

Note: I also understand that I must pay the difference in excess of the _____ recommended bid and proposal and the contractor of my choice and bid and proposal, at the time of contract award.

_____ _____

Witness/Date Owner Signature/Date

Form 20 C Owner's Selection of Bidding Method and Manufactured Home Dealer

OWNER'S SELECTION OF BIDDING METHOD AND MANUFACTURED HOME DEALER

I, _____, understand that I may select either one of the following bidding methods for the Reconstruction of my Manufactured Housing Unit (a.k.a. Mobile Home) located at _____ _____:

( ) <u>"Open, Free Competitive Bidding"</u>

Property Owner will award the Purchase Agreement to the "qualified" low bidder referred by the _____, provided the _____ offers the following technical assistance: (1) Prepare a cost estimate; (2) Make available a list of the current "Authorized Manufacture Home Dealers"; (3) Collect and summarize all bids; (4) Evaluation of low bidders "Bid and Proposal"; (5) Review of low bidders qualifications; (6) Prepare all necessary contract documents.

Property Owner also understands that the _____ will only recommend a "Purchase Agreement" for award from a responsible firm whose proposal is "reasonable" and most advantageous to the program, with price and other factors considered.

_____ _____

Witness/Date Owner Signature/Date

( ) <u>"Negotiation"</u>

Property Owner may select a Manufactured Housing Dealer of his or her choice provided, however, that the dealer qualifies under the _____ eligibility criteria and agrees to perform the work according to the Purchase Agreement Specifications. Property Owner must also agree that the negotiated contract amount must prove to be "reasonable" and advantageous to the program as determined by the _____. A minimum of Three Proposals for comparable units from different manufactured home dealers must be submitted to the _____ Program in order to insure that the purchase is advantageous to the Program.

_____ _____

Witness/ Date Owner Signature/Date

<u>Dealer Selection (Competitive Bidding Only)</u>

The _____ conducted a bid opening for the reconstruction of my property located at _____. I have reviewed the bids registered on the Bid Abstract including the bid that the _____ considers being the most "reasonable" and advantageous to the program submitted by _____.

( ) I hereby select the above dealer recommended by the _____ and am willing to enter into contract with them.

( ) I do not accept the _____ recommended dealer and hereby select _____ for the following reasons (use reverse side if needed):

_____

Note: I also understand that I must pay the difference in excess of the _____ recommended bid and proposal and the contractor of my choice and bid and proposal, at the time of contract award.

_____ _____

Witness/Date Owner Signature/Date

Jurisdiction Name

Your Program Name
DCA Grant Number

Housing Rehabilitation Bid Packet Pick Up

REGISTER

_____ _____
Rehabilitation Address Property Owner

	Signature	Date
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____

Community Development Block Grant Rehabilitation Program

CERTIFICATE OF INSTALLATION OF INSULATION

Project # _____ *Case #* _____

Owner _____

Address _____

Rehab Property
Address (if different) _____

I hereby certify that insulation has been installed in the above referenced house and the following information is provided:

_____ DATE OF INSTALLATION _____

_____ R-FACTOR _____

_____ INSTALLER _____

Other weatherization materials have been provided, and they are listed below:

_____

_____

_____

_____

_____ _____

Date *Signature*

NOTICE OF RIGHT OF RESCISSION

NOTICE TO CUSTOMER REQUIRED BY FEDERAL LAW

Today, _____, you have entered into a transaction which may result in a lien, mortgage or other security interest on your home. Federal Law provides you with the right to cancel this transaction, if you so desire, without any penalty or obligation at any time within three business days from the above date or the date on which all material disclosures required under the Truth in Lending Act have been given to you. By canceling this transaction, any lien, mortgage or other security interest on your home resulting from this transaction is automatically void. Any down payment or other consideration you may have tendered on entering this transaction must be refunded to you in the event you cancel. If you desire to cancel this transaction, you may do so by notifying the following party:

_____

Name

_____

Address

by mail or telegram sent by midnight _____, or by any other form of written notice delivered to the above address no later than midnight_____. Please acknowledge your receipt of this notice by signing the form indicated below.

ACKNOWLEDGMENT OF RECEIPT OF NOTICE

Each of the undersigned hereby acknowledges the receipt of two completed copies of the Notice of Right of Rescission.

_____ Date_____

_____ Date_____

[Customer's Signature]

Jurisdiction Name
Your Program Name
DCA Grant Number

Bid and Proposals
Date/Time of Opening

_____ _____

Rehabilitation Address Property Owner

Name of Company	Amount of bid
1. _____	$ _____
2. _____	$ _____
3. _____	$ _____
4. _____	$ _____
5. _____	$ _____
6. _____	$ _____

GENERAL RELEASE FORM

I, _____ hereby authorizes the

(Grant Recipient)_____ or its designated agents to obtain

and receive all records and information pertaining to eligibility for the rehabilitation program,

including employment, income, (including IRS returns), credit, residency, and banking

information from all persons, companies, or firms holding or having access to such

information. This authorization hereby gives the _____

the right to request all information that we can or could obtain from any persons, company,

or firm on any matter referred to above. I (we) agree to have no claim for defamation,

violation of privacy, or otherwise against any person or firm or corporation by reason of

any statement or information released by them to the _____

for purposes of the program. The term of this authorization shall commence on the date of

signature and be in force for a period of 2 years.

Signature _____

Signature _____

Signature _____

On this _____ day of _____, _____ , before me

personally came _____, to me known,

who being by me duly sworn, did depose and say that he and she reside at _____

_____, that he and she are the persons described

herein and who executed the foregoing instrument, and acknowledged that he and she executed the same.

NOTICE OF RIGHT OF RESCISSION

NOTICE TO CUSTOMER REQUIRED BY FEDERAL LAW

Today, _____, you have entered into a transaction which may result in a lien, mortgage or other security interest on your home. Federal Law provides you with the right to cancel this transaction, if you so desire, without any penalty or obligation at any time within three business days from the above date or the date on which all material disclosures required under the Truth in Lending Act have been given to you. By canceling this transaction, any lien, mortgage or other security interest on your home resulting from this transaction is automatically void. Any down payment or other consideration you may have tendered on entering this transaction must be refunded to you in the event you cancel. If you desire to cancel this transaction, you may do so by notifying the following party:

_____

Name

_____

Address

by mail or telegram sent by midnight _____, or by any other form of written notice delivered to the above address no later than midnight_____. Please acknowledge your receipt of this notice by signing the form indicated below.

ACKNOWLEDGMENT OF RECEIPT OF NOTICE

Each of the undersigned hereby acknowledges the receipt of two completed copies of the Notice of Right of Rescission.

_____ Date_____

_____ Date_____

[Customer's Signature]

Certificate of Final Payment

Grant Recipient _____ Grant # _____

Owners Name _____ Contractors Name _____

Address _____ Grant Administrator Name (if applicable)

_____ _____

This document will certify that the Contract for Rehabilitation or Reconstruction to the home of the above named owner has been fully consummated and completed to the satisfaction of the home owner and the Grant Recipient and/or its designated Administrator.

A final payment of $ _____.___ has been issued to the Contractor for the full balance amount owed and that there now remains a balance of **$0.00** due the Contractor.

Grant Recipient (or Designated Administrator):

Name: _____

Address: _____

Telephone #: _____

Signature: _____

Date: _____/_____/_____

Contractor

Name of Contracting Company: _____

Name of Individual receiving payment: _____

Signature: _____

Date: _____/_____/_____

Receipt of this Final Payment shall serve as acknowledgement and testimony that the Contractor and the Grant Recipient agree that no additional monies are due in the performance of this project.

GUIDEFORM RESIDENTIAL TENANT TO BE DISPLACED

Grantee or Agency Letterhead

(date)

Dear _____:

The City of _____, is interested in acquiring the property you occupy at _____(address)_____ for the ____(project)___. This notice is to inform you of your rights under Federal law. If the City acquires the property and you are displaced for the project, you will be eligible for relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. However, do not move now. This is not a notice to vacate the premises. You should continue to pay your monthly rent to your landlord because a failure to pay rent and meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. You are urged not to move or sign any agreement to purchase or lease a new unit before receiving formal notice of your eligibility for relocation assistance. If you move or are evicted before receiving such notice, you may not receive any assistance. Please contact us before you make any moving plans.

If the City acquires the property and you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement housing, and at least 90 days advance written notice of the date you will be required to move. You would also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or buy a replacement house. This assistance is more fully explained in the enclosed brochure, "Relocation Assistance to Tenants Displaced from Their Homes."

If for any reason any other persons move into this unit with you after this notice, your assistance may be reduced. If you have any questions, please contact _____(name)_____, _____(title)_____, at _____(phone)_____, _____(address)_____.

Again, this is not a notice to vacate and does not establish eligibility for relocation payments or other relocation assistance. If the City decides not to purchase the property, you will be notified in writing.

Sincerely,

(name and title)_____

Enclosure

NOTES.

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See Paragraph 2-3d of Handbook.)
2. This is a guide form. It should be revised to reflect the circumstances.

Statement to be included in repayment agreements

"In the event that Owner's death occurs prior to expiration date of the Repayment Agreement, repayment is not required provided that the heirs retain title to the property for personal use (as primary residence) or for rental purposes provided that the property is rented to persons of low to moderate income, at an affordable rent in accordance with the City of _____ _____ policies determining basis of affordable rent for low/moderate income renters, for the remaining term of the Repayment Agreement. A Rent Regulatory Agreement must be agreed to and executed prior to tenant occupancy."

This Agreement is made and entered into this <Contract Day>> day of <<Contract Month, Year>> by and between the <<Govt. Name>>, hereinafter referred to as "the governing body" and <<Client Name>>, hereinafter referred to as "Recipient".

Whereas, <<Govt. Name>> has advanced to Recipient the amount of $ _____ as a deferred payment loan under the <<Type Program Description>> (hereinafter referred to as "Program") funded through the Georgia Department of Community Affairs for the purpose of the rehabilitation of housing owned by Recipient located on the following described real property, hereinafter referred to as "Premises", to wit:

<<Client Property Description>>

Whereas, the Recipient has met the eligibility requirements for said Program;

Whereas, the Governing Body desires that the Recipient occupy and not transfer title to the above described property nor cause involuntary displacement of tenants for a period of five (5) years from the date of execution of this instrument by the Governing Body.

Now therefore**,** the parties hereto agree as follows:

SECTION I

Recipient hereby agrees that if Title to the Premises is transferred by said Recipient within a five (5) year period commencing with the execution of this instrument by the Governing Body, the Recipient shall repay to the Governing Body an amount to be determined as set forth in Section II. This paragraph shall not apply to any transfer of the Premises by devise, descent or by operation of law upon the death of the joint tenant nor to the creation of a lien or encumbrance subordinate to this instrument.

In the event that Owner(s)'s death occurs prior to the expiration date of the Repayment Agreement, repayment is not required provided that the heirs retain title to the property for personal use (as primary residence) or for rental purposes provided that the property is rented to persons of low and moderate income at an affordable rent in accordance with the governing body's policies. **These polices determine the basis for affordable rent for low/moderate income renters. A Rent Regulatory Agreement must be agreed to and executed prior to tenant occupancy. After the expiration of the Repayment Agreement, the requirements for primary residence and rental to low/moderate income persons no longer apply.**

SECTION 11

If a transfer of title or non-occupancy occurs as set forth in Section 1, then Recipient shall repay to the Governing Body an amount to be determined as follows:

(a) If the transfer- of the Premises or non-occupancy occurs within a one (1) year period from the date of execution of this instrument by the governing body, the entire amount advanced by the Governing Body to Recipient must be repaid to the Governing Body.

(b) If the transfer of the Premises or non-occupancy occurs after a one (1) year period but within a two (2) year period from the date of execution of this instrument by the governing body, the Recipient

would repay to the Governing Body a sum equal to eighty percent (80%) of amount advanced by the Governing Body to Recipient.

(c) If the transfer of the Premises or non-occupancy occurs after a two (2) year period but within a three (3) year period from the date of execution of this instrument by the governing body, the Recipient would repay to the Governing Body a sum equal to sixty percent (60%) of amount advanced by the Governing Body to Recipient.

(d) If the transfer of the Premises or non-occupancy occurs after a three (3) year period but within a four (4) year period from the date of execution of this instrument by the governing body, the Recipient would repay to the Governing Body a sum equal to forty percent (40%) of amount advanced by the Governing Body to Recipient.

(e)If the transfer of the Premises or non-occupancy occurs after a four (4) year period but within a five (5) year period from the date of execution of this instrument by the Governing Body, the Recipient would repay to the Governing Body a sum equal to twenty percent (20%) of amount advanced by the Governing Body to Recipient

Recipient hereby agrees that this Agreement may be recorded in the Office **of Clerk of the** <<Govt. County>> Superior Court in the Real Estate Records and shall be construed as a Repayment Agreement on the above described property for a period of five (5) years from the date of execution of this **instrument by the Governing Body.**

TIME IS OF THE ESSENCE OF THIS **AGREEMENT**

In Witness Whereof the parties hereto have executed this Agreement.

Signed, sealed & delivered in (Seal)
the presence of:

(Seal)

Notary Public
Executed by and on behalf of the <<Govt Name>> on this _day of , <<Yr>>.

By:

Signed, sealed & delivered in the presence of

Notary Public

HOUSING REHABILITATION CONSTRUCTION CONTRACT

This AGREEMENT is made and entered into this _____ day of _____, _____ by and between ___(Full Name of Contracting Firm)_____, hereinafter called the "*CONTRACTOR*" and _____(Fee Simple as Per Deed)_____, hereinafter called the "*OWNER(S)*".

This CONTRACT is to be administered by the _____(Local Government)_____,
Hereinafter call the *COMMUNITY DEVELOPMENT DEPARTMENT.*

This AGREEMENT shall not become a CONTRACT binding upon the parties concerned until these parties have properly signed this AGREEMENT and until the application for the grant and/or loan has been approved by the *COMMUNITY DEVELOPMENT DEPARTMENT (*and the Lender, if applicable)

In consideration of the mutual promises and agreements contained herein, the undersigned *CONTRACTOR* and *OWNER* agree to the following provisions:

ARTICLE 1: GENERAL CONDITIONS

A. This CONTRACT embodies all the representations, rights, duties, obligations of the parties, and any prior oral or written agreement not embodied herein shall not be binding or inure to the benefit of any of the parties.

B. The parties state that to the best of their knowledge, no member of the *COMMUNITY DEVELOPMENT DEPARTMENT* or the ___(Local Government) and no other officer, employee, or agent of the _____(Local Government) who exercise any functions or responsibilities in connection with the carrying out of the project to which this CONTRACT pertains has any personal interest, direct or indirect, in this CONTRACT.

The parties to this CONTRACT acknowledge and hereby agree to comply with the following Exhibits, all of which are made a part of the CONTRACT as is hereto attached or herein repeated, from the CONTRACT between the parties hereto. In the event that any provisions in any component part of this CONTRACT conflicts with any other component part, the provision of the component part first enumerated under this ARTICLE 1 shall govern, except as otherwise specifically stated:

EXHIBIT __ - General Conditions, Special Conditions and Bid Documentation Specifications
EXHIBIT __ - Bid and Proposal
EXHIBIT __ - Work Write up
EXHIBIT __ - Drawings (if applicable)
EXHIBIT __ - Terms and Conditions of Rehabilitation Assistance
EXHIBIT __ - Progress Payment Schedule (if applicable)
EXHIBIT __ - Other Required Exhibits (if applicable)

All of the above Exhibits which are applicable to this CONTRACT are attached and identified by property location and name(s) of *OWNER(S).*

C. The property to be rehabilitated is located at: _____

ARTICLE 2: PROVISION FOR THE CONTRACTOR

A. The *CONTRACTOR* agrees to furnish all labor, materials, supervision and services to do the work specified in the Work Write-up (Exhibit "C") for the total sum of: _____($ _____).

B. The *CONTRACTOR shall* begin work only after receipt of a written Proceed Order from the Owner.

C. The *CONTRACTOR* shall comply with the Standard Specifications for Residential Rehabilitation (provided by the *COMMUNITY DEVELOPMENT DEPARTMENT);* and the General and Special Conditions (Exhibit "A") and: with all regulations, ordinances, and laws of the City, County, State of Georgia, and the Federal government and; promptly secure all necessary inspections and approvals required thereby and permit reasonable inspection of all work by authorized inspectors.

D. Should the *CONTRACTOR* neglect to perform the work in a workmanlike manner, or Fail to supply sufficient materials or workers for seven (7) consecutive days, the *OWNER* may, after three (3) days written notice to the *CONTRACTOR* to make the deficiencies good or resume work, as applicable, terminate this CONTRACT by issuing a "Stop Order". The CONTRACTOR will be paid for the work she/he has satisfactorily completed. At the time of termination, the completed work will be assessed and calculated by the COMMUNITY DEVELOPMENT DEPARTMENT at the usual and prevailing price of work of this character in the community at the time the contract was signed. The CONTRACTOR shall be paid accordingly, only after submission of the following documents.

1. Satisfactory release of liens or claims for liens by the CONTRACTOR, subcontractors, laborers, or material dealers;
2. General one year warranty, plus manufacturers warranties, as appropriate;
3. Invoice reflecting the amount determined by the COMMUNITY DEVELOPMENT DEPARTMENT. The above procedure shall also be applicable, with the concurrence of the OWNER, should the CONTRACTOR request an "assignment" of this CONTRACT to another qualified CONTRACTOR (approved by the COMMUNITY DEVELOPMENT DEPARTMENT and the OWNER) while the work is in progress.

E. The CONTRACTOR shall submit evidence of and maintain insurance for the term of This contract as follows:

1. Bodily Injury Insurance $ _____
2. Property Damage Insurance $ _____
3. Workman's Compensation

F. The CONTRACTOR shall abide by Federal Regulations prohibiting the use of lead-base paint.

G. The CONTRACTOR shall abide by the 1964 Civil Rights Act in the performance of the work authorized by this CONTRACT.

H. The CONTRACTOR must satisfactorily complete the work within _____ calendar days from the date of Notice of Commencement. If the CONTRACTOR fails to complete all of the prescribed

work within the CONTRACT period, the OWNER reserves the right to either terminate the CONTRACT on the expiration date in the manner stipulated in Item D of the Agreement, or grant an extension of time to the CONTRACTOR in the form of an Amendment to the CONTRACT, executed by all parties to this Agreement, and consequently waive the "liquidated damages" clause indicated in Item J of this Agreement to the date specified in the Agreement.

I. Additions or deletions in the work specified in the Work Write-up shall be prohibited without a written "Addendum/Amendment" executed by the Owner and the Contractor and approved by the COMMUNITY DEVELOPMENT DEPARTMENT.

J. In the event the CONTRACTOR is unable to complete the work in the allotted time and indicated in the CONTRACT, "liquidated damages" in the amount of $ _____ per calendar day beyond the date of expiration shall be assessed by the CONTRACTOR. Conditions under which delays are excusable are listed in the General Conditions (Exhibit "A").

K. The CONTRACTOR agrees that anyone engaged in the practice of electrical contracting or plumbing or low-voltage contracting and conditioned air contracting (heating or cooling) or the installation, alteration and/or repair of plumbing, air conditioning, heating, electrical or low-voltage wiring systems must be licensed by the State of Georgia Construction Industry Licensing Board.

L. The CONTRACTOR must use materials that are new, in good condition and of the grade required by the work write-up or specifications unless otherwise agreed to in writing. Materials damaged in shipment or prior to OWNERS acceptance shall be replaced at the expense of the CONTRACTOR.

ARTICLE 3: PROVISIONS FOR THE OWNER(S)

A. The OWNER shall permit the CONTRACTOR to use, at no cost, existing utilities such as light, heat, electricity and water, normal and necessary to perform and complete the work.

B. The OWNER shall cooperate with the CONTRACTOR to facilitate the performance of the work, including the removal and replacement of rugs, coverings, furniture and the like as necessary.

C. The OWNER shall authorize the COMMUNITY DEVELOPMENT DEPARTMENT, to pay the CONTRACTOR the CONTRACT amount upon satisfactory completion of the work. The payment shall be in lump sum when rehabilitation is satisfactorily completed unless a progress payment(s) is authorized in writing. For this CONTRACT, a progress: (_____ may, _____ not) be authorized. If authorized, see Progress Payment Schedule (Exhibit "F").

ARTICLE 4: RESPONSIBILITY OF THE COMMUNITY DEVELOPMENT DEPARTMENT

A. The OWNER and CONTRACTOR agree that while the COMMUNITY DEVELOPMENT DEPARTMENT has no further responsibility to administer this CONTRACT, the _____(Local Government)_____ has no further responsibility or obligation relaxing thereto. It is understood that the COMMUNITY DEVELOPMENT DEPARTMENT has no authority to control or perform any obligation of either party to this Agreement. The _____ (Local Government) _____ has no right or responsibility in connection with the performance of the contractual work to be done by the CONTRACTOR or his subcontractors. Any grievance related to the contractual work in progress, performed or omitted by the CONTRACTOR shall be against the CONTRACTOR

and not against the _____(Local Government)_____, or the COMMUNITY DEVELOPMENT DEPARTMENT.

ARTICLE 5: ARBITRATION TERMS AND CONDITIONS

All claims or disputes between the Owner and the Contractor arising out of or related to the work specified in this contract shall be decided by arbitration in accordance with the __(Local Government)___Program Policy Statement, unless the parties mutually agree otherwise. The Owner and/or Contractor shall submit all disputes or claims in writing, regardless of the extent of the work's progress, to (name of certifying official of local government) unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed by the __(Local Government)___ in writing with the other party referencing this Construction Contract, and shall be made within a reasonable time after the dispute has arisen. The decision rendered by the Arbitration Board shall be final, and judgment (if applicable) may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. If the Arbitration Board's award is in a sum which is less than that which was offered in settlement by the Contractor, the Arbitration Board may award costs and attorney's fees in favor of the Contractor. If the award of the Arbitration Board is in a sum greater than that which was offered in settlement by the owner, the Arbitration Board may award costs and attorney's fees in favor of the Owner.

THIS CONTRACT AND ALL EXHIBITS HEREIN ARE APPROVED AND ACCEPTED AS OF THE DATE OF FIRST ABOVE WRITTEN.

_____	_____
CONTRACTOR	***OWNER(S)***
_____	_____
By	***OWNER(S)***
_____	_____
Street or Box Number	Street or Box Number
_____	_____
City, State, Zip Code	**City, State, Zip Code**
_____	_____
Witness	**Subscribed before me this _____ day of _____, 20_____.**
	_____
	Notary Public

GENERAL CONDITIONS
SECTION 1 (PART 1)

_____

Rehabilitation Owner

_____

Rehabilitation Address

101. Scope of the work shall include all labor, material, equipment, permits drawings and services necessary for the proper completion of the rehabilitation of the property identified in the "Work Write-up" and all such work called for shall be done in accordance with the Basic General Specifications as prepared by the _____.

102. The Work Write up shall take precedence over the Basic General Specification and when in conflict, the material, equipment or workmanship called for in the "Work Write up" will be required.

103. The Drawings of Floor Plans are diagrammatic only to illustrate the general intention of the OWNER. They do not show all of the work required, exact dimensions or construction details.

104. Bids or Proposals will be submitted at the bidder's risk prior to a time and date certain, and the OWNER or the _____ reserves the right to reject any or all bids or proposals.

105. Subcontractor(s) shall be bound by terms and conditions of this contract, insofar as it applies to their work. This shall not relieve the General Contractor from the full responsibility to the OWNER for the proper completion of all work to be executed under this contract; and he shall not be released from this responsibility by any sub-contractual agreement he may make with others.

106. Fitting and Coordination of the Work: The CONTRACTOR shall be responsible for the proper fitting of all work and for the coordination of the operations of all trades, subcontractors or materials suppliers engaged upon this contract. The Contractor shall provide to each of his subcontractors the locations and measurements that they may require for the fitting of their work to all surrounding work.

107. Trade Names are used in the Basic General Specifications to establish quality and type of materials required. Exact materials to be used on a specific property may be described in the "Work Write-up" for the particular property.

108. Adjacent Property: When adjacent property is affected or endangered by any work done under this contract, it shall be the responsibility of the CONTRACTOR to take whatever steps necessary for the protection of the adjacent property and to notify the OWNER thereof such hazards.

109. Repairs shall be made to all surfaces damaged by the CONTRACTOR resulting from his work under this contract at no additional cost to the OWNER. Where "repair of existing work" is called for by the contract, the feature is to be placed in "equal to new condition" either by patching or replacement. All damaged, loose or rotted parts shall be removed and replaced and the finished work shall match adjacent work in design and dimension.

110. Payments:

1. In the event the contract amount is $ _____ or more and satisfactory progress is being maintained, as determined by the Community Development Department the OWNER agrees to approve the Contractor's requisition for progress payment(s) as specified. These progress payments(s) will be based on the work and materials, fixtures and equipment satisfactorily placed at the time of the requisition and shall not exceed _____ percent of the amount due for the work satisfactorily completed with deductions made for the amounts of previous progress payments. The remainder due the CONTRACTOR shall be withheld pending satisfactory completion of all work covered in this contract.

2. After the Community Development Department's inspection, the CONTRACTOR shall submit to the OWNER, for approval, requisition for payment. When the required Affidavits and Release of Claims (warranties and the release of liens) have been executed by the CONTRACTOR, Subcontractors, and materials suppliers the payment will be made which will include any amounts due under the contract as adjusted in accordance with approved contracts amendments and subject to the payment of any amounts due the OWNER for liquidated Damages as may be necessary to protect the OWNER against any claim arising from the CONTRACTOR'S operations under the contract.

3. No payment made under the contract shall act as a waiver of the right to the OWNER to require the fulfillment of all terms of the contract.

4. The CONTRACTOR will be paid the contract price in one lump sum amount after the work is satisfactorily completed on all contract of $_____ or less.

5. When progress payments are applicable, the contract will include a payment schedule that specifies the stages at which payments will be made and the percentage (or amount) of the contract price that will be paid for the satisfactory completion of each stage:

   1. Contracts over $_____ but not exceeding $_____: one (1) partial payment may be requested by the CONTRACTOR after a minimum of _____ percent of the total contract work per the partial payment schedule is satisfactorily completed.

   2. Contracts over $_____ : two(2) partial payment may be requested by the CONTRACTOR, 1) First Partial Payment – after a minimum of _____ percent of the total contract work per the partial payment schedule is satisfactorily completed; and 2) Second Partial Payment – after an additional _____ percent of the total contract work per the partial payment schedule is satisfactorily completed.

      IMPORTANT: All progress payments are contingent upon the CONTRACTOR maintaining satisfactory progress in the prescribed work. This will be determined by Community Development Department.

111. General Guaranty and Warranty:

The General CONTRACTOR warrants that all materials, fixtures and equipment furnished by the contractor and/or subcontractors shall be new, of good quality and of good title and that the work will be done in a neat and workmanlike manner. Neither the final payment nor any provision in the contract nor partial or entire use of occupancy of the premises by the OWNER shall constitute an acceptance of work not done in accordance with the contractor or relieve the CONTRACTOR of liability in respect to any express warranties or responsibility for faulty materials or workmanship. The CONTRACTOR shall promptly remedy any defects in the work and pay for any damage to other work resulting therein which may appear within a period of one year from the date of final acceptance of the work unless a longer period is specified. The OWNER or the Community Development Department will give notice of observed defects with reasonable promptness.

112. Contractor's Affidavit:

Prior to a progress and/or final payment and as a condition thereto, the CONTRACTOR shall execute an Affidavit. It will set forth the undisputed balance due the CONTRACTOR under the contract and duly approved amendments(s); a listing of additional amounts of outstanding and unsettled items which the CONTRACTOR claims are just and due and owed by the OWNER to the CONTRACTOR; a certification that the work under the contract and amendment(s) has been performed in accordance with the terms thereof and that there are no unpaid claims for materials, supplies or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of the contract; a statement that except for the amounts enumerated, the CONTRACTOR has received from the owner all sums of money payable under or pursuant to the contract or any changes thereto; and a statement that in consideration of the payment of the undisputed balance, the CONTRACTOR releases and indemnifies the OWNER from any and all claims arising under or by the virtue of the contract except for the additional mounts of outstanding unsettled items listed as claims that are just and due.

113. Changes in the Work:

1. The OWNER (with the Community Development 's concurrence) may make changes in the work required to be performed by the CONTRACTOR by making additions thereof; or deleting work from; or by changing materials, fixtures or equipment from those specified without invalidating the contract and without relieving or releasing the contractor. Such work will be in writing and executed under the terms of the original contract unless it is expressly provided otherwise. (Section 113d)

2. Except for the purpose of affording protection against any emergency endangering life or property, the CONTRACTOR shall make no change in the work or rehabilitation; provide any extra or additional work or supply additional labor, services or materials beyond that actually required for the execution of the contract unless in pursuance of a written order from the OWNER authorizing the change (with the Community Development's concurrence). No claim for an adjustment of the contract price will be valid unless so ordered.

3. Each "change order" shall include in its final form a detailed description of change of work; the CONTRACTOR'S definite statement as to the work; the Contractor's definite statement as to the resulting change in the contract price and/or time; and the statement that all work involved in the change shall be performed in accordance with contract requirements except as modified by the amendment.

4. Any request for a "change order", either by the OWNER or CONTRACTOR, regardless of whether it involves an increase or decrease in work to be done, cost and/or time: must be approved by the Community Development Department before the change takes effect. Unless otherwise specified, any "change order" resulting in an increase in the work to be done and a resulting increase in cost shall be the responsibility of the OWNER.

Excusable Delays:

The CONTRACTOR shall not be charged with liquidated damages for any delays in the completion of the work due to:

a. Any acts of the government; including controls or restrictions upon or requisitioning of materials, equipment, tools or labor by reason of war, national Defense or any other national emergency;

b. Any acts of the OWNER, that will hinder the progress of the work as determined by the Community Development Department;

c. Causes not reasonably foreseeable by the parties to this contract at the time of the execution of the contract which are beyond the control and without the fault or negligence of the CONTRACTOR; including but not restricted to acts of God or of the public enemy; acts of another CONTRACTOR in the performance of some other contract with the OWNER, fires, flood, epidemics, quarantine restrictions, strikes, freight embargoes and weather of unusual severity such as hurricanes, tornadoes, cyclones and other extreme weather conditions; and

d. To any delay of subcontractor occasioned by any of the causes specified in subparagraphs a., b., and c. above. Provided, however, that the CONTRACTOR promptly (within 10 days) notifies the OWNER and the Community Development Department in writing of the cause of the delay. If the facts show the delay to be properly excusable under the terms of this contract, as determined by the Community Development Department, the OWNER shall extend the contract time by a period commensurate with the period of excusable delay of the completion of the work as a whole; in the form of an amendment to contract.

114. Permits and Codes:

The CONTRACTOR shall give all notices required by and comply with all applicable laws, ordinances and codes of the State of Georgia and the local government including the obtaining of and payment for all required permits; provided however, that the CONTRACTOR shall not be held responsible for pre-existing violations of any law including but not restricted to zoning or building codes or regulations except compliance for any new or replaced work included in this contract will be required. Before beginning the work, the CONTRACTOR shall examine the "Work write-up" for compliance with the applicable ordinances and codes for the new or replaced work and shall immediately report any discrepancy to the Community Development Department and the OWNER. Where the requirements of the "Work Write-up" fail to comply with such applicable ordinances or codes for the new or replaced work, the OWNER will adjust the contract by appropriate adjustment in the contract price unless waivers in writing covering the difference have been granted by proper authority.

115. Insurance:

a. The CONTRACTOR shall provide for Workman's Compensation Insurance for all his employees and is responsible for compliance of his subcontractors engaged in work at the site in accordance with State or Territorial Workman's Compensation Laws, if applicable.

b. The CONTRACTOR shall provide for Manufacturer's and CONTRACTOR'S Public Liability Insurance with minimum limits of $_____ on each occurrence to protect the CONTRACTOR and subcontractors against claims for injury to or death of one or more than one person because of accidents which may occur or result from operations under this contract. Such insurance shall cover the use of all equipment including, but not limited to, excavating machinery, trenching machines, cranes, hoists, rollers, concrete mixers and motor vehicles in the construction of the rehabilitation embraced in this contract.

c. The CONTRACTOR shall provide for, during the life of the contract, property damage insurance in the amount not less than $_____ to protect him and his subcontractors from claims for property damage which might arise from operations under this contract.

d. Prior to the execution of the contract, the CONTRACTOR shall submit evidence of the coverage required above by an insurance certificate or its equivalent.

116. Inspection of Work:

The United States government, the Georgia Department of Community Affairs and _____ shall have the right to examine and inspect rehabilitation work included in this contract. The work shall be subject to the inspector's approval and acceptance. The CONTRACTOR will be informed of rejected work in writing. Also, these representatives shall be permitted to examine and inspect all subcontractor's materials, equipment, payrolls and conditions of employment pertaining to the work, including all relevant data and records.

117. Surplus Materials:

All surplus materials delivered to the job site and all materials, fixtures and equipment replaced shall become the property and the responsibility of the CONTRACTOR and/or its subcontractors and shall be removed from the job site promptly after completion as well as all rubbish and debris resulting from the CONTRACTOR'S operations. The premises shall be left in clean condition.

118. Interest of Certain Federal and Other Officials:

a. No member of the Delegate to the Congress of the United States and no Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise from same.

b. No member of the governing body of _____ who exercises any functions or responsibilities in connection with the administration of the Community Development Project to which this contract pertains and no other officer or employee of the _____ who exercises any such functions or responsibilities shall have any interest, direct or indirect, in this contract which is incompatible or in conflict with the discharge or fulfillment of these functions and responsibilities in connection with the carrying out of the program to which this contract pertains.

c. No member of the governing body of _____ and no other public official of the _____ who exercises any functions or responsibilities in connection with the administration of the Community Development Project shall have any interest, direct or indirect, in this contract.

119. Equal Employment Opportunity:

If the contract amount is $10,000 or more, the following conditions shall apply:

During the Performance of this contract, the CONTRACTOR agrees as follows:

a. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The CONTRACTOR will take affirmative action to insure that applicants are employed; and that employees are treated, during employment, without regard to their race, creed, color or national origin. Such action shall include, but not be limited to the following: employment, upgrading demotion or transfer, recruitment advertising, layoff or terminations, rates of pay or other forms of

compensation and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the municipality setting forth the provisions of this nondiscrimination clause.

b. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, creed, color or national origin.

c. The contract will send labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice to be provided advising the labor union or workers representative of the CONTRACTOR'S commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor or the Secretary of Housing and Urban Development pursuant thereto and will permit access to his books, records and accounts by the Secretary of Housing and Urban Development, or his degree, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

e. In the event of the CONTRACTOR'S noncompliance with the nondiscrimination clause of this contract or with any of such rules, regulations or orders, this contract may be canceled, terminated or suspended, in whole or in part, and the CONTRACTOR may be declared ineligible for further government contracts of federally assisted construction contracts in accordance with procedures authorizes in Executive Order 11246 of September 24, 1965, and such other sanctions my be imposed and remedies involved as provided in Executive Order 12246 or by rule or regulation in order of the Secretary of Labor or as otherwise provided by law.

f. The CONTRACTOR will include the provisions of paragraph a. through g. in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 202 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the property OWNER may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event of the CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the property OWNER, the CONTRACTOR may request the United States to enter into such litigation to protect the interest of the United States.

120. Certification of Non-segregated Facilities:

The Bidding Contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Bidding Contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidding Contractor agrees that a breach of this certification will be a violation of the Equal Opportunity clause in any contract resulting from acceptance of this bid. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidding Contractor agrees

that except where he has obtained identical certification from proposed subcontractor for specific time periods he will obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certifications in his files.

Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

121. Clean Up:

The CONTRACTOR is required to keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Clean up and removal of all debris and materials resulting from his work shall be the responsibility of the CONTRACTOR who will, upon completion of his work, leave the premises in clean conditions. Also see, Section IX D of Bid Document Specifications.

122. State Certification:

All CONTRACTORS or subcontractors engaged in the practice of electrical contracting or plumbing contracting or low-voltage contracting and conditioned air contracting (heating and cooling) or the installation, alteration and/or repair of plumbing, air conditioners, heating, electrical or low-voltage wiring systems are required to be licensed by the State of Georgia Construction Industry Licensing Board.

The CONTRACTOR agrees that anyone engaged in the practice of Lead Hazard Abatement must be certified by the State of Georgia Department of Natural Resources Environmental Protection Division.

123. The Uniform Codes Act is codified at chapter 2 of title 8 of The Official Code of Georgia Annotated. O.C.G.A. Section 8-2-20(9)(B)

The General CONTRACTOR and his subcontractors are legally obligated to comply with the following construction codes:

*Standard Building Code	*National Electrical Code
*Standard Gas Code	*CABO One & Two Family Dwelling Code
*Standard Mechanical Code	*Georgia State Energy Code for Buildings
*Standard Plumbing Code	*Standard Fire Prevention Code

GENERAL CONDITIONS
SECTION 1 (PART 2)

_____

Rehabilitation Owner

_____

Rehabilitation Address

124. The Work Write up shall take precedence over the Basic General Specification and when in conflict, the material, equipment or workmanship called for in the "Work Write up" will be required.

125. The Drawings of Floor Plans are diagrammatic only to illustrate the general intention of the OWNER. They do not show all of the work required, exact dimensions or construction details.

126. Bids or Proposals will be submitted at the bidder's risk prior to a time and date certain, and the OWNER or the _____ reserves the right to reject any or all bids or proposals.

127. Subcontractor(s) shall be bound by terms and conditions of this contract, insofar as it applies to their work. This shall not relieve the General Contractor from the full responsibility to the OWNER for the proper completion of all work to be executed under this contract; and he shall not be released from this responsibility by any sub-contractual agreement he may make with others.

128. Fitting and Coordination of the Work: The CONTRACTOR shall be responsible for the proper fitting of all work and for the coordination of the operations of all trades, subcontractors or materials suppliers engaged upon this contract. The Contractor shall provide to each of his subcontractors the locations and measurements that they may require for the fitting of their work to all surrounding work.

129. Trade Names are used in the Basic General Specifications to establish quality and type of materials required. Exact materials to be used on a specific property may be described in the "Work Write-up" for the particular property.

130. Adjacent Property: When adjacent property is affected or endangered by any work done under this contract, it shall be the responsibility of the CONTRACTOR to take whatever steps necessary for the protection of the adjacent property and to notify the OWNER thereof such hazards.

131. Repairs shall be made to all surfaces damaged by the CONTRACTOR resulting from his work under this contract at no additional cost to the OWNER. Where "repair of existing work" is called for by the contract, the feature is to be placed in "equal to new condition" either by patching or replacement. All damaged, loose or rotted parts shall be removed and replaced and the finished work shall match adjacent work in design and dimension.

Payments:

1. In the event the contract amount is $ _____ or more and satisfactory progress is being maintained, as determined by the Community Development Department the OWNER agrees to approve the Contractor's requisition for progress payment(s) as specified. These progress payments(s) will be based on the work and materials, fixtures and equipment satisfactorily placed at the time of the requisition and shall not exceed _____ percent of the amount due for the work satisfactorily completed with deductions made for the amounts of previous progress payments. The remainder due the CONTRACTOR shall be withheld pending satisfactory completion of all work covered in this contract.

2. After the Community Development Department's inspection, the CONTRACTOR shall submit to the OWNER, for approval, requisition for payment. When the required Affidavits and Release of Claims (warranties and the release of liens) have been executed by the CONTRACTOR, Subcontractors, and materials suppliers the payment will be made which will include any amounts due under the contract as adjusted in accordance with approved contracts amendments and subject to the payment of any amounts due the OWNER for liquidated Damages as may be necessary to protect the OWNER against any claim arising from the CONTRACTOR'S operations under the contract.

3. No payment made under the contract shall act as a waiver of the right to the OWNER to require the fulfillment of all terms of the contract.

4. The CONTRACTOR will be paid the contract price in one lump sum amount after the work is satisfactorily completed on all contract of $_____ or less.

5. When progress payments are applicable, the contract will include a payment schedule that specifies the stages at which payments will be made and the percentage (or amount) of the contract price that will be paid for the satisfactory completion of each stage:

6. Contracts over $_____ but not exceeding $_____: one (1) partial payment may be requested by the CONTRACTOR after a minimum of _____ percent of the total contract work per the partial payment schedule is satisfactorily completed.

7. Contracts over $_____ : two(2) partial payment may be requested by the CONTRACTOR, 1) First Partial Payment – after a minimum of _____ percent of the total contract work per the partial payment schedule is satisfactorily completed; and 2) Second Partial Payment – after an additional _____ percent of the total contract work per the partial payment schedule is satisfactorily completed.

   IMPORTANT: All progress payments are contingent upon the CONTRACTOR maintaining satisfactory progress in the prescribed work. This will be determined by Community Development Department.

132. General Guaranty and Warranty:

The General CONTRACTOR warrants that all materials, fixtures and equipment furnished by the contractor and/or subcontractors shall be new, of good quality and of good title and that the work will be

done in a neat and workmanlike manner. Neither the final payment nor any provision in the contract nor partial or entire use of occupancy of the premises by the OWNER shall constitute an acceptance of work not done in accordance with the contractor or relieve the CONTRACTOR of liability in respect to any express warranties or responsibility for faulty materials or workmanship. The CONTRACTOR shall promptly remedy any defects in the work and pay for any damage to other work resulting therein which may appear within a period of one year from the date of final acceptance of the work unless a longer period is specified. The OWNER or the Community Development Department will give notice of observed defects with reasonable promptness.

133. Contractor's Affidavit:

Prior to a progress and/or final payment and as a condition thereto, the CONTRACTOR shall execute an Affidavit. It will set forth the undisputed balance due the CONTRACTOR under the contract and duly approved amendments(s); a listing of additional amounts of outstanding and unsettled items which the CONTRACTOR claims are just and due and owed by the OWNER to the CONTRACTOR; a certification that the work under the contract and amendment(s) has been performed in accordance with the terms thereof and that there are no unpaid claims for materials, supplies or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of the contract; a statement that except for the amounts enumerated, the CONTRACTOR has received from the owner all sums of money payable under or pursuant to the contract or any changes thereto; and a statement that in consideration of the payment of the undisputed balance, the CONTRACTOR releases and indemnifies the OWNER from any and all claims arising under or by the virtue of the contract except for the additional mounts of outstanding unsettled items listed as claims that are just and due.

134. Changes in the Work:

1. The OWNER (with the Community Development 's concurrence) may make changes in the work required to be performed by the CONTRACTOR by making additions thereof; or deleting work from; or by changing materials, fixtures or equipment from those specified without invalidating the contract and without relieving or releasing the contractor. Such work will be in writing and executed under the terms of the original contract unless it is expressly provided otherwise. (Section 113d)

2. Except for the purpose of affording protection against any emergency endangering life or property, the CONTRACTOR shall make no change in the work or rehabilitation; provide any extra or additional work or supply additional labor, services or materials beyond that actually required for the execution of the contract unless in pursuance of a written order from the OWNER authorizing the change (with the Community Development's concurrence). No claim for an adjustment of the contract price will be valid unless so ordered.

3. Each "change order" shall include in its final form a detailed description of change of work; the CONTRACTOR'S definite statement as to the work; the Contractor's definite statement as to the resulting change in the contract price and/or time; and the statement that all work involved in the change shall be performed in accordance with contract requirements except as modified by the amendment.

4. Any request for a "change order", either by the OWNER or CONTRACTOR, regardless of whether it involves an increase or decrease in work to be done, cost and/or time: must be approved by the Community Development Department before the change takes effect. Unless otherwise specified, any "change order" resulting in an increase in the work to be done and a resulting increase in cost shall be the responsibility of the OWNER.

135. Excusable Delays:

The CONTRACTOR shall not be charged with liquidated damages for any delays in the completion of the work due to:

1. Any acts of the government; including controls or restrictions upon or requisitioning of materials, equipment, tools or labor by reason of war, national Defense or any other national emergency;

2. Any acts of the OWNER, that will hinder the progress of the work as determined by the Community Development Department;

3. Causes not reasonably foreseeable by the parties to this contract at the time of the execution of the contract which are beyond the control and without the fault or negligence of the CONTRACTOR; including but not restricted to acts of God or of the public enemy; acts of another CONTRACTOR in the performance of some other contract with the OWNER, fires, flood, epidemics, quarantine restrictions, strikes, freight embargoes and weather of unusual severity such as hurricanes, tornadoes, cyclones and other extreme weather conditions; and

4. To any delay of subcontractor occasioned by any of the causes specified in subparagraphs a., b., and c. above. Provided, however, that the CONTRACTOR promptly (within 10 days) notifies the OWNER and the Community Development Department in writing of the cause of the delay. If the facts show the delay to be properly excusable under the terms of this contract, as determined by the Community Development Department, the OWNER shall extend the contract time by a period commensurate with the period of excusable delay of the completion of the work as a whole; in the form of an amendment to contract.

136. Permits and Codes:

The CONTRACTOR shall give all notices required by and comply with all applicable laws, ordinances and codes of the State of Georgia and the local government including the obtaining of and payment for all required permits; provided however, that the CONTRACTOR shall not be held responsible for pre-existing violations of any law including but not restricted to zoning or building codes or regulations except compliance for any new or replaced work included in this contract will be required. Before beginning the work, the CONTRACTOR shall examine the "Work write-up" for compliance with the applicable ordinances and codes for the new or replaced work and shall immediately report any discrepancy to the Community Development Department and the OWNER. Where the requirements of the "Work Write-up" fail to comply with such applicable ordinances or codes for the new or replaced work, the OWNER will adjust the contract by appropriate adjustment in the contract price unless waivers in writing covering the difference have been granted by proper authority.

137. Insurance:

1. The CONTRACTOR shall provide for Workman's Compensation Insurance for all his employees and is responsible for compliance of his subcontractors engaged in work at the site in accordance with State or Territorial Workman's Compensation Laws, if applicable.

2. The CONTRACTOR shall provide for Manufacturer's and CONTRACTOR'S Public Liability Insurance with minimum limits of $_____ on each occurrence to protect the CONTRACTOR and subcontractors against claims for injury to or death of one or more than one

person because of accidents which may occur or result from operations under this contract. Such insurance shall cover the use of all equipment including, but not limited to, excavating machinery, trenching machines, cranes, hoists, rollers, concrete mixers and motor vehicles in the construction of the rehabilitation embraced in this contract.

3. The CONTRACTOR shall provide for, during the life of the contract, property damage insurance in the amount not less than $_____ to protect him and his subcontractors from claims for property damage which might arise from operations under this contract.

4. Prior to the execution of the contract, the CONTRACTOR shall submit evidence of the coverage required above by an insurance certificate or its equivalent.

138. Inspection of Work:

The United States government, the Georgia Department of Community Affairs and _____ shall have the right to examine and inspect rehabilitation work included in this contract. The work shall be subject to the inspector's approval and acceptance. The CONTRACTOR will be informed of rejected work in writing. Also, these representatives shall be permitted to examine and inspect all subcontractor's materials, equipment, payrolls and conditions of employment pertaining to the work, including all relevant data and records.

139. Surplus Materials:

All surplus materials delivered to the job site and all materials, fixtures and equipment replaced shall become the property and the responsibility of the CONTRACTOR and/or its subcontractors and shall be removed from the job site promptly after completion as well as all rubbish and debris resulting from the CONTRACTOR'S operations. The premises shall be left in clean condition.

140. Interest of Certain Federal and Other Officials:

1. No member of the Delegate to the Congress of the United States and no Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise from same.

2. No member of the governing body of _____ who exercises any functions or responsibilities in connection with the administration of the Community Development Project to which this contract pertains and no other officer or employee of the _____ who exercises any such functions or responsibilities shall have any interest, direct or indirect, in this contract which is incompatible or in conflict with the discharge or fulfillment of these functions and responsibilities in connection with the carrying out of the program to which this contract pertains.

3. No member of the governing body of _____ and no other public official of the _____ who exercises any functions or responsibilities in connection with the administration of the Community Development Project shall have any interest, direct or indirect, in this contract.

141. Equal Employment Opportunity:

If the contract amount is $10,000 or more, the following conditions shall apply:

During the Performance of this contract, the CONTRACTOR agrees as follows:

1. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The CONTRACTOR will take affirmative action to insure that applicants are employed; and that employees are treated, during employment, without regard to their race, creed, color or national origin. Such action shall include, but not be limited to the following: employment, upgrading demotion or transfer, recruitment advertising, layoff or terminations, rates of pay or other forms of compensation and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the municipality setting forth the provisions of this nondiscrimination clause.
2. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, creed, color or national origin.

3. The contract will send labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice to be provided advising the labor union or workers representative of the CONTRACTOR'S commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor or the Secretary of Housing and Urban Development pursuant thereto and will permit access to his books, records and accounts by the Secretary of Housing and Urban Development, or his degree, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

5. In the event of the CONTRACTOR'S noncompliance with the nondiscrimination clause of this contract or with any of such rules, regulations or orders, this contract may be canceled, terminated or suspended, in whole or in part, and the CONTRACTOR may be declared ineligible for further government contracts of federally assisted construction contracts in accordance with procedures authorizes in Executive Order 11246 of September 24, 1965, and such other sanctions my be imposed and remedies involved as provided in Executive Order 12246 or by rule or regulation in order of the Secretary of Labor or as otherwise provided by law.

6. The CONTRACTOR will include the provisions of paragraph a. through g. in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 202 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the property OWNER may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event of the CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the property OWNER, the CONTRACTOR may request the United States to enter into such litigation to protect the interest of the United States.

142. Certification of Non-segregated Facilities:

The Bidding Contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The Bidding Contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidding Contractor agrees that a breach of this certification will be a violation of the Equal Opportunity clause in any contract resulting from acceptance of this bid. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidding Contractor agrees that except where he has obtained identical certification from proposed subcontractor for specific time periods he will obtain identical certifications from proposed subcontractors prior to the award of subcontractors exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certifications in his files.

Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

143. Clean Up:

The CONTRACTOR is required to keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Clean up and removal of all debris and materials resulting from his work shall be the responsibility of the CONTRACTOR who will, upon completion of his work, leave the premises in clean conditions. Also see, Section IX D of Bid Document Specifications.

SPECIAL CONDITIONS
SECTION 2

201. Occupancy:

    a. ____ The Occupant(s) will continue to occupy the premises during the rehabilitation, but will cooperate with the Contractor in a reasonable manner without interfering with his work and operations to the least practicable extent, including abandonment of limited areas as may be essential to the performance of the work.

    b. ____ The Occupant(s) will remove his or her furnishings and family during the course of the work at their expense.

202. Utility Services

    The existing house utility services will be made available to the Contractor without charge as follows: electric power (110 volts), gas and water.

203. Notice of Commencement:

    a. The Owner shall issue a written Notice of Commencement within thirty (30) days from the date of acceptance of the Contractor's bid and proposal. If the Notice of Commencement is not received by the Contractor within this thirty (30) days period, the CONTRACTOR has the option of withdrawing his bid and proposal and consequently terminating the contract. Such withdrawal is to be made in writing and delivered to the OWNER with a copy to _____.

    b. The CONTRACTOR shall not begin the work to be performed until receipt of written Notice of Commencement from the OWNER, after which the Contractor shall begin the work within ten (10) calendar days of the date of said Notice and shall complete said work within the number of calendar days stated on said Notice of Commencement.

204. Assignment of Contract:

    The **CONTRACTOR** shall not assign the contract without written consent of the **OWNER** and Community Development Department.

205. Liquidated Damages:

    It is agreed between the OWNER and the CONTRACTOR that damages due to inexcusable delay are impossible of determination. In the event the CONTRACTOR does not complete the work required under this contract within the specified time, the CONTRACTOR shall be liable for and shall pay to the OWNER as liquidated damages, the sum of $ _____ for each calendar day of inexcusable delay from the date stipulated for completion in the contract or as modified in accordance with the Section "Changes in the Work" under Section I, Part I – General Conditions until such work is satisfactorily

completed and accepted. Payment of ***liquidated damages*** to the OWNER must be paid prior to final payment of CONTRACTOR. Also, see Section #114 of General Conditions for Terms and Conditions for Excusable Delays.

206. Property Damage:

Any damage done to the property during the course of work caused by the CONTRACTOR or any of his employees, (including subcontractors), shall be repaired or replaced by the CONTRACTOR at no expense to the OWNER.

_____

Rehabilitation Address

_____

Owner

_____

Rehabilitation Advisor

SECTION II

DEMOLITION

1. The **CONTRACTOR** shall complete demolition work as indicated on the drawings or in the work write-up.

2. All debris resulting from demolition operations shall be removed as it accumulates and not allowed to be stored on site.

3. Debris shall not be burned on the site.

4. Demolition shall be conducted in a safe and workmanlike manner.

5. Portions or parts of the structure or property not to be demolished, and intended to remain intact, shall be repaired or replaced.

6. All surplus materials to be removed shall become the property of the Contractor and shall be removed from the premises unless otherwise directed.

SECTION III

CONCRETE WORK

1. The concrete mix shall be one part Portland cement, two parts clean washed sand, and five parts clean gravel by volume. The water shall not exceed eight gallons per bag or cement, and shall be potable.

2. No concrete shall be poured when the temperature of the surrounding air is below 40 degrees F without taking protective measures from freezing.

3. Footings shall be a minimum of 12” below the undisturbed natural grade and not less than two (2) times the wall thickness and shall be on virgin soil.

4. Concrete in footings shall have an ultimate compressive strength of not less than 2,500 pounds per square inch at 28 days.

5. Footings shall be clean and free of foreign matter.

6. Rehabilitation and/or Building Inspectors will be called to site before placement of concrete.

7. All concrete shall meet ACI Standard 301-72.

8. Concrete slabs shall be a minimum 4” thick, 2,500 psi concrete. Reinforcing shall be 6” x 6” no. 10 welded wire. No concrete is to be placed on grass, roots, or foreign matter. Backfill shall be sand or crushed stone leveled and compacted before placement of concrete. An approved vapor barrier shall be installed underneath the slab.

9. All concrete forms shall be straight, braced properly and have a nominal thickness of 2”. All material used for concrete forms shall be removed after concrete has set. Voids in exposed concrete surfaces will be filled cement and dressed smooth.

10. Expansion joints shall be installed in sidewalks and driveways. Material shall be ¼" asphalt impregnated expansion joint material. The maximum distance between expansion joints shall be 8" OC.

11. Floors slabs shall have a slick trowel finish; driveways and sidewalks shall have a float and broom finish.

SECTION IV

MASONRY

A. **TUCK POINTING**:

1. Cracks in masonry shall be tuck pointed as follows: cut away defective mortar to a depth of ½" with hand or power tools. Remove all loose material. Pre-hydrate mortar by mixing all ingredients dry, then mix again adding only enough water to produce a damp, workable mix which will retain its form when pressed into a ball. After one to two hours, add sufficient water to bring it to the proper consistency; that is, somewhat drier than conventional masonry mortar. To insure a good bond, wet the mortar joints thoroughly before applying fresh mortar.

B. **MORTAR TYPE**:

1. Type N = 1 part Portland Cement, 1 part type S hydrated lime and 6 parts sand, proportioned by volume. Water shall be potable

2. Color may be added to match existing mortar. Re-tempering of mortar and use of lime or shrinking inducing lignin's shall not be permitted.

3. All areas are to be left clean and free from deleterious substances.

C. **WALL MASONRY**

1. Foundation walls shall be nominal 8" x 16" hollow masonry block laid with full mortar bedding.

2. Curtain walls shall be of the same dimensions and appearance to match existing.

3. Piers shall be a minimum of 8" x 16" on proper footings. Maximum height of piers shall be 4 times the least dimensions of block (plus cap block) for hollow block and 10 times the least dimension of block (plus cap block) for solid block; piers shall be centered under bearing sill. Jacks shall not be removed for at least 24 hours or until mortar has set.

4. Installation shall be plumb, true to line, with accurately spaced courses. Mortar joints shall not exceed ½" unless existing work required larger joints to match. Tolerance in any direction + 1/8" maximum. Mortar joints shall be tooled properly after the joint mortar becomes firm.

5. No masonry shall be installed or repaired when the temperature is below 40 degrees F without taking protective measures from freezing. All work shall conform to best masonry trade practices and in accordance with code requirements for type wall.

6. Brick veneer walls shall include 22 gauge wall ties installed at bearing points a maximum of 24" OC and weep holes a maximum of 4" OC.

7. Foundations, masonry piers and curtain walls shall include the installation of a concrete footing.

8. Foundation vents shall be 8" x 16" cast aluminum horizontal sliding type firmly grouted into place.

9. Acids or other cleaning agents shall not be used without explicit consent of the Rehabilitation Inspector and only as recommended by the manufacturer. Cleaning shall be accomplished by the use of stiff brushes.

D. **DAMPPROOFING** and **WATERPROOFING** that is specifically indicated in the work write-up shall include, but not be limited to the following:

1. Sealing interior/exterior foundation walls to prevent the penetration of moisture and water.

2. Installation of drain tile where necessary.

3. Installation of vapor barrier under slab.

4. Concrete and brick sealers on exterior walls.

5. Installation of sump pumps in basement and crawl spaces where positive drainage cannot otherwise be obtained.

6. Materials used for waterproofing must be one that is manufactured specifically for that use, installed per manufacturer's recommendations and approved by the Rehabilitation Inspector prior to application.

7. Below grade coating must comply with Federal Spec. SS-A701. Below grade slab vapor barrier shall meet ASTM C173-69 standard.

8. Surfaces subject to coatings shall be completely dry and clean prior to application of coating. The application shall be in accordance with the manufacturer's recommendations, using an approved applicator.

9. Adjoining or adjacent areas shall be protected.

10. To provide positive drainage the installation of sump pumps shall be mandatory where gravity flow positive drainage in a basement or crawl space cannot be obtained. Installation of a sump pump shall include grading crawl space to provide drainage to a low area where a concrete well shall be built. This well shall accommodate an automatic sump pump of adequate capacity. A 110 volt outlet and discharge line to the exterior of the building is considered part of the installation.

SECTION V

CARPENTRY

A. **FRAMING**:

1. All lumber, plywood and particle board shall conform to applicable standards or grading rules shall be so identified by the grade mark, or certificate of inspection issued by an approved grading or inspection bureau or agency.

2. Structural lumber shall be of adequate size and dimension to meet span tables as specified in the SPIB lumber table.

3. Bearing partition stud walls shall be of Number 3 Standard or Stud Grade lumber 2" x 4" set at a maximum of 16" OC.

4. Stud partitions containing plumbing, heating or other pipes shall be so framed and spaced to give proper clearance for the piping. Where plumbing, heating or other pipes are placed in or partly in a partition, necessitating the cutting of the soles or plates, a metal tie not less than 1/8" thick and 1 ½" wide shall be fastened to the plate across and to each side of the opening with not less than 4 16D nails.

5. Door and window openings shall have double studs. Top plates shall be doubled 2" x 4" plate material with joints staggered a minimum of 4". Pressure treated sole plates shall be used on concrete floors and be grade marked.

6. Headers shall be constructed of two pieces of framing material with a ½" section of plywood sandwiched in between the lumber and shall rest on 1 ½" of framing lumber on each side.

7. Adequate backing and deadwood shall be installed to accommodate the proper fastening of drywall, accessories and fixtures, etc.

8. Materials shall be stored and protected on site in a manner, which prevents warping, absorption of moisture or damage to the material.

9. Framing material in direct contact with slab or masonry or within 7" of the soil or otherwise subject to moisture shall be pressure treated and grade stamped.

10. Floor joist shall be spaced 16" OC. The ends of joist shall have not less than 1 ½" of bearing on wood or metal and not less than 3" on masonry. Notches on the ends of joist shall not exceed ¼ the depth. Holes bored in joists shall not be within 2" of the top or bottom of the joist and their diameter shall not exceed 1/3 the depth of the joist. Notches in the top or bottom of joists shall not exceed 1/6 the depth and shall not be located in the middles third of the span.

11. Girders within 12" of the soil and joists within 18" of the soil shall be pressure treated lumber (if these members are to be replaced during the construction).

B. **FLOORING**:

1. Subfloor shall be plywood, or common boards, to match existing. A minimum of ½" plywood subfloor shall be used for areas that are to be covered in resilient tile, linoleum or carpet. Boards not exceeding 8" width or less than ¾" thickness may be used for subfloor.

2. Fifteen pound felt shall be installed between the subfloor and underlayment or finish flooring.

3. Underlayment shall be grade stamped "Underlayment Grade".

4. A minimum 3/8" underlayment may be installed over existing floor and/or subfloor. Underlayment Grade plywood shall be used in kitchens, baths and laundry areas. 5/8""particle board may be used in all other areas.

5. All joints shall be staggered with respect to panel joints in subfloor. Provide approximately 1/32" spacing at joints where panels butt. Nail with 6D common shank nails 6" OC at all edges and 8" OC over bearing for underlayment plywood. Utilize same nailing schedule for particle board with exception of using 8D common nails. All floor joists (subfloor and underlayment) shall meet and be secured over joists.

6. Underlayment shall be level, smooth, free from defect and suitable for the finish floor covering.

7. Leveling of floors as specified in the work write-up shall be accomplished to the extent feasible and practicable. The **CONTRACTOR** shall repair all damage to the structure that may occur as a result of leveling.

C. **WALL SHEATHING**:

1. Exterior wall sheathing shall be a minimum ½" exterior grade plywood applied vertically with the ends extended to top and bottom plates. Plywood shall be installed on all corners of new construction gypsum board may be used on remainder.

D. **ROOF SHEATHING**:

1. "Repairing" of roof includes replacing deteriorated, inadequate and missing components of the roof structure including roof decking, rafters, gable studs, collar beam, ridge board or any other inadequate member.

2. If new sheathing is required, it shall be ½" plywood provided the rafters are no more than 24" OC, or ¾" boards to match existing sheathing.

E. **FINISH CARPENTRY & MILLWORK**:

Finish lumber shall be of a species suitable for its intended use, kiln dried B, or better, of adequate dimension, free from tool marks and objectionable defects. Approved factory made finger joints are permitted for painted finish but not allowed for natural finish. Interior trim shall match existing, adjacent or adjoining work in design and dimension unless specifically stated otherwise. Nails shall be set and puttied.

F. **DOORS & ACCESS OPENING**:

1. Exterior doors, where replacement is called for in the work write-up, shall be Benchmark metal insulated door or equal. Replacement door units shall include trim, entrance and dead bolt locksets and paint. Doors shall be plumb, and level with 1/8" clearance at head, jamb and threshold and adjusted to open, close and lock properly.

2. Interior doors, where replacement is called for in the work write-up, shall be 1 3/8" minimum thickness, paint grade unless work write-up specifies "match existing doors", or where doors are to be stained or finished natural. Replacement includes all components when existing components cannot be restored to good condition, e.g., hinges and locksets. Doors shall be plumb and level with 1/8" clearance at head and jamb.

3. Storm doors shall be Alcan Series 5610 or equal, mill finish.

4. Main entrance doors shall be at least 3' in width and 6'8" in height. Service doors shall be 2'8"" in width and 6'8" height. Interior doors to habitable rooms shall be at least 2'6" in width and 6'8" in height.

5. "Repair" existing door when specified in the work write-up shall be all repairs necessary to the existing door and its components to normal condition, e.g., interior. Exterior and storm doors.

6. Access to attic space – attic spaces shall be provided with an interior access opening not less than 22" x 36". Access openings shall be readily accessible and provided with a lid or device that may be easily removed or operated.

7. Disappearing stairwell when specified in the work write-up shall be the heavy duty type of 5" step treads and risers. Installation shall be in accordance with the manufacturer's recommended specifications and shall include trim and paint.

8. Access to crawl space – crawl spaces shall be provided with an exterior access opening not less than 18" x 24". Access opening shall be readily accessible and provided with a side hinged door built from treated lumber. Frame shall be treated lumber and grade stamped. Access door hardware shall include hasp and hinges.

G. **DOOR HARDWARE**:

1. All exterior doors shall be hung on three butt hinges 3 ½" x 3 ½", and provided with entrance lockset and dead bolt set. Doors with window lights shall be double cylinder dead bolt locks, solid doors shall have single cylinder dead bolt locks.

2. When replacement of locks is specified, all locksets shall be keyed alike.

3. Interior doors shall be hung on two butt hinges 3 ½" x 3 ½", and provided with privacy or passage locksets, properly mortised. Bathroom doors shall be provided with privacy locksets (chrome one side).

4. Door bumpers shall be spring or hinge type, installed accordingly.

5. Storm doors shall include pushbutton locks, closers and door protector chain.

H. **WINDOWS & GLASS**:

1. Furnish and install new windows as specified in the work write-up complete with trim, stool, stop, sash locks and lifts, etc. New windows shall comply with Georgia State Energy Code.

2. Repair or replace any interior or exterior areas affected by the installation of new windows.

3. Repair existing window shall include replacing all damaged, decayed or broken components, including sash, glass, hardware, putty, sash cord and weatherstrip.

4. Storm windows shall be Alcan double tract, Series 4601 Deluxe Track Model A-2, or equal.

5. Aluminum Storm Windows shall be .032 inch thick triple track units with removable sash and screen. Mill finish unless otherwise specified in the work write-up.

   Measurements/Fit: It shall be the **Contractor's** responsibility to verify all field measurements to assure window installation on the blindstop as per manufacturer's recommendations.

   Preparation: All exterior wood or metal surfaces shall be properly prepared and caulking applied as per manufacturer's recommendations prior to installation. Weep holes shall be left uncaulked to allow for adequate drainage.

6. Windows shall be glazed or reglazed where required, with single strength clear glass.

7. Door lites and side lite glass shall be glazed with safety glass or tempered glass.

8. Glazing compound shall be DAP "33" or equal. Glass shall be imbedded in putty, secured with glazing points and face puttied. All excess putty and labels shall be removed and the glass left clean.

9. Mirrors shall be polished plate Grade No.1.

I. WEATHERSTRIPPING & THRESHOLD

1. Weatherstripping shall be standard commercial type: spring bronze, 1 1/8" by .008 with hemmed edges; spring aluminum 1 ¼" by .009; type 302 stainless steel 1/18" by .005, aluminum door stop Ames Set 170-X.

2. Threshold shall be installed at all exterior doors, tightly fitted, set in caulking compound and firmly secured with counter-sunk screws and shall be weather-tight. Unless otherwise specified, thresholds shall be of two-piece aluminum having the vinyl strip fastened to underside of the door and a rain cap on exterior.

J. EXTERIOR SIDING:

1. Repair all cracked, decayed or deteriorated siding as specified on the work write-up. Material shall be of a species suitable for its intended use, kiln dried, free from tool marks and other objectionable defects and shall match existing siding. Butt joints and adjacent runs shall be staggered. New work shall be printed upon installation.

2. Exterior coverings including factory prefinished materials, shall be commercially produced material, recommended by its manufacturer for covering exterior surfaces and supplied with instructions for water-tight application. Installation shall be in accordance with the manufacturer's instructions and where applicable, a written warranty shall be provided.

3. Comics to be repaired shall include replacing all rotted and other deteriorated components. All new components shall match existing work in size and detail. This includes fascia, soffit, frieze, and rake mould. New material shall be primed upon installation.

K. **CLOSETS**:

1. Linen closets shall be a minimum of 24" in width and 18" in depth. A minimum of four shelves spaced no closer than 12" apart, bottom shelf 18" to 24" above floor and topmost shelf not more than 74" above the floor.

2. Clothes closets shall have a minimum dimension of 2" in depth and 3" in width. Door shall be installed with all hardware as required. The hanging space shall be a minimum of 5", and the shelf shall not be over 74" above the floor. There shall be 2" clearance between the rod and shelf.

3. Rod and shelf: Each clothes closet shall contain a minimum of one rod and one shelf of suitable material and design provided that the finished product meets the following standards: the shelf shall support a uniformly distributed load of 30 lbs. per square feet with vertical deflection not to exceed ¼". The rod shall support 10 lbs. per linear foot with vertical deflection of not more than ¼". Not less than intermediate support shall be provided for rods and shelves from 4 to 8 feet in length. Shelving material shall be ¾" Pine B or better.

L. **PANELING**:

1. Paneling to be installed as specified in the work write-up shall be a minimum of ¼"in thickness and shall include the paneling, trim, furring, setting and puttying nails, clean up and protection. Paneling shall be Class 1 or 2 decorative hardboard or labeled hardwood plywood showing grade, species and finish.

2. Installation shall be in accordance with the manufacturer's recommendations and in a workmanlike manner.

M. **INSULATION**:

1. Insulation indicated in the work write-up shall include: insulation, preparation of existing areas to receive insulation, clean up and protection of work and certification of material.

2. Insulation material may be "Insulite", "Cellulose", blown rock wool, rock wool batts and fiberglass: John Manville or equal. Batts shall be full and thick, and blown wool shall be a minimum thickness to provide an R-30 rating with heating system and R-30 with heating and air conditioning system. Provide minimum 1" airspace between roof decking and insulation baffle around perimeter of attic. Insulation in the under carriage (crawl space) of the dwelling shall be an R-19 rating. If walls are to be torn out, replace, etc., and provided it is economically feasible, wall insulation will be provided to an R-13 rating. Certification of R factor will be provided.

3. Unless already existing, an approved vapor barrier of one perm or less shall be installed prior to or with insulation material specified.

4. Proper clearance from potential sources of combustion such as chimneys, flues, appliances, lights, and non-insulated wiring is required.

5. Care shall be taken to protect all intentional areas of ventilation from coverage by the use of blocking or other means as required.

6. Blanket Insulation shall be placed between framing members so that the tabs lap all edges including both top and bottom plates.

7. Batt Insulation shall be placed between framing members and fastened with staples. Because of shorter lengths of the batts, they shall be placed so the barriers lap each other and the lap sealed. When batts do not include a vapor barrier, the barrier shall be stapled to framing members from bottom to top plate.

8. Reflective Insulation, when used in a single sheet, form shall be placed so as to divide the space formed by the framing members into two approximately equal spaces. When reflective insulation include air spaces and are furnished with nailing tabs, they shall be installed as per manufacturer's specifications.

9. Fill Insulation: prior to pouring or blowing into place, it is required that a vapor barrier shall be placed on the conditioned side, unless one already exists.

10. Rigid Fiberboard: insulation sheets shall be nailed at all studs with Galvanized Roofing nails, or other non-corrosive nails.

11. Insulation shall in all cases be of even coverage and good fit and **CONTRACTOR** shall include all accessory items such as recessed lighting caps without exception.

12. All insulation shall be installed as per manufacturer's recommendations and shall comply with Georgia State Energy Code.

N. **KITCHEN CABINETS**:

1. Cabinets, both wall and base, when factory manufacturer shall conform to the requirement of ANSI Standard A161.1, current edition "Recommended Minimum Construction and Performance Standards for Kitchen and Vanity Cabinets". This shall be attested by the NKCA certification seal on the products.

2. Custom built cabinets, both walls and base, shall be constructed and finished as specified. Wall and base cabinets shall be essentially of the same construction and outside appearance.. Construct cabinets with frame fronts and solid ends. Provide ¾" x ½" kiln dried frame members. Brace top and bottom corners with blocks that are glued with water-resistant glue and nailed in place. Provide an integral toe space of at least 2 ½" deep x 4" high on base cabinets. Cabinets shall have ¼" hardwood plywood or ¼" Masonite for backs.

3. Door and drawer fronts shall be ¾" hardwood plywood good grade for natural finish.

4. Hardware – Hinges shall be satin bronze or like finish, spring loaded self closing of the wrap around type semi-concealed similar to Stanley 1592 with inter leaf design. Felt bumpers on doors for quietness. Door and drawer pulls finish to match hinges and to compliment the cabinet design. Drawer pulls may be integral with drawer fronts if standard of manufacturer.

5. Finish – The exterior of the cabinets shall be coated to show the natural grain of the wood, e.g., stain, sanding sealer, lacquer or polyurethane.

6. Countertop - Post formed type with 3 ¾" high backsplash. Miter joints in countertops shall be locked with mechanical devices let underside of the top.

7. Installation of cabinets shall be plumb, level, true to line and fastened to walls and/or floors with woodscrews to securely anchor each unit. Provide closer and filler strips, and finish moldings as necessary. Countertop shall be level, tight to wall finish and securely anchored to base cabinets.

SECTION VI
STUCCO, PLASTERING & WALLBOARD

A. **STUCCO**:

1. Exterior stucco work indicated in the work write-up shall comply with ANSO "Standard Specifications for Portland Cement Stucco and Portland Cement Plastering" A 42.271.

2. Metal lathe shall weigh not less than 1.8 lbs. Per square yard and openings not in excess of 4 square inches shall be used. Felt shall be 15# type. Metal reinforcement with attached paper backing may be used provided it meets Specifications for mesh and backing and is made especially for plastering.

3. Expansion joints shall be zinc sheet, US Gypsum or equal.

    1. Wood framing and sheathing to receive stucco shall be properly constructed to provide a non-yielding structure.

    2. Flashings shall be acceptably installed prior to beginning of plaster work, i.e., at tops and sides of all openings where projecting trim occurs and at all points where flashing can be used to prevent water from getting behind stucco.

    3. Surfaces to be stuccoes shall be covered with 1.8 metal lathe at ends and sides a minimum of 1" and nailed 16" OC vertically and 6" horizontally. Wood surfaces shall be covered with 15# felt with 3" laps prior to installation of metal lathe. Mesh shall be furred not less than ¼" with galvanized furring nails.

    4. Apply two coats on masonry to a minimum thickness of 5/8". Apply three coats over wood surfaces to a minimum thickness of 7/8".

5. Mortar for all coats shall be a mixture by volume of 1 part Portland Cement to not less than 3, nor more than 5 parts of damp loose aggregate. Finish cost color and texture to be approved by the **OWNER** before starting application.

B. **PLASTERING**:

1. Materials shall be standard commercial brands. Application and mix shall be in accordance with American Standard Specifications for Gypsum Plastering ASTM C28-68. Apply plaster in 3 coats or 2 coats double up work, minimum thickness ½".

2. Gypsum lathe shall be applied with long dimensions across supports and which end joints staggered.

3. Nail lathe with 12 or 13 gauge lathe nails having approximately 3/8" head with nails spaced not more than 4" OC. Minimum of 4 nails each lathe, 6 nails for 24" wide lathe. Nails shall penetrate horizontal supports at least 1" and vertical supports ¾".

4. Portland Cement Plaster shall not be applied over gypsum lathe. Existing wood lathe shall be securely nailed and wetted down prior to applying plaster.

5. Metal lathe shall be applied in accordance with manufacturer's recommendations.

6. Wallboard shall be U.S. Gypsum wall board or equal, carefully fitted and sized prior to nailing in place.

7. Installation shall be performed in accordance with manufacturer's recommendations.

8. ½" wallboard shall be used unless otherwise specified.

9. Moisture-resistant ½" sheet rock shall be used on bathroom walls.

10. Joint cement, fasteners, tape and corner bead shall be as recommended by wall board manufacturer, and shall be applied as recommended.

C. ONE HOUR FIRE RESISTIVE CONSTRUCTION

1. Partitions shall be at least 2 x 4 studs, spaced 16" OC covered with 5/8" type X gypsum board of ½" gypsum.
2. The wallboard shall be applied to both sides of the party wall and shall extend from floor to ceiling.
3. Ceiling shall be the same material as the walls and installed in accordance with manufacturer's recommendations.

SECTION VII
ROOFING & SHEETMETAL

A. **ROOFING**:

1. "Repairing" the roof shall include the replacement of decayed or missing components including decking, rafters, studs, ridge board, flashing, etc.; and meeting the requirements of the Georgia Energy Code for Buildings. Rehabilitation inspector is to be contracted prior to installation of new components.

2. "Replacement" of existing roof shall include the removal of all old roofing material, including felt, the repair, and if necessary, replacement of any roofing components, securely nailing the roof decking, installation of felt, flashings and roofing shingles. Rehabilitation inspector is to be contacted prior to installation of new components.

3. Roofing shingles shall be Certain teed self sealing shingles or equal.

4. Fiberglass shingles shall be installed in exact accordance with manufacturer's directions and shall have a 10 year warranty.

5. Built up roofing when called for shall be installed in exact accordance with manufacturer'' directions and shall have a 10 year warranty.

6. Raised metal seams shall be flattened prior to installation of any new roofing.

7. Where "recoating" of existing roof is called for in the work write-up, all flashing shall be made water tight, bubbles shall be cut out and repaired, and at least one coat of tar and 1 ply of 30# felt added. Plies which are cut to remove bubbles shall be replaced and a coat of tar applied between each ply.

8. Rehabilitation inspectors will be called to site to check roof decking before new shingles are applied.

9. Color of roofing shingles shall be approved by the **OWNER** prior to commencing work.

B. **FLASHING**:

1. Upon installation of roofing shingles, flashings shall be replaced including chimneys, valleys, eaves drips and any other critical areas. NOTE: Flashings may be reused if determined serviceable by Rehabilitation Inspector.

2. Flashing or counter flashing material shall be a minimum of 26 gauge galvanized or aluminum.

3. All vents and stacks projecting through roof shall have approved flashing with rubber boot.

C. **GUTTERS & DOWNSPOUTS**

D.

1. Gutters and downspouts shall be no less than 26 galvanized, aluminum or PVC. Gutter shall be 5" OC unless otherwise stated. The pitch shall be not less than 1/16" per foot. The downspouts shall be 3" and extend to within 4" of the finish grade, and securely fastened. Splash blocks will be installed with a minimum size of 12" x 24".

2. Gutters and downspouts may be omitted if eaves and rakes are 16” and there is no drainage damage with the above in effect.

SECTION VIII
CAULKING

1. Caulking shall be applied at all doors, windows and where any unlike materials join, i.e., metal and wood, wood and masonry, masonry and metal.

2. Caulking material used shall be the proper materials as recommended and installed in accordance with the manufacturer’s instructions.

3. Caulking shall be a smooth bead, uniform, straight, clean and crisp.

4. Caulking Compound shall be elastic water proof compound where specified in the work write0up.

5. Backing for caulking compound shall be of rope or glass fiber free from oil and other straining substances. Backing for sealant shall be premolded, resilient filler.

6. Generally, if not specified differently, for frames set in masonry or concrete, use caulking compound. For frames set in stone, use sealant.

7. Joints at shelf angles and vertical, exterior building expansion joints shall be continuously sealed with sealing compound.

8. Porous surfaces shall be primed before applicant of the caulking as recommended by the manufacturer of the caulking compound. Joints and spaces to be caulked shall be dry and free from dust and loose mortar.

SECTION IX
PAINTING AND DECORATING

A. **PAINTING**:

All paint and other finish materials shall be of good quality, manufactured by a nationally recognized manufacturer, i.e., Glidden, Sherwin Williams, Pittsburgh or approved equal (washable paint).

B. **PREPARATION OF SURFACES**:

1. Plaster or wall board shall be sound, smooth and free from holes, cracks and irregularities. All old wallpaper shall be removed entirely unless otherwise specifically noted in the work write-up; in any case, all loose wallpaper shall be removed and the remaining edges "feathered".

2. Wood surfaces to be painted shall be cleaned to remove loose and scaling paint and rough spots. Where previous coats have chipped and peeled, the edges shall be sanded to a featheredge before new paint is applied. Puttying and caulking shall be done prior to the finish coat of paint. Also, see Section IX "D" below.

3. All colors shall be approved by the **OWNER** prior to commencing painting.

4. All materials shall be delivered to the job in the manufacturer's sealed containers, containing labels giving manufacturer's names, type of paint, color, etc.

5. Application shall be by brush or roller and shall be applied uniformly, smooth and free from runs, sags, foreign matter, defective brushing or rolling. Edges of paint adjoining other material or colors shall be straight, sharp and clean.

6. Exterior paint will not be applied in damp, rainy weather or when the temperature is below 40 degrees F. Materials to be pained shall be clean and dry. Paint application shall be as per the work write-up.

7. On previously painted surfaces, one coat application may suffice, provided it covers the previous finish.

8. On new work, one coat of primer and 2 costs finish material will be applied. The sides and all edges of exterior doors shall be primed within 3 days after hung.

9. All paint application shall be in accordance with manufacturer's recommendations.

C. **GENERAL**:

1. "Paint" shall also mean varnish, lacquer, shellac, urethane finish or other material as specified in the work write-up. All paint shall be that which is intended for the purpose used, i.e., masonry paint of masonry, porch and deck enamel on steps and porches, rust-inhibitor paint wrought iron, exterior, non-chalking paint on wood trim, etc.

2. Surfaces not scheduled for paint shall be protected, i.e., shrubbery, hardware, floors, roofing, screens, glass, etc.

3. Mold and mildew shall be removed and neutralized by washing with a solution of 2 oz. Trisodium phosphate, 8 oz. Sodium phyochloride (Clorox) to 1 gal. Of warm water. Rinse with clear water and allow to dry thoroughly before painting.

D. **LEAD-BASED PAINT ABATEMENT REQUIREMENTS**:

Should the Work Write-up indicate that Lead-Based Paint Abatement is necessary and included in same, **A GEORGIA EPD CERTIFIED CONTRACTOR MUST PERFORM THE WORK**. **SEE SPECIFICIONS IN FOLLOWING SECTION.**

SECTION X
FLOORS

A. **HARDWOOD FLOORS**:

1. All broken, damaged or deteriorated flooring shall be replaced with lumber that matches the species, size and color of the adjacent flooring. The joints shall be staggered. Floors shall be sanded to a smooth surface with the grain, and filled with filler recommended by the manufacturer.

2. Renail existing flooring as necessary to provide a sound floor. Apply one coast of sanding sealer and two coats of finish as called for in the work write-up. The finish may be gum finish varnish, polyurethane or other suitable finish.

3. One coast of paste wax shall be applied and buffed after finish is thoroughly dried.

4. All finish material shall be applied in accordance with manufacturer's instructions.

B. **RESILIENT FLOORING**:

1. Linoleum shall be Armstrong or equal. Tile shall be vinyl, or rubber with a minimum thickness of 3/32", and shall meet Federal Specifications SS-T-312.

2. The color shall be selected by the **OWNER**.

3. Installation of al floor covering, including adhesive shall be in accordance with the manufacturer's recommendations.

4. Material shall be stored in original containers at not less than 70 degrees F for at least 24 hours immediately prior to installation. Maintain room temperature between 70 degrees F and 90 degrees F for 24 hours prior to installation and 48 hours after installation.

5. Border tile or linoleum shall fit within 1/16" of abutting surfaces.

C. CARPET:

1. All carpet and pad shall meet HUD FHA requirements and a written manufacturer's certification shall be submitted, or carpet shall be labeled per U.M. 44C.

2. Color shall be selected and approved by the **OWNER** prior to installation.

3. Carpet shall be installed until all interior work is completed.

SECTION XI
PLUMBING

A. **PLUMBING FIXTURES**:

1. Plumbing fixtures, equipment and material shall comply with and be installed in accordance with the Standard Plumbing Code or the Georgia State Plumbing Code.

2. Plumbing fixtures shall be American Standard, Delta, Delex or equal. Kitchen sinks shall be installed Elkay, Just, or equal.

3. All vents protruding through the roof shall be properly flashed.

4. Valves shall be 150# brass with ends similar to findings. Valves shall be provided at each fixture or each piece of equipment.

5. Unions shall be provided to permit removal of equipment without cutting pipe.

6. Gas pipe shall be black steel pipe installed in accordance with NFPA Standard No. 54.

7. Copper entrance piping shall be reading "L"; not reading "M".

8. Provide 125# brass gas stops where required.

B. **WATER HEATER**:

1. Water heater shall meet the requirements of all appropriate State of Georgia Construction Codes, and be equal to Rheem, Rudd, or Jackson, glass lined, complete with all controls and with a written 5-year tank warranty. The type (gas or electric) and capacity will be given in the work write-up, or "replacement" will be with the size and type required by number of bedrooms and baths.

2. An approved temperature and pressure (T & P) relief valve with a ¾" discharge line shall be provided to the exterior of the dwelling and pointed in a downward direction to within 6" – 8" of grade.

C. **EXISTING PLUMBING FIXTURES**:

1. Plumbing fixtures which exist and are to remain shall be retained in good working order.

2. Missing or defective parts shall be replaced.

3. Fixtures shall be left in clean, sanitary condition.

4. Fitting shall be chrome plated and supplies to each fixture shall be equipped with stop valves.

D. **BATHROOM FIXTURES** – When called for in the work write-up shall be:

1. Water closet: shall be vitreous china, free standing, close coupled, closet combination with reverse trap, suspended rear shelf, tank cover, china or porcelain stud caps, complete tank fittings and supply stop valve and designed to use a maximum of 1.6 gal. per flush.

2. Lavatory: shall be enameled cast iron or vitreous china, front overflow, acid resisting, complete with hanger; supply lines, P-trap and trim. Bathroom vanity cabinets, when called for in the work write-up shall be wood, not wood and particleboard. A lavatory faucet or lavatory replacement aerator will allow for a flow no more than 2.0 gallons of water per minute.

3. Bath tub: shall be 5" long, enameled steel with over rim bath filler or fiberglass tub enclosure with shower rod (Owens-Coming Model OC60AFD or equal).

4. New showerheads shall be designed to use a maximum of 2.5 gal per minute at 60 psi. Installation of shower flowhead restrictors shall be performed as specified and include replacement of defective washes as required.

5. A kitchen faucet replacement aerator will allow for a flow of no more than 2.5 gallons of water per minute.

6. All above components shall be American Standard, Eljer, Hohler or equal.

E. **GENERAL PLUMBING**:

1. General plumbing system including sewers shall operate free of fouling and clogging and not have cross connections which permit contamination of water supply or back siphonage between fixtures. Waste lines shall be tied-up to an approved sewer system. Rehabilitation inspectors will be called to site to check sewer line clearance in progress.

2. Bath accessories shall include: 1 medicine cabinet, minimum size 12" x 18" with plate glass mirror or plate glass mirror over 30" vanity to be 24" x 30"; 1 soap and grab; 1 toilet paper holder, 1 18" towel bar, 1 24" towel bar, 1 soap dish; 1 tooth brush and tumbler holder.

SECTION XII
HEAT & AIR

A. HEAT & AIR SYSTEMS:

1. New central heating system shall be Bryant, Luxaire or equivalent and meet the requirements of all the appropriate State of Georgia Construction Codes. A written 5 year warranty shall be provided.

2. The heating system shall be adequate to heat all rooms to a temperature of 70 degrees F, 3 feet from the floor when the outside temperature is 10 degrees F.

3. Central air, when called for in the work write-up, shall be of high efficiency design and installed per manufacturer's recommendations.

4. All work shall conform to the requirements of the Georgia State Energy Code and Heating and Air Conditioning Codes.

5. Existing space heaters, floor furnaces and all other gas fired fixtures shall be properly vented.

B. **DUCT WORK**:

1. All ducts, plenums, and enclosures installed in or on buildings shall be thermally insulated.

2. Supply and return piping and ducts in unheated attic spaces, ventilated crawl spaces and other exposed locations shall be insulated to R-2 or greater to prevent excessive heat loss.

3. Radiators, convectors, baseboard radiation and other terminal heating devices located in bedrooms should be provided with an accessible shut off valve or damper, or otherwise arranged to provide a reduction in heat output.

4. Accessible means shall be provided for balancing the distribution of heat to all heated spaces.

5. Exterior walls back of recesses for radiators, convectors, or baseboard heating elements shall be insulated to prevent excessive heat loss.

C. CONTROLS:

1. Each heating and/or cooling system shall be provided with at least one adjustable thermostat. The thermostat shall not be located on a wall containing pipes or warm air ducts, or a flue or vent that could affect its operation and prevent it from properly controlling the room temperature, and shall be located where it will be in the natural circulation path of room air.

D. "REPAIR"

1. Existing heating units specified in the work write-up to be "repaired", shall be thoroughly cleaned and all worn parts, fittings, and accessories replaced and the entire system tested and left in perfect working condition.

SECTION XIII
ELECTRICAL

A. The minimum distribution service panel shall be 100 amp. For demands in excess of 20 kilowatts, a service panel in excess of 100 amps shall be installed.

B. All electrical panels, wiring, fixtures, and equipment shall be installed within the requirements of the National Electrical Code.

C. Existing wiring, equipment or fixtures not to be used shall be disconnected and/or removed. Existing electrical devices and material in good condition and meeting code requirements may be left in service.

D. Light fixtures shall be installed by the contractor as required. The work write-up shall indicate which fixtures are to be replaced and shall stipulate the allowance for fixtures. The **OWNER** shall select the fixtures and shall pay any additional cost above the allowance.

E. It shall be the contractor's responsibility to determine the additional wiring, outlets, panel size, etc., to conform to the applicable codes, and his bid price shall include these costs.

F. The bathroom fixtures shall be controlled by a wall switch not readily accessible from the shower or tub.

G. Every habitable room shall have one overhead light fixture and two separate wall outlets, or three wall outlets, one of which is controlled by a wall switch.

H. Light fixtures shall be fluorescent with exception of dining room.

I. Smoke detectors shall be First Alert or equivalent (battery) and shall be installed in a central location.

SECTION XIV
LANDSCAPING

1. Rough grading: all material shall be free of debris or other detrimental materiel. All fill shall be compacted to a density that will avoid damaging settlement. Fill shall be placed when ground is frost-free and weather is favorable.

2. Topsoil shall be a minimum of 4" (compacted depth); free of stones, debris, and other material detrimental to planets. The surface soil shall be compacted lightly to minimize settlement. Topsoil shall be placed when ground is frost-free and weather is favorable.

3. Seeding: seed quality shall be a minimum of 85%, minimum germination of 80% and weed content not exceeding a maximum of ½%. Seed mixture shall be not less than 85% (by weight) permanent grass and 15% (by weight) annual grass. Application: rate of spread as recommended by the producer but not less than 4 lbs. Per 1000 square feet. Roll with a light roller and water thoroughly with a fine spray, voiding erosion of seedbed. Seeding shall be done when the ground is frost-free and weather is favorable.

4. Sodding: sod shall be fresh cut, taken from a thick strand of permanent law grass, reasonably free from weeds and coarse grass. It shall be at least 1" thick, uniform in thickness and cut in strips.

Application: lay wood in strips avoiding wide joints. Sodding shall be done when ground is frost-free and weather is favorable.

5. Finish grade – minimum fall of protective slope around building shall be 2% for a minimum of 4 feet. Grades from 3-1 to 2-1 shall be sodded. Maximum slope shall be 2-1. Grading shall be accomplished to allow drainage of surface water away from buildings and off site.

SECTION XV
TILE

1. Ceramic wall tile shall be Mosaic standard grade or equal, 4 ¼" x ¼" glazed with matching trim and accessories, unless otherwise specified.

2. Floor tile shall be Mosaic or equal, 1" x ¼" unglazed, Hexagon floor tile, or 4 ¼" x 4 ¼" unglazed floor tile unless otherwise specified.

3. Wall tile shall be installed in accordance with manufacturer's recommendations including bedding agents, adhesives and grout.

4. Wall tile shall be installed in mortar or on water resistant wall board in accordance with manufacturer's instructions.

5. Ceramic tile floors installed on slab shall be with cement mortar according to ANSI A 108.4.

6. Align joints in walls and follow horizontally and vertically throughout entire job. Layout work minimize cut tile. "Average" out work throughout entire dimension.

7. Align joints in floor tile at right angles to each other and parallel to walls.

8. Provide all trim pieces required.

9. All surfaces shall be true, straight, flush, and free from defective or discolored tile.

10. Grout, polish, and clean tile according to the manufacturer's instructions. Use of acid is not permitted.

11. **OWNER** shall select color or tile before work is commenced.

SECTION XVI
TERMITE TREATMENT

1. When specified in the work write-up, termite treatment shall be performed by a bonded and licensed exterminator and shall be in accordance with the requirements of the State of Georgia Pest Control Commission.
2. The exterminator shall submit a renewable certificate to the **OWNER** with a copy to the Rehab Advisor which shall include: The property is clear of all vermin infestation; should infestation occur within 1 year from the date of treatment, the premises shall be re-treated at no cost to the owner; a $5,000 damage clause to replace any and all structural members should damage occur as a result of infestation during this period.

3. Any damage to (Page 24 of 24) the structure, interior or exterior, or to the property caused by termite treatment, shall be repaired or replaced by the **CONTRACTOR** at no expense to the **OWNER**.

4. Where infestation of carpenter ants, borers, or powder post beetles is determined in the work write-up, such infestation shall be eliminated by treating in accordance with the requirements of the State of Georgia Pest Control Commission, and damage shall be "repaired" or "replaced".

Exhibit F2d Bid and Proposal

BID AND PROPOSAL

DATE: _____

FROM: _____

ADDRESS: _____

_____

TO: _____

(OWNER OF PROPERTY)

C/O _____

(LOCAL GOVERNMENT)

I, the undersigned contractor, having inspected the property and familiarized myself with the requirements of the work write-up, specifications and plans entitled:

(NAME OF OWNER)

understand the extent and character of the work to be completed.

I propose to furnish all labor, material and equipment necessary to accomplish *ALL REHABILITATION PER ATTACHED BID DOCUMENT* required by the Work Write-Up, General and Special Conditions, Specifications, and Drawings (where applicable) for the rehabilitation of the property at: _____
with NO EXCEPTIONS, for the sum of _____

_____ dollars. ($ _____).

I will commence this work within _____ consecutive calendar days from the date of award of the contract and will complete the work within _____ days after starting the work.

_____

(CONTRACTOR SIGNATURE)

TERMS AND CONDITIONS OF REHABILITATION ASSISTANCE

1. Purpose of Assistance:

The **APPLICANT** agrees to use the proceeds from the financing source(s) offered by the program to accomplish the rehabilitation of his or her property, pursuant to the application filed, to meet the Minimum Property Standards of the designated area (certified by the governing body to contain a substantial number of structures in need of rehabilitation) or to rehabilitate such property to the extent determined by the Local Government, to be necessary to meet the program policies.

The **APPLICANT** further agrees to use any proceeds remaining after the accomplishment of the foregoing rehabilitation to carry out any additional rehabilitation, to make loan/grant related expenditures, and to accomplish any eligible refinancing (if applicable) of existing debt desired by his or her property, to the extent and in the manner authorized by the approved Application and its supporting documentation.

2. Escrow Authorization:

The **APPLICANT** acknowledges that should he or she qualify for any of the programs listed below, the following appropriate terms will apply:

a. The "Leverage" Loan – The Loan will be evidenced by a Promissory Note executed by the Borrower and will be secured by a mortgage or equivalent security instrument, in form and substance satisfactory to the private lender. the Note will:

   1. Be in face amount of the Loan approved by the private lender.
   2. Bear interest at the rate of 0% per annum on the principal outstanding at any time.;
   3. Be repaid at such time or times, at such place or places.
   4. Be subject to such other conditions of repayment as shall be more fully specified in the Promissory Note, and
   5. Be secured with a "Deed to Secure Debt" on property.

   "Under certain mitigating circumstances such as death to the borrower(s), the loan may be assumed by another party. However, the eligibility of the purchaser will be determined by the Local Government, who is regulated to principally serve "low and moderate" income individuals for this program.

b. The Direct Loan – The Loan will be evidenced by a Promissory Note executed by the Borrower, and will be secured by a mortgage or equivalent security instrument, in form and substance satisfactory to the Local Government. The Promissory Note will.

   1. Be in the face amount of the amount of the Loan approved by the Local Government or its designee;
   2. Bear interest at the rate of _____% per annum on the principal outstanding at any time;
   3. Be repaid at such time or times, at such place or places;
   4. Be subject to such other conditional or repayment as shall be more fully specified in the Promissory Note; and

5. Be secured with a "Deed to Secure Debt" on property.

Under certain mitigating circumstances such as death to the borrower(s), the loan may be assumed by another party. However, the eligibility of the purchaser will be determined by the Local Government, who is regulated to principally serve "low and moderate" income individuals for this program.

c. The Deferred Payment Loan – The Loan will be evidenced by a Promissory Note executed by the Borrower and will be secured by a mortgage or equivalent security instrument in form and substance satisfactory to the Local Government. The Promissory Note will:

1. Be in the face amount of the loan approved by the Local Government or its designee;
2. Bear interest at the rate of 0% percent per annum on the principal outstanding at any time;
3. Be repaid at such time or times, at such place or places;
4. Be subject to such other conditions or repayment as shall be more fully specified in the Promissory Note; and
5. Be secured with a "Deed to Secure Debt" on property.

Under certain mitigating circumstances such as death to the borrower(s), the loan may be assumed by another party. However, the eligibility of the purchaser will be determined by the Local Government, who is regulated to principally serve "low and moderate" income individuals for this program.

d. The Direct Grant – Proceeds will be limited to the work and materials necessary to meet the Minimum Property Standards as determined by the Local Government.

1. Grants are restricted to the current **OWNER(S)** (as per fee simple of title of Owner-occupied structures);
2. Determination and certification of ownership will be done by the Local Government or its designee; and
3. Maximum amount of grant will be determined by the Local Government according to Program Policies.

e. The Emergency Grant – Proceeds will be limited to the work and materials necessary to correct any and all physical detriments that endangers the health and safety of the public and/or occupants.

1. Grants are restricted to the current **OWNER(S)** (as per fee simple of title of owner-occupied structures;
2. Determination and certification of ownership will be done by the City or its designee; and
3. Grants shall not exceed the maximum amount approved by the Local Government.

NOTE: Rental rehabilitation financial assistance will be regulated by an executed Rent Regulatory Agreement of which the **OWNER** has received a copy of at the time of application and agrees to comply with its terms and conditions.

3. Availability of Funds:

The **APPLICANT** acknowledges that the approval of any of the above programs is contingent upon the amount of funds available (at the time of submission for approval) for the respective

program for he or she is qualified.

4. Cancellation Conditions:

Should the Local Government be defined as a “Creditor”, the **APPLICANT** will reserve the right to cancel and terminate his or her application for rehabilitation assistance at any time prior to the expiration of the three-day recession period, as per Regulation "“"”of the Truth in Lending Act; for a loan secured by real estate. In the case of a Direct Grant or Deferred Payment Loan without a supplementing loan to complement the rehabilitation costs, the **APPLICANT** may cancel his or her application at any time prior to the execution of the Construction Contract.

5. Accomplishment of Work:

The **APPLICANT** agrees to carry out all rehabilitation of work specified in the Construction Contract and its supporting documentation with all practicable dispatch in a sound, economical, and efficient manner, through written contract let by him or her with the prior concurrence of the Local Government or its designee. In accomplishing such rehabilitation, the **APPLICANT** will comply with applicable Minimum Property Standards as stated in paragraph 1, supra.

6. Ineligible **CONTRACTOR’S**:

The Borrower agrees not to award any contract or purchase order for rehabilitation work, other services, materials, equipment, or supplies, to be paid for, in whole or in part with the proceeds of the financial assistance, to any **CONTRACTOR** or subcontractor whom the **APPLICANT** has been advised is unacceptable for Housing Rehabilitation contracts by the Local Government or his designee, or delegate.

7. Inspection of Work:

The Local Government or its designee shall have the right to inspect all rehabilitation work financed in whole or in part, with the proceeds of all financial assistance, and will inform the **APPLICANT** of any non-compliance with respect to the contract for the rehabilitation work, and will not issue any order or instructions to the **CONTRACTOR** or subcontractor performing the work without the concurrence of the **APPLICANT**. The **APPLICANT** and the **CONTRACTOR** will take all steps necessary to assure that the Local Government or its designee is permitted to examine and inspect the rehabilitation work, and all contracts, materials, equipment, payrolls, and conditions of employment pertaining to the work, including all relevant data and records.

8. Access to Records (Rental Assistance):

The **APPLICANT** and the **CONTRACTOR** agree to keep such records as may be required by the Local Government with respect to the rehabilitation work financed, in. whole or in part with the aid of the assistance from the program, and furthermore, when the rehabilitated property contains rental units, the **APPLICANT** agrees to comply with the terms of the Rent Regulatory Agreement and keep such records as may be required by the Local Government with respect to income received and expenses incurred from this property. The **APPLICANT** will, at any time during normal business hours and as often as the Local Government may deem necessary, permit the Local Government to have full and free access to its records with respect to the utilization of the proceeds of the assistance, and when applicable, to the income and expenses incurred through rental, and

will permit the Local Government to audit, examine, and make excerpts or transcripts from this records and to review, inspect, and make audits of all rehabilitation work, contract, invoices, materials, payrolls, records of personnel, conditions of employment, books or records, and other documentary data pertaining to the financial assistance and the rehabilitation work, and when applicable, to income and expense incurred through rental of the rehabilitation property.

9. Equal Employment Opportunity:

Contract subject to Executive Order 11246. The **APPLICANT** hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 1 CFR Chapter 60, which is paid for, in whole or in part, with funds obtained through this program pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause.

J. During the performance of this contract, the **CONTRACTOR** agrees as follows:

A. The **CONTRACTOR** will not discriminate against any employee or **APPLICANT** for employee because of race, color, religion, sex, or national origin. The **CONTRACTOR** will take affirmative action to ensure that **APPLICANTS** are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but will not be limited to the following: employment; upgrading; demotion, or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The **CONTRACTOR** agrees to post in conspicuous places, available to employees and **APPLICANTS** for employment, notice to be provided by municipality setting forth the provisions of this nondiscrimination clause.

B. The **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of the **CONTRACTOR**, state that all qualified **APPLICANTS** will receive consideration for employment without regard to their race, color, religion, sex, or national origin.

C. The **CONTRACTOR** will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to provide, advising the said labor union or worker' representative of the **CONTRACTOR'S** commitments sunder this section and shall post copies of the notice in conspicuous places available to employees and **APPLICANTS** for employment.

D. The **CONTRACTOR** will comply with all provisions of Executive Order 11246 of September 24, 1965, and of rules, regulations and relevant orders of the Secretary of Labor.

E. The **CONTRACTOR** will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor of the Secretary of Housing and Urban Development, or pursuant thereto, and will permit access to his books, records, and accounts by the Secretary of Housing and Urban Development or his designee, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules and regulations and orders.

F. In the event of the **CONTRACTOR'S** noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled,

terminated, or suspended, in whole or in part, and the **CONTRACTOR** may be declared ineligible for further Local Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by Law.

G. The **CONTRACTOR** will include the portion of the sentence immediately preceding paragraph (1) and the provision of paragraphs 1-7 in the event subcontract of purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor.

H. The **CONTRACTOR** will take such action with respect to any subcontract or purchase order as the property **OWNER** or the Local Government may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the **CONTRACTOR** becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the property **OWNER** or the Local Government, the **CONTRACTOR** may request the United States Government to enter into such litigation to protect the interest of the Local Government.

Enforcement Obligations of Applicant and Contractor: The **CONTRACTOR** further agrees that he will be bound by the above equal opportunity clause with respect to his own employment practices when he participate in federally assisted construction work.

The **APPLICANT** agrees that he will assist and cooperate actively with the Secretary of Housing and Urban Development and the Secretary of Labor in obtaining the compliance of **CONTRACTORS** and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that he will furnish the Secretary of Housing and Urban Development and the Secretary of Labor such information as they require for the supervision of such compliance, and that he will otherwise assist the Secretary of Housing and Urban Development in the discharge of the Secretary's primary responsibility of securing compliance.

The **APPLICANT** further agrees that he will refrain from entering into any contract or contract modification subject to the Executive Order 11246 of September 24, 1965, with a **CONTRACTOR** debarred from, or who has not demonstrated eligibility for Local Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon **CONTRACTORS** and subcontractors by the Secretary of Housing and Urban Development or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the **APPLICANT** agrees if he or she fails or refuses to comply with these undertakings, the Local Government may take any or all of the following actions: Cancel, terminate, or suspend, in whole or in part, this application and agreement: refrain from extending any further assistance to the **APPLICANT** under the program with respect to which the failure or refund occurred until satisfactory assurance of failure compliance has been received from such **APPLICANT** and refer the case to the Department of Justice for appropriate legal proceedings.

Title VI of the Civil Rights Act of 1964.

The **APPLICANT** will utilize the proceed of the financial assistance in compliance with all requirements imposed by or pursuant to regulations of the Secretary of Housing and Urban Developments effectuating

Title VI of the Civil Rights Act of 1964 (78 State 252). The **APPLICANT** also agrees not to discriminate upon the basis of race, color, creed, or national origin in the sale, lease, rental, use or occupancy of the real property rehabilitated with the assistance of the program. The United States government shall be deemed to be a beneficiary of these provisions both for and in its own right and also for the purpose of protecting the interest of the community and other parties, public or private, in whose benefit this provision has been provided and shall have the right, in the event of any breach of this provision, to maintain any actions or suits at law or in equity or any other proper proceedings to enforce the curing of such breach.

11. Interest of Certain Federal Officials:

The **APPLICANT** and the **CONTRACTOR** agree that no member of or delegate to the Congress of the United States, and no Resident Commissioner, shall be admitted to any share or part of the proceeds of the assistance or to any benefit to arise from the same.

12. Bonus, Commission or Fee:

The **APLLICANT** will not pay any bonus, commission or fee for the purpose of obtaining the Local Government approval of his or her application for assistance, or any other approval or concurrence required by the Local Government or its designee to complete the rehabilitation work financed in whole or in part with this application.

13. Interest of Local Government Personnel:

No member of the Governing body of the Local Government who exercises any functions or responsibilities in connection with the administration of the program and no other officer or employee of the Local Government who exercises such functions or responsibilities, shall have any interest, direct or indirect, in the proceeds of this loan, or in any contract entered into by the **APPLICANT** for the performance of work financed in whole or in part with the proceeds of this loan.

14. Interest of Other Local Public Officials:

No member of the local governing body in which the property to be rehabilitated is located, and no other public official of the Local Government who exercises any functions or responsibilities in connection with the administration of the Local Government program, shall have any interest, direct or indirect, in the proceeds of this loan, or in any contract entered into by the **APPLICANT** for the performance of work financed in whole or in part with the proceeds of this loan.

15. Prohibition of Lead-Based Paint:

In the rehabilitation of residential structures, the **APPLICANT** and the **CONTRACTOR** agree to comply with the regulations promulgated by the Consumer Product Safety Commission prohibiting the use of lead-base paint. With respect to paint which is manufactured after June 22, 1977, lead-based paint means any paint containing more that six one-hundredths of the paint or the equivalent measure or lead in the dried film of paint already applied.

16. Fair Labor Standards Provisions

A. Copeland “Anti-Kickback Act” (Applicable only if “project” to be rehabilitated eight (8) or more units)

"Whoever, by force, intimidation, or threats of procuring dismissal from employment, or by any other manner whatsoever indicate any person employed in the construction, prosecution, completion or repair of any public building, public work, or building or work financed in whole or in part by loans or grants from the United State to give up any part of the compensation to which he is entitled under his contract of employment, shall be fined not more than $5,000 or imprisoned not more than five years, or both."

B. Davis-Bacon Act (Section 110 of Title 1)
(Applicable only if "project to be rehabilitated is eight (8) or more units)

Davis-Bacon Act is applicable to all contracts for construction, alteration and/or repairs in excess of $2,00, with the exception of rehabilitation contracts that do not address a "project" which includes eight (8) or more residential units that:

1. are on contiguous lots or parcels;
2. initially will be operated as one project;
3. initially will be commonly owned; or
4. are owner-occupied units awarded as <u>one</u> contract regardless if the units are contiguous.

Contract DCA for Compliance Procedures and Contractual Language.

C. Contract Work Hours and Safety Standards Act
(Applicable only if "project" to be rehabilitated is eight (8) or more units)

1. "Overtime Requirements. No **CONTRACTOR** or subcontractor for any part of the Contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of forty hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such work week.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph 1. Of this paragraph, the **CONTRACTOR** and any subcontractor responsible therefore shall be liable to the United States (in the case of work done under contract for the District of Columbine or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph 1. Of this paragraph, in the sum of <u>$25.00</u> for each calendar day on which such individual was required or permitted to work in excess of the standard work week of forty hours without payment of the overtime wages required by the clause set forth in subparagraph 1. of this paragraph.

3. Withholding for unpaid wages and liquidated damages HUD or Georgia DCA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the **CONTRACTOR** and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or

mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph 1. of this paragraph, in the sum of $25.00 for each calendar day on which such individual was required or permitted to work in excess of the standard work week of forty hours without payment of the overtime wages required by the clause set forth in subparagraph 1. of this paragraph.

4. Subcontracts. The **CONTRACTOR** or subcontractors shall insert in any subcontracts the clauses set forth in subparagraph 1. Through 4. Of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime **CONTRACTOR** shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs 1. Through 4. Of this paragraph.

D. Health and Safety:

1. No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

2. The **CONTRACTOR** shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 (formerly Part 1518, and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96).

3. The **CONTRACTOR** shall include the provisions of this Article in every subcontract so that such provisions will be binding on each subcontractor. The **CONTRACTOR** shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

17. Section 3 Clause of the Urban Development Act of 1968:
(Applicable if local government is identified as a direct party to construction contact- "Common Rule")

A. "The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

B. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, Part 135, and all applicable rules and orders of this contract. The parties to this contract certify and agree that they are under no contractual or other disability, which would prevent them from complying with these requirements.

C. The **CONTRACTOR** will send to each labor organization or representative of workers with which he has a collective bargain-agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and shall post

copies of the notice in conspicuous places available to employees and **APPLICANTS** for employment or training.

18. Provision for Remedies Clause

(Applicable if local government is identified as a direct party to construction contract- "Common Rules")

It is required that the construction contract, regardless of value, contain provision for remedies in case of violation or breach of terms, including sanctions. The following is a sample clause, which meets the requirement. There is no specific required language and the community's attorney should approve whatever language is used.

A. Termination

"Unearned payments under this contract may be suspended or terminated upon refusal to accept any additional conditions that may be imposed by City/County, or if the grant to the City/County under the Community Development Block Grant Program is suspended or terminated. Moreover, if through any cause, the **CONTRACTOR** shall fail to fulfill its obligations under this contract in a timely and proper manner, or if the **CONTRACTOR** shall violate any of the covenants, agreements, conditions or obligations of the contract documents, the City/County may terminate this contract by giving written notice to the **CONTRACTOR** and surely of such termination and specifying the effective date of such termination. In such event, the City/County may take over the work and prosecute the same to completion, by contract or otherwise, and the **CONTRACTOR** and his sureties shall be liable to the City/County for any additional cost incurred by the **OWNER** in its completion of the work and they shall also be liable to the **OWNER** for liquidated damages for any delay in the completion of the work as provided below. Furthermore, the **CONTRACTOR** will be paid an amount which bears the same ratio to the total compensation as the work and services actually perform bear to the total work and services requires. Provided, however, that if less than sixty percent of the services required by this contract, have been performed upon the effective date of such termination, the **CONTRACTOR** shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under this Contract) incurred by the **CONTRACTOR** during the contract period which are directly attributable to the uncompleted portion of the services required by this contract."

B. Liquidated Damages for Delays. If the work is not completed within the time stipulated, therefore, including any extensions of time for excusable delays as herein provided, the **CONTRACTOR** shall pay to the **OWNER** as fixed and agreed liquidated damages (it being impossible to determine the damages occasioned by the delay) for each working day of delay until the work is completed, the amount as set forth in construction, and the **CONTRACTOR** and his sureties shall be liable to the **OWNER** for the amount thereof.

C. Excusable Delays. The right of **CONTRACTOR** to proceed shall not be terminated nor shall the **CONTRACTOR** be charged with liquidated damages for any delays in the completion of the work due:

1. To any acts of the Government, including controls or restrictions upon or requisitioning of materials, equipment, tools, or labor by reason of war, National Defense, or any other national emergency;
2. To any acts of the **OWNER**;

3. To causes not reasonable foreseeable by the parties to this contract at the time of the execution of the contract which are beyond the control and without the fault or negligence of the **CONTRACTOR**, including, but not restricted to, acts of God or of the public enemy, acts of another **CONTRACTOR** in the performance of some other contract with the **OWNER**, fires, floods, epidemics, quarantine, strikes, freight embargoes, and weather of unusual severity such as hurricanes, tornadoes, and cyclones; and
4. To any delay of any subcontractor occasioned by any of the causes specified in subparagraph (1), (2) and (3) of this paragraph "C".

Provided, however that the **CONTRACTOR** promptly notified the **OWNER** within ten (10) days in writing of the cause of the delay. Upon receipt of such notification, the **OWNER** shall ascertain the facts and the cause and extent of delay. If upon the basis of the terms of this contract the delays are properly excusable, the **OWNER** shall extend the time for completing the work for a period of time commensurate with the period of excusable delay.

D. Termination for Convenience Clause.

(Applicable if local government is identified as a direct party to construction contract- "Common Rule")

It is required that a "termination" clause be included in a construction contract over $10,000 in value. This is a sample clause. The Community's attorney should approve whatever language is used in the contract. There is no required language:

"The City/County may terminate this contract at any time for any reason by giving at least thirty (30) days notice in writing the **CONTRACTOR**. If the contract is terminated by the City/County as provided herein, the **CONTRACTOR** will be paid a fair payment as negotiated with the City/County for the work completed as of the date of termination.

19. Arbitration Terms Conditions

All claims or disputes between the **OWNER** and **CONTRACTOR** arising out of or related to the work specified in this contract shall be decided by arbitration in accordance with the Local Government "arbitration" procedures as stated in the program Policy and Procedure Statement, unless the parties mutually agree otherwise. The **OWNER** and/or **CONTRACTOR** shall submit all disputes or claims, regardless of the extent of the work's progress, to (name of certifying official of local government) unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party referencing this construction contract, and shall be made within a reasonable time after the dispute has arisen. The decision rendered by the Arbitration Board shall be final, and judgment (if applicable) may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. If the Arbitration Board's award is in a sum which is less than that which was offered in a sum which is less than that which was offered in settlement by the **CONTRACTOR**, the Arbitration Board may award costs and attorney's fees in favor of the **CONTRACTOR.** If the award of the Arbitration Board is in a sum greater than that which was offered in settlement by the **OWNER**, the Arbitration Board may award costs and attorney's fees in favor of the **OWNER**.

PROGRESS PAYMENT SCHEDULE A

DATE OF CONTRACT: _____

OWNER:

NAME: _____

REHABILITATION ADDRESS: _____

CONTRACTOR:

NAME: _____

ADDRESS: _____

The above subject parties agree to the following terms for progress payment(s) as indicated:

Contracts over $ _____: One (1) partial payment may be requested by the *CONTRACTOR*, after a minimum of % of the total contract work per the partial payment schedule is satisfactorily completed

PROGRESS PAYMENT SHALL NOT EXCEED % OF THE VALUE OF THE WORK SATISFACTORILY COMPLETED. Progress payment and final payments due the contractor will be paid within calendar days after receipt of the *CONTRACTOR'S* Affidavit for the completed work or installed materials.

PROGRESS PAYMENT SCHEDULE B

DATE OF CONTRACT: _____

OWNER:

NAME: _____

REHABILITATION ADDRESS: _____

CONTRACTOR:

NAME: _____

ADDRESS: _____

The above subject parties agree to the following terms for progress payment(s) as indicated:

Contracts over $ _____: Two partial payments may be requested by the *CONTRACTOR*, (1) First partial payment - after a minimum of % of the total contract work per the partial payment schedule is satisfactorily completed. (2) Second partial payment - after an additional % of the total contract work per the partial payment schedule is satisfactorily completed.

PROGRESS PAYMENT SHALL NOT EXCEED % OF THE VALUE OF THE WORK SATISFACTORILY COMPLETED. Progress payments and final payments due the contractor will be paid within calendar days after receipt of the *CONTRACTOR'S* Affidavit for the completed work or installed materials.

Exhibit G Georgia Lien Law

Georgia Lien Law

44-14-361.

(a) The following persons shall each have a special lien on the real estate, factories, railroads, or other property for which they furnish labor, services, or materials:

(1) All mechanics of every sort who have taken no personal security for work done and material furnished in building, repairing, or improving any real estate of their employers;

(2) All contractors, all subcontractors and all materialmen furnishing material to subcontractors, and all laborers furnishing labor to subcontractors, materialmen, and persons furnishing material for the improvement of real estate;

(3) All registered architects furnishing plans, drawings, designs, or other architectural services on or with respect to any real estate;

(4) All registered foresters performing or furnishing services on or with respect to any real estate;

(5) All registered land surveyors and registered professional engineers performing or furnishing services on or with respect to any real estate;

(6) All contractors, all subcontractors and materialmen furnishing material to subcontractors, and all laborers furnishing labor for subcontractors for building factories, furnishing material for factories, or furnishing machinery for factories;

(7) All machinists and manufacturers of machinery, including corporations engaged in such business, who may furnish or put up any mill or other machinery in any county or who may repair the same;

(8) All contractors to build railroads; and

(9) All suppliers furnishing rental tools, appliances, machinery, or equipment for the improvement of real estate.

(b) Each special lien specified in subsection (a) of this Code section may attach to the real estate for which the labor, services, or materials were furnished if they are furnished at instance of the owner, contractor, or some person acting for the owner or contractor.

44-14-361.1.

(a) To make good the liens specified in paragraphs (1) through (8) of subsection (a) of Code Section 44-14-361, they must be created and declared in accordance with the following provisions, and on failure of any of them the lien shall not be effective or enforceable:

(1) A substantial compliance by the party claiming the lien with his contract for building, repairing, or improving; for architectural services furnished; for registered forester services furnished or performed; for registered land surveying or registered professional engineering services furnished or performed; or for materials or machinery furnished or set up;

(2) The filing for record of his claim of lien within three months after the completion of the work, the furnishing of the architectural services, or the furnishing or performing of such surveying or engineering services or within three months after the material or machinery is furnished in the office of the clerk of the superior court of the county where the property is located, which claim shall be in substance as follows:

A.B., a mechanic, contractor, subcontractor, materialman, machinist, manufacturer, registered architect, registered forester, registered land surveyor, registered professional engineer, or other person (as the case may be) claims a lien in the amount of (specify the amount claimed) on the house, factory, mill,

machinery, or railroad (as the case may be) and the premises or real estate on which it is erected or built, of C.D. (describing the houses, premises, real estate, or railroad), for satisfaction of a claim which became due on (specify the date the claim was due) for building, repairing, improving, or furnishing material (or whatever the claim may be).'

At the time of filing for record of his claim of lien, the lien claimant shall send a copy of the claim of lien by registered or certified mail or statutory overnight delivery to the owner of the property or the contractor, as the agent of the owner;

(3) The commencement of an action for the recovery of the amount of the party's claim within 12 months from the time the same shall become due. In addition, within 14 days after filing such action, the party claiming the lien shall file a notice with the clerk of the superior court of the county wherein the subject lien was filed. The notice shall contain a caption referring to the then owner of the property against which the lien was filed and referring to a deed or other recorded instrument in the chain of title of the affected property. The notice shall be executed, under oath, by the party claiming the lien or by such party's attorney of record, but failure to execute the notice under oath shall be an amendable defect which may be cured by the party claiming the lien or by such party's attorney without leave of court at any time before entry of the pretrial order and thereafter by leave of court. An amendment of notice pursuant to this Code section shall relate back to the date of filing of the notice. The notice shall identify the court wherein the action is brought; the style and number of the action, including the names of all parties thereto; the date of the filing of the action; and the book and page number of the records of the county wherein the subject lien is recorded in the same manner in which liens specified in Code Section 44-14-361 are filed. The clerk of the superior court shall enter on the subject lien so referred to the book and page on which the notice is recorded and shall index such notice in the name of the then purported owner as shown by the caption contained in such notice. A separate lis pendens notice need not be filed with the commencement of this action; and

(4) In the event any contractor or subcontractor procuring material, architect's services, registered forester's services, registered land surveyor's services, or registered professional engineer's services, labor, or supplies for the building, repairing, or improving of any real estate, building, or other structure shall abscond or die or leave the state within 12 months from the date such services, labor, supplies, or material are furnished to him or her, so that personal jurisdiction cannot be obtained on the contractor or subcontractor in an action for the services, material, labor, or supplies, or if the contractor or subcontractor shall be adjudicated a bankrupt, or if, after the filing of an action, no final judgment can be obtained against him or her for the value of such material, services, labor, or supplies because of his or her death, adjudication in bankruptcy, or the contract between the party claiming the lien and the contractor or subcontractor includes a provision preventing payment to the claimant until after the contractor or the subcontractor has received payment, then and in any of these events, the person or persons furnishing material, services, labor, and supplies shall be relieved of the necessity of filing an action or obtaining judgment against the contractor or subcontractor as a prerequisite to enforcing a lien against the property improved by the contractor or subcontractor. Subject to Code Section 44-14-361, the person or persons furnishing material, services, labor, and supplies may enforce the lien directly against the property so improved in an action against the owner thereof, if filed within 12 months from the time the lien becomes due, with the judgment rendered in any such proceeding to be limited to a judgment in rem against the property improved and to impose no personal liability upon the owner of the property; provided, however, that in such action for recovery, the owner of the real estate improved, who has paid the agreed price or any part of same, may set up the payment in any action brought and

prove by competent and relevant evidence that the payments were applied as provided by law, and no judgment shall be rendered against the property improved. Within 14 days after filing such action, the party claiming the lien shall file a notice with the clerk of the superior court of the county wherein the subject lien was filed. The notice shall contain a caption referring to the then owner of the property against which the lien was filed and referring to a deed or other recorded instrument in the chain of title of the affected property. The notice shall be executed, under oath, by the party claiming the lien or by his or her attorney of record. The notice shall identify the court wherein the action is brought; the style and number of the action, including the names of all parties thereto; the date of the filing of the action; and the book and page number of the records of the county wherein the subject lien is recorded in the same manner in which liens specified in Code Section 44-14-361 are filed. The clerk of the superior court shall enter on the subject lien so referred to the book and page on which the notice is recorded and shall index such notice in the name of the then purported owner as shown by the caption contained in such notice. A separate lis pendens notice need not be filed with the commencement of this action.
(b) As between themselves, the liens provided for in Code Section 44-14-361 shall rank according to the date filed; but all of the liens mentioned in this Code section for repairs, building, or furnishing materials or services, upon the same property, shall, as to each other, be of the same date when declared and filed for record within three months after the work is done or before that time.
(c) The liens specified in Code Section 44-14-361 shall be inferior to liens for taxes, to the general and special liens of laborers, to the general lien of landlords of rent when a distress warrant is issued out and levied, to claims for purchase money due persons who have only given bonds for titles, and to other general liens when actual notice of the general lien of landlords and others has been communicated before the work was done or materials or services furnished; but the liens provided for in Code Section 44-14-361 shall be superior to all other liens not excepted by this subsection.
(d) In any proceeding brought by any materialman, by any mechanic, by any laborer, by any subcontractor, or by any mechanic of any sort employed by any subcontractor or by any materialmen furnishing material to any subcontractor, or by any laborer furnishing labor to any subcontractor, to enforce such a lien, the contractor having a direct contractual relationship with the subcontractor shall not be a necessary party; but he may be made a party. In any proceedings brought by any mechanic employed by any subcontractor, by any materialmen furnishing material to any subcontractor, or by any laborer furnishing labor to any subcontractor, the subcontractor shall not be a necessary party; but he may be made a party. The contractor or subcontractor or both may intervene in the proceedings at any time before judgment for the purpose of resisting the establishment of the lien or of asserting against the lienor any claim of the contractor or subcontractor growing out of or related to the transaction upon which the asserted lien is based.
(e) In no event shall the aggregate amount of liens set up by Code Section 44-14-361 exceed the contract price of the improvements made or services performed.

44-14-361.2.
(a) The special lien specified in subsection (a) of Code Section 44-14-361 shall be dissolved if the owner, purchaser from owner, or lender providing construction or purchase money or any other loan secured by real estate shows that:
(1) The lien has been waived in writing by lien claimant; or
(2)(A) They or any of them have obtained the sworn written statement of the contractor or person other than the owner at whose instance the labor, services, or materials were furnished, or the owner when

conveying title in a bona fide sale or loan transaction, that the agreed price or reasonable value of the labor, services, or materials has been paid or waived in writing by the lien claimant; and
(B) When the sworn written statement was obtained or given as a part of a transaction:
(i) Involving a conveyance of title in a bona fide sale;
(ii) Involving a loan in which the real estate is to secure repayment of the loan; or
(iii) Where final disbursement of the contract price is made by the owner to the contractor
there was not of record, at the time of the settlement of the transaction a valid preliminary notice or claim of lien which had not been previously canceled, dissolved, or expired.
(b) As used in paragraph (2) of subsection (a) of this Code section, the term:
(1) 'Person other than the owner' shall not include a subcontractor.
(2) 'Final disbursement' of the contract price means payment of the agreed price between the owner and contractor for the improvements made upon the real estate or the reasonable value of the labor, services, and materials incorporated in the improvements upon the real estate and shall include payment of the balance of the contract price to an escrow agent.

44-14-361.3.
(a) Prior to filing a claim of lien, a person having a lien under paragraphs (1) through (8) of subsection (a) of Code Section 44-14-361 may at such person's option file a preliminary notice of lien rights. The preliminary notice of lien rights in order to be effective shall:
(1) Be filed with the clerk of superior court of the county in which the real estate is located within 30 days after the date a party delivered any materials or provided any labor or services for which a lien may be claimed;
(2) State the name, address, and telephone number of the potential lien claimant;
(3) State the name and address of the contractor or other person at whose instance the labor, services, or materials were furnished;
(4) State the name of the owner of the real estate and include a description sufficient to identify the real estate against which the lien is or may be claimed; and
(5) Include a general description of the labor, services, or materials furnished or to be furnished.
(b) A party filing a preliminary notice of lien rights except a contractor shall, within seven days of filing the notice, send by registered or certified mail or statutory overnight delivery a copy of the notice to the contractor on the property named in the notice or to the owner of the property. The lien claimant may rely on the building permit issued on the property for the name of the contractor.
(c) The clerk of each superior court shall maintain within the records of that office a record separate from all other real estate records in which preliminary notices specified in subsection (a) of this Code section and affidavits specified in subsection (c) of Code Section 44-14-361.4 shall be filed. Each such notice and affidavit shall be indexed under the name of the owner as contained in the preliminary notice. The clerk shall collect a filing fee of $5.00 for the filing of each preliminary notice.
(d) A person having a lien under paragraphs (1) through (8) of subsection (a) of Code Section 44-14-361 may enforce the lien without filing a preliminary notice of lien.

44-14-361.4.
(a) A preliminary notice of lien rights filed pursuant to Code Section 44-14-361.3 shall be dissolved if it is canceled and a preliminary notice also expires and is dissolved under any of the following conditions:
(1) The lien has been waived in writing by the lien claimant;

(2) The time has expired for filing the claim of lien as required in Code Section 44-14-361.1;
(3) On residential property, a demand for filing of a claim of lien has been sent by registered or certified mail or statutory overnight delivery to the potential lien claimant at the address specified in the preliminary notice of lien rights and at least ten days have elapsed since the date of such mailing without the filing of a claim of lien; or
(4) On all property except residential property, a demand for filing of a claim of lien has been sent by registered or certified mail or statutory overnight delivery to the potential lien claimant at the address specified in the preliminary notice of lien rights and at least ten days have elapsed since the date of such mailing without the filing of a claim of lien; provided, however, the demand for filing of a claim of lien shall not be sent until the contractor's contract is substantially complete or until the potential lien claimant's contract has been terminated or the potential lien claimant has abandoned the contract.
(b) A demand for filing of claim of lien shall contain the same information required to be contained in the preliminary notice of lien rights and shall contain the following statement addressed to the potential lien claimant:
'This demand was mailed to you on _____ pursuant to Code Section 44-14-361.4. You are notified that unless you file a claim of lien with respect to this claim on or before the tenth day after said date of mailing your right to claim a lien will be dissolved.'
(c) If a demand for filing of a claim of lien is mailed as provided in this Code section and no claim of lien is filed within ten days after said date of mailing, the preliminary notice of lien rights may be canceled as provided in this subsection. In order to obtain cancellation, the person who mailed the demand or his attorney shall file with the clerk of superior court a copy of the demand and his or her affidavit that the demand was mailed as provided in paragraph (3) or (4) of subsection (a) of this Code section and that ten days have elapsed since said date of mailing without the filing of a claim of lien by the potential lien claimant. Upon such filing, the clerk of superior court shall cancel of record the preliminary notice of lien rights.

44-14-361.5.
(a) To make good the liens specified in paragraphs (1), (2), and (6) through (9) of subsection (a) of Code Section 44-14-361, any person having a right to a lien who does not have privity of contract with the contractor and is providing labor, services, or materials for the improvement of property shall, within 30 days from the filing of the Notice of Commencement or 30 days following the first delivery of labor, services, or materials to the property, whichever is later, give a written Notice to Contractor as set out in subsection (c) of this Code section to the owner or the agent of the owner and to the contractor for a project on which there has been filed with the clerk of the superior court a Notice of Commencement setting forth therein the information required in subsection (b) of this Code section.
(b) Not later than 15 days after the contractor physically commences work on the property, a Notice of Commencement shall be filed by the owner, the agent of the owner, or by the contractor with the clerk of the superior court in the county in which the project is located. A copy of the Notice of Commencement shall be posted on the project site. The Notice of Commencement shall include:
(1) The name, address, and telephone number of the contractor;
(2) The name and location of the project being constructed and the legal description of the property upon which the improvements are being made;
(3) The name and address of the true owner of the property;
(4) The name and address of the person other than the owner at whose instance the improvements are

being made, if not the true owner of the property;
(5) The name and the address of the surety for the performance and payment bonds, if any; and
(6) The name and address of the construction lender, if any.
The contractor shall be required to give a copy of the Notice of Commencement to any subcontractor, materialman, or person who makes a written request of the contractor. Failure to give a copy of the Notice of Commencement within ten calendar days of receipt of the written request from the subcontractor, materialman, or person shall render the provision of this Code section inapplicable to the subcontractor, materialman, or person making the request.
(c) A Notice to Contractor shall be given to the owner or the agent of the owner and to the contractor at the addresses set forth in the Notice of Commencement setting forth:
(1) The name, address, and telephone number of the person providing labor, services, or materials;
(2) The name and address of each person at whose instance the labor, services, or materials are being furnished;
(3) The name of the project and location of the project set forth in the Notice of Commencement; and
(4) A description of the labor, services, or materials being provided and, if known, the contract price or anticipated value of the labor, services, or materials to be provided or the amount claimed to be due, if any.
(d) The failure to file a Notice of Commencement shall render the provisions of this Code section inapplicable. The filing of a Notice of Commencement shall not constitute a cloud, lien, or encumbrance upon or defect to the title of the real property described in the Notice of Commencement, nor shall it alter the aggregate amounts of liens allowable, nor shall it affect the priority of any loan in which the property is to secure payment of the loan filed before or after the Notice of Commencement, nor shall it affect the future advances under any such loan. Nothing contained in this Code section shall affect the provisions of Code Section 44-14-361.2.
(e) The clerk of each superior court shall file the Notice of Commencement within the records of that office and maintain an index separate from other real estate records or an index with the preliminary notices specified in subsection (a) of Code Section 44-14-361.3. Each such Notice of Commencement shall be indexed under the name of the true owner and the contractor as contained in the Notice of Commencement.

Exhibit H

Financial Plan

Unit #	Name of Owner	Occupant Name (if rental property) indicate if vacant or not	Property Address	Type of Unit (SB, Modular, MHU)	Income	Activity (rehab,recon)	CDBG Cost	Owner participation amount *	Total Cost	Lead Hazard Control (25% of Total Cost) (Pre 1978 Rehab only)	Type of Assistance

* If Owner participation amount is based on cost of rehab, use cost of rehab only (without Lead Hazard Control cost) to determine required participation amount.

NOTE: Lead Hazard Control should be budgeted only for units constructed PRIOR to 1978 at 25% of total rehab cost.

If client participation is based on cost of rehab, use cost of rehab only (without lead) to determine required participation amount.

NOTE: Lead hazard control should be budgeted only for units constructed PRIOR to 1978 at 25% of total rehab cost.

Exhibit I Rehab Feasibility Test Form

REHAB FEASIBILITY TEST FORM

PURPOSE
(Check one) that apply

☐ Survey

☐ Pre-Inspection

☐ During Rehab

_____
OWNER NAME

_____
TENANT NAME (if rental)

_____
PROPERTY ADDRESS

UNIT TYPE
(Check all

Stick Built ☐

Mobile Home ☐

Vacant ☐

Rental ☐

STRUCTURAL FEASIBILITY FOR REHABILITATION

☐ 75 percent or more of the existing external walls or floor system of the building are retained in place as external walls or floor support; **or**

☐ At least 50 percent of the building's external walls are retained in place as external walls **and**
At least 75 percent of the building's external walls are retained in place as either external walls or internal Walls **and** at least 75 percent of the building's internal structural framework is retained in place.

☐ Building does not meet any of the above.

ECONOMIC FEASIBILITY FOR REPLACEMENT HOUSING/RECONSTRUCTION

ANALYSIS OF HOUSING ACTIVITIES	COST
1. Estimated Rehabilitation Cost (N/A for Planned Reconstruction)	$_____
2. Estimated Acquisition/Demolition/ Temporary Relocation/Relocation Cost	$_____
3. Estimated Reconstruction Cost/ Temporary Relocation	$_____

CRITERIA FOR PLANNED RECONSTRUCTION

YES	NO	
☐	☐	1. Unit is owner-occupied and "unsuitable for rehabilitation" (based on Structural Feasibility above)
☐	☐	2. The estimated cost of reconstruction (construction of a comparable replacement house on the same property) will be substantially less than the estimated cost to purchase a comparable house (including land) in a comparab neighborhood within the community's jurisdiction; and
☐	☐	3. The estimated cost of reconstruction will be less than the fair market value of the property after reconstruction (as determined by obtaining, prior to reconstruction, an appraisal of projected value of the property including the reconstructed house and land.)

Select the applicable activity that has the lowest combination of cost:

☐ **Rehab** ☐ **Reconstruction** ☐ **Acquisition/Clearance*** ☐ **Relocation**

***If unit is vacant and slated for Acquisition/Clearance what month/year was unit last occupied? _____

Source of verification: _____

_____	_____	_____
Signature	Title	Date

RENT REGULATORY AGREEMENT

THIS AGREEMENT made and entered into this _____ day of _____, 20___ by and between _____ jointly and severally, whose home address is: _____ and the successors, heirs, and assigns of the Owner(s) (all of whom are collectively called "Owner" in this Agreement). The Owners execution of this Agreement is a condition of approval by the City or County of _____ of a Loan of $_____ _____ (called the Deferred Payment Loan in this Agreement) for the rehabilitation of the residential property (called the "Property" herein), the address of which is: _____ _____ _____.

The Property is legally described in the mortgage or Deed to Secure Debt recorded concurrently with the execution of this Agreement. This Deferred Payment Loan was processed by the City or County of _____ (called the "Community" herein), the address which is: _____ _____

The Owner understands and agrees to comply with the following conditions:

THAT, the intent of providing assistance to the Owner is to improve the structural living and housing conditions of "Low and Moderate" income Tenants and meet the program's minimum property standards. The Owner voluntarily agrees to the provisions of the Agreement in exchange for the subsidized financing on the rehabilitation work being performed on his/her property.

THAT, in consideration for the subsidized financing for the rehabilitation work performed in the construction contract, the Owner shall not sell or transfer the rehabilitated Property for the term of the Agreement or else pay back the FULL amount of the CDBG subsidy which is $_____ regardless of the unexpired term of this Agreement.

THAT, in consideration for the subsidized financing for the rehabilitation work performed in the contract, the Property will be occupied for the term of this Agreement by "Low and Moderate" income Tenants. This means that the Tenants gross household income shall not exceed the current "Low and Moderate Income" levels established by the Georgia Department of Community Affairs.

LIMITATIONS: That in consideration of the subsidized financing for the rehabilitation work performed in the contract, the new rent and estimated utilities (paid by the tenant) after rehabilitation will not exceed the following applicable limits:

1. Thirty percent (30%) of the tenants gross monthly household income: $_____

2. Existing rent and utilities, if greater than 1 above: $_____

3. Existing rent and any additional debt services expenses if Owner receives a deferred payment loan for ALL of the CDBG rehabilitation costs: _____

4. "Fair Market Rent" (FMR) level as established by the Section 8 Existing Housing Program if unit is vacant or existing rent and utilities is less than FMR: _____

AUTHORIZED GROSS MONTHLY RENTAL: The property shall be made available to tenants at gross monthly rental charge that shall not exceed a total of:
$_____ Per month.
(Insert the lesser of 1 or 4 minus the Tenant's estimated utility costs; Use 2 if applicable amount does not exceed FMR as a result of additional debt service costs; Use 3 if applicable, minus Tenant's estimated utility costs.)
The foregoing gross monthly rental charges will include the following utilities or other facilities or services for all Tenants, members of their families who regularly reside with such Tenants and guests thereof as permitted by the terms of the lease:
_____
_____

INCREASES IN AUTHORIZED GROSS MONTHLY RENTAL: The initially authorized gross monthly rental charge for the property, listed above, may be increased periodically by the Owner to cover any actual net increase occurring since execution of this Agreement in real estate taxes, insurance, utilities (if paid by Owner) and other cash operating and maintenance expenses incurred with respect to the Property. During the term of this Agreement, the Owner shall notify the Tenant in writing of any rent increases to the Tenants, accompanied by documentation of the specific cost increases and the reasons for the increase, and shall furnish the Community with a copy of the notice to the tenant not less than 30 days prior to the effective date of the rent increase. Such notification will be deemed made when personally delivered or mailed by or on behalf of the owner to the Community at the address specified above, or at any other address of which the Owner has been similarly notified.

REPORTS: At the request of the Community or their authorized agents, the Owner shall furnish periodic occupancy reports and shall answer specific questions from time to time relative to income, assets, liabilities, contracts, operation, and condition of the Property and status of the mortgage or Deed of Trust.

RECORDS: During the term of this Agreement and for two (2) years thereafter, the Property, all equipment, and plans, offices, apparatus, devices, books, contract records, documents, and other papers relating to the Property, shall at all times be maintained in reasonable condition for proper audit and shall be subject to examination and inspection at any reasonable time by the Community, the Georgia Department of Community Affairs, the Department of Housing and Urban Development, the Comptroller General of the United States, and any other duly authorized agents. Specifically, the foregoing includes all records, calculations and information necessary to support Gross Monthly Rental increases, all required notices of such increases, and all leases or written notices to tenants.

DEFAULT REMEDIES: Upon violation of any provision of this Agreement by the Owner, the Community may give written notice thereof to the Owner, by registered or certified mail, addressed to the Owner's home or to such addressee's as may subsequently be designated by the Owner. If such violation is not corrected to the satisfaction of the Community within thirty (30) days after the date such notice is mailed, or within further time the Community reasonably determines is necessary to correct the violation, without further notice the Community may declare a default under this Agreement under the mortgage or Deed to Secure Debt securing the Deferred Payment Loan and may proceed to initiate any or all remedies at law or in equity available in the event of a default under such mortgage or Deed to Secure Debt, including accelerating the due date of the entire indebtedness and foreclosure of the mortgage Deed to Secure Debt. In addition, the Community may advise the Tenants in the Property of the violation.

NOTICE OF TENANTS OF THIS AGREEMENT: Owner agrees during the term of this Agreement to include in each Tenants lease a written notice in the following form:

The rents charged Tenants in this building are subject to a Rent Regulatory Agreement between the Owner and the Community for a period of five (5) years from the completion of rehabilitation financed in whole or in part by a loan from the Community. One copy of this Agreement will be made available to each Tenant by Owner upon request.

The inclusion of the foregoing language in any lease shall be conclusive evidence of its receipt by the Tenant.

The Owner further agrees:

That the income eligibility of Tenants and/or prospective Tenants shall be examined by the Community at any given time to assure the above conditions are satisfied.

Units which are vacant at the time of application for assistance shall provide for a base rent and estimated utility cost that do not exceed the FMR limit as established by the Section 8 Existing Housing Program for the Community's area.

It is further agreed by the Owner that this Agreement may be referenced in and/or made part of any other Agreements, Promissory Notes or Deeds to Secure Debt given by the Owner to the Community to secure the loan contemplated hereby, and the violation of any provisions of the Agreement by the Owner shall be and constitute an item of default in any such Agreement, Notes, and Deeds to Secure Debt.

Security deposit on vacant units shall not exceed one month's base rent.

The provisions of this Agreement are in addition to, and do not amend or supersede in any respect, any other note and the mortgage or Deed to Secure Debt securing a loan besides the Community's Deferred Payment Loan.

The invalidity of any paragraph or provision of this Agreement shall not affect the validity of the remaining paragraphs and provisions thereof.

Notwithstanding any sale, lease or other transfer of the Property, this Agreement shall bind any successors or assigns of the Owner during the term of this Agreement. This Agreement shall be recorded in the public land records with the mortgage or Deed to Secure Debt securing the Deferred Payment Loan.

This Agreement shall be effective on the date of its execution by the Owner. This Agreement shall automatically terminate five (5) calendar years after the date of completion of the rehabilitation of the Property (evidenced by the execution of a certificate of Final Inspection).

_____	_____
Owner	Date
_____	_____
Witness	Date
_____	_____
Community's Certifying Official	Date

SWORN TO AND SUBSCRIBED BEFORE ME THIS

_____ DAY OF _____ 20_____.

_____

Notary Public

Deed to Secure Debt / Repayment Agreement
Owner Occupied
5 Year Term

This Agreement is made and entered into this <Contract Day>> day of <<Contract Month, Year>> by and between the <<Govt. Name>>, hereinafter referred to as "the governing body" and <<Client Name>>, hereinafter referred to as "Recipient".

Whereas, <<Govt. Name>> has advanced to Recipient the amount of $ _____ as a deferred payment loan under the <<Type Program Description>> (hereinafter referred to as "Program") funded through the Georgia Department of Community Affairs for the purpose of the rehabilitation of housing owned by Recipient located on the following described real property, hereinafter referred to as "Premises", to wit:

<<Client Property Description>>

Whereas, the Recipient has met the eligibility requirements for said Program;

Whereas, the Governing Body desires that the Recipient occupy and not transfer title to the above described property nor cause involuntary displacement of tenants for a period of five (5) years from the date of execution of this instrument by the Governing Body.

Now Therefore, the parties hereto agree as follows:

SECTION I

Recipient hereby agrees that if Title to the Premises is transferred by said Recipient within a five (5) year period commencing with the execution of this instrument by the Governing Body, the Recipient shall repay to the Governing Body an amount to be determined as set forth in Section II. This paragraph shall not apply to any transfer of the Premises by devise, descent or by operation of law upon the death of the joint tenant nor to the creation of a lien or encumbrance subordinate to this instrument.

In the event that Owner(s)'s death occurs prior to the expiration date of the Repayment Agreement, repayment is not required provided that the heirs retain title to the property for personal use (as primary residence) or for rental purposes provided that the property is rented to persons of low and moderate income at an affordable rent in accordance with the governing body's policies. **These polices determine the basis for affordable rent for low/moderate income renters. A Rent Regulatory Agreement must be agreed to and executed prior to tenant occupancy. After the expiration of the Repayment Agreement, the requirements for primary residence and rental to low/moderate income persons no longer apply.**

SECTION 11

If a transfer of title or non-occupancy occurs as set forth in Section 1, then Recipient shall repay to the Governing Body an amount to be determined as follows:

(a) If the transfer- of the Premises or non-occupancy occurs within a one (1) year period from the date of execution of this instrument by the governing body, the entire amount advanced by the Governing Body to Recipient must be repaid to the Governing Body.

(b) If the transfer of the Premises or non-occupancy occurs after a one (1) year period but within a two (2) year period from the date of execution of this instrument by the governing body, the Recipient would repay to the Governing Body a sum equal to eighty percent (80%) of amount advanced by the Governing Body to Recipient.

(c) If the transfer of the Premises or non-occupancy occurs after a two (2) year period but within a three (3) year period from the date of execution of this instrument by the governing body, the Recipient would repay to the Governing Body a sum equal to sixty percent (60%) of amount advanced by the Governing Body to Recipient.

(d) If the transfer of the Premises or non-occupancy occurs after a three (3) year period but within a four (4) year period from the date of execution of this instrument by the governing body, the Recipient would repay to the Governing Body a sum equal to forty percent (40%) of amount advanced by the Governing Body to Recipient.

(e) If the transfer of the Premises or non-occupancy occurs after a four (4) year period but within a five (5) year period from the date of execution of this instrument by the Governing Body, the Recipient would repay to the Governing Body a sum equal to twenty percent (20%) of amount advanced by the Governing Body to Recipient

Recipient hereby agrees that this Agreement may be recorded in the Office of Clerk of the << County Govt >> Superior Court in the Real Estate Records and shall be construed as a Repayment Agreement on the above described property for a period of five (5) years from the date of execution of this instrument by the Governing Body.

TIME IS OF THE ESSENCE OF THIS AGREEMENT

In Witness Whereof , the parties hereto have executed this Agreement.

_____(Recipient) Signed, sealed & delivered in

the presence of:

_____(Recipient) _____

_____

Notary Public

Executed by and on behalf of the <<GovtName>> on this _____ day of _____, <<Yr>>.

By: _____

Signed, sealed & delivered in the presence of:

_____

_____

Notary Publi

EXHIBIT L
Lawful Presence Certification Affidavit

O.C.G.A. § 50-36-1(e)(2) Affidavit

By executing this affidavit under oath, as an applicant for a public benefit funded by a Community Development Block Grant as referenced in O.C.G.A. § 50-36-1, from the ***<INSERT LOCAL GOVERNMENT NAME>*** the undersigned applicant verifies one of the following with respect to my application:

1) _____ I am a United States citizen.

2) _____ I am a legal permanent resident of the United States.

3) _____ I am a qualified alien or non-immigrant under the Federal Immigration and Nationality Act with an alien number issued by the Department of Homeland Security or other federal immigration agency.

My alien number issued by the Department of Homeland Security or other federal immigration agency is:_____.

The undersigned applicant also hereby verifies that he or she is 18 years of age or older and has provided at least one secure and verifiable document, as required by O.C.G.A.
§ 50-36-1(e)(1), with this affidavit.

The secure and verifiable document provided with this affidavit can best be classified as:
_____.

In making the above representation under oath, I understand that any person who knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in an affidavit shall be guilty of a violation of O.C.G.A. § 16-10-20, and face criminal penalties as allowed by such criminal statute.

Executed in _____ (city), _____(state).

_____
Signature of Applicant

_____
Printed Name of Applicant

SUBSCRIBED AND SWORN
BEFORE ME ON THIS THE
___ DAY OF _____, 20____

_____
NOTARY PUBLIC
My Commission Expires:

Secure and Verifiable Documents Under O.C.G.A. § 50-36-2

Issued August 1, 2011 by the Office of the Attorney General, Georgia

The Illegal Immigration Reform and Enforcement Act of 20Il ("IIREA") provides that "[n]ot later than August 1, 2011, the Attorney General shall provide and make public on the Department of Law's website a list of acceptable secure and verifiable documents. The list shall be reviewed and updated annually by the Attorney General." O.C.G.A. § 50-36-2(f). The Attorney General may modify this list on a more frequent basis, if necessary.

The following list of secure and verifiable documents, published under the authority of O.C.G.A. § 50-36-2, contains documents that are verifiable for identification purposes, and documents on this list may not necessarily be indicative of residency or immigration status.

- A United States passport or passport card [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2]

- A United States military identification card [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2l

- A driver's license issued by one of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Marianas Islands, the United States Virgin Island, American Samoa, or the Swain Islands, provided that it contains a photograph of the bearer or lists sufficient identifying information regarding the bearer, such as name, date of birth, gender, height, eye color, and address to enable the identification of the bearer [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2l

- An identification card issued by one of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Marianas Islands, the United States Virgin Island, American Samoa, or the Swain Islands, provided that it contains a photograph of the bearer or lists sufficient identifying information regarding the bearer, such as name, date of birth, gender, height, eye color, and address to enable the identification of the bearer [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2]

- A tribal identification card of a federally recognized Native American tribe, provided that it contains a photograph of the bearer or lists sufficient identifying information regarding the bearer, such as name, date of birth, gender, height, eye color, and address to enable the identification of the bearer. A listing of federally recognized Native American tribes may be found at: http://www.bia.gov/WhoWeAre/BIA/OIS/TribalGovemrnentServices/TribalDirectory/index.htm [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2]

- A United States Permanent Resident Card or Alien Registration Receipt Card [O.C.G. A. § 50-36-2(b)(3); 8 CFR § 274a.2]

- An Employment Authorization Document that contains a photograph of the bearer [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2J

- A passport issued by a foreign government [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2]

- A Merchant Mariner Document or Merchant Mariner Credential issued by the United States Coast Guard [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2]

- A Free and Secure Trade (FAST) card [O.C.G.A. § 50-36-2(b)(3); 22 CFR § 41.2]

- A NEXUS card [O.C.G.A. § 50-36-2(b)(3); 22 CFR § 41.2]

- A Secure Electronic Network for Travelers Rapid Inspection (SENTRI) card [O.C.G.A. § 50-36-2(b)(3); 22 CFR § 41.2)

- A driver's license issued by a Canadian government authority [O.C.G.A. § 50-36-2(b)(3); 8 CFR § 274a.2]

- A Certificate of Citizenship issued by the United States Department of Citizenship and Immigration Services (USCIS) (Form N-560 or Form N-561) [O.C.G.A. § 50-36-2(b)(3); 6 CFR § 37.11]

- A Certificate of Naturalization issued by the United States Department of Citizenship and Immigration Services (USCIS) (Form N-550 or Form N-570) [O.C.G.A. § 50-36-2(b)(3); 6 CFR § 37.111

- In addition to the documents listed herein, if, in administering a public benefit or program, an agency is required by federal law to accept a document or other form of identification for proof of or documentation of identity, that document or other form of identification will be deemed a secure and verifiable document solely for that particular program or administration of that particular public benefit. [O.C.G.A. § 50-36-2(c)]

START-UP SITE VISIT REPORT

Grantee:_____ Grant :_____

Date:_____ Discussed with:_____

(circle items discussed)

1.0 Grant Award Package
- 1.1 Acceptance within required period
- 1.2 Signature Cards and correct number of signatories
- 1.3 General and Special Condition compliance
- 1.4 DCA CDBG Staff resources / responsibilities
- 1.5 Local official/interested party overseeing project? (Technical/Admin)
  _____
- 1.6 Recipient's Manual – local government has their copy? yes no

2.0 Financial Management / Audits
- 2.1 On-site financial management technical assistance needed? yes no
- 2.2 Setting-up checking account– only CDBG funds, non-interest bearing, $5,000 limit on- hand.
- 2.3 Force account records, if applicable
- 2.4 Time sheet requirements, if applicable
- 2.5 Audits
- 2.6 Budget
- 2.7 Limits on CDBG $'s for Admin and Arch/Eng fees
- 2.8 Local Match and Leverage (amount and use)
  - 2.8.1 Leverage points awarded and method of monitoring for match and leverage spent by local government
- 2.9 Financial Management and Accounting System:
  - Local Bookkeeper_____
  - Drawdowns – who approves?_____
  - Invoices – who approves?_____
  - Bank reconciliation – who performs?_____
  - Checks – who signs?_____
- 2.10 Conflict of Interest

3.0 Administration
- 3.1 Procurement Standards/contracts – method of selecting/advertising/RFP/RFQ If completed, fill out Procurement Review form
- 3.2 Administrator Contracts – basic requirements (See Chapter 1, Section 18 of Recipients' Manual). If completed, fill out Procurement Review form
- 3.3 Record keeping & filing system – minimum records to be kept on-site
  Where will others be kept?_____
- 3.4 Amendments
- 3.5 Quarterly Reports – use back of form to keep us updated
- 3.6 Labor Standard provisions/"Common Rule" contract provisions/HB 87 Provisions
- 3.7 Clearance of General Contractor
- 3.8 Notice of Contract Action. There is a 10% draw limit until form is submitted
- 3.9 Weekly payrolls – signed by an officer / anyone on job must be on payroll / date stamped when received / notify rep. of any difficulty in collecting them
- 3.10 Pre-Construction Conference – who should attend, notify rep. of date
- 3.11 Timetables / Expiration Date
- 3.12 Send in updated Disclosure Reports when applicable
- 3.13 Citizens Participation
- 3.14 Post-award hearing within 60 days of award – document with tear sheet, agenda and minutes
- 3.15 Section 504 accessibility requirements for hearing locations
- 3.16 Final Public Hearing after Final Quarterly Report completed – document

4.0 Environmental – Historic / Floodplains / Wetlands
- 4.1 Preparation of Assessment & Environmental Review Record
- 4.2 Exempt and excluded activities – FOE in ERR for admin. & design
- 4.3 Environmental Special Conditions, if applicable. Clear prior to completion of assessment
- 4.4 Army Corps permit for wetland disturbing activities
- 4.5 Is any part of project in a floodplain? yes no
- 4.6 Cannot complete E.R. until historic preservation compliance is met (except for housing only grants). Must not begin any aspect of entire project except for exempt activities
- 4.7 Programmatic Agreement for housing rehab of historic properties
- 4.8 Publications – Concurrent Notice / Floodplain Notices / tear sheets
- 4.9 Comment periods and Request for Release of Funds. Funds are released in Environmental Clearance letter from Rick Huber. Keep in ERR
- 4.10 Coordination with other involved Federal or State Agencies. Document in ERR.

5.0 Beneficiaries / Fair Housing / Civil Rights / Section 3
- 5.1 Fair Housing actions. Put up poster
- 5.2 Civil rights data collection
- 5.3 Section 3 requirements
- 5.4 HB2 Certification of Lawful Presence for Direct Beneficiaries (Neighborhood revitalization projects only)
- 5.5 Examine low/mod income benefit surveys. Are they consistent with application? yes no
- 5.6 Actual Accomplishments – how will benefit be measured? Review numbers on DCA-2 and DCA-6 forms

COMMENTS AND FOLLOW-UP

Item # Comments

_____

_____

_____

Additional "Start-up Site Visit(s)" required? yes no

Acquisition applicable? yes no If yes, what type do you anticipate?

Signature of Program Representative: _____

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS
COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING REHAB/RECONSTRUCTION
MONITORING REVIEW I

Recipient: _____ **DCA Grant Number:** _____

Review Date: _____ **Reviewer:** _____

I. Program Status:

a. Number of Rehabilitations Proposed _____ **Completed** _____

b. Number of Reconstructions Proposed _____ **Completed** _____

c. Number of Files Reviewed _____ **Number of Site Inspections** _____

II. Recipients' Program Policy Statement Date of Resolution: _____

Post Grant Award Public Hearing Date: _____

Does Program Policy Address:	Y	N	N/A	Comments
1. Program Goals and Objectives				
2. Applicant Eligibility Criteria				
3. Priority of Processing and Funding of Applications				
4. Financing Eligibility and Techniques				
5. Direct Loan Underwriting				
6. Definition of Income				
7. Temporary Relocation				
8. Minimum Property Standards Definition/Availability				
9. Rehab Feasibility Tests				
10. Contractor Qualifications, Requirements, Debarment				
11. Bidding Methods/Policies/Procedures				
12. Inspection and Testing for Lead Paint				
13. Program Revision Procedure				
14. Arbitration/Complaint Guidelines and Procedures				
15. Definition of Standard/Substandard Housing Units				
16. Residential Anti-displacement and Relocation Plan				
17. Provision for Historic Preservation				
18. Explanation of GPI Financing				
19. Rehabilitation Advisor Job Description and Duties				
20. Lawful Presence Certification Affadavit				

Monitoring Review of:_____ **Grant No**._____

(cont.)

III. Standard Construction Contract Provisions:

Does Standard Construction Contract Address:	Y	N	N/A	Comments
1. Names of Parties to Contract				
2. Date of Contract				
3. Date of Commencement Notice and Procedure				
4. Performance Period				
5. Provision for Liquidated Damages				
6. Permit and License Procurement				
7. Insurance Requirements				
8. Conformance of Work to all Applicable Codes				

9. Lead Based Paint Prohibition				
10. Conflict of Interest				
11. Prohibition of Assignment of Contract				
12. Lien Waiver Provisions				
13. Contractor Guarantee of Work and Materials (1 Yr.)				
14. Payment Provisions and Schedules				
15. Subcontractor Regulations				
16. Provisions for Remedies				
17. Termination for Cause and Convenience Clause				
18. Equal Employment Opportunity Statement				
19. Materials Conform to Specification Provision				
20. General Contractor Supervision				
21. Protection of Resident Belongings				
22. Resident Relocation				
23. Contractor Use of Utilities Provision				
24. Procedure for Addition/Deletion of Work (change orders)				
25. Clean Up Provisions				
26. Allow Inspection by Local/State/Federal Officials				
27. Arbitration Procedure				

Comments:_____

_____

_____

_____

Monitoring Review of:_____ Grant No. _____

(cont.)

IV. Legal Review:

Have the Following Been Reviewed by Local Government Legal Counsel:	**Y**	**N**	**N/A**	**Comments**
1. Program Policies Statement				
2. Terms and Conditions of Rehabilitation Assistance				
3. Leverage Loan Agreements				
4. Lump Sum Drawdown Agreements				
5. Contractor and Sub-Contractor Agreements				
6. Construction Contract				
7. Rent Regulatory Agreement				
8. Promissory Note (or Legal Equivalent)				

9. Deed to Secure Debt				
10. Notice of Commencement				

Comments: _____

_____

_____

Monitoring Review of:_____ **Grant No.**_____

V. Individual Case File Review:

	Case 1	Case 2	Case 3
Client Name			
Street Address			
Location Map Number			
Occupancy (Owner/Renter)			
Type of Assistance (Rehab/Reconstruct)			
Completed Program App.			
Proof of Ownership (Method)			
Proof of Insurance			
Pre-1978 Unit?			

Provision of LBP warning pamphlet			
LBP Test results in File? **(if Positive complete pages 7& 8)**			
Annualized Gross Income			
Family Size			
Method of Determining Annual Income			
How was Income Documented			
Verification of Deposits			
"Before" and "After" Photos or Video Taken			
Rehab Advisor WWU Including Cost Estimate			
Quality of Work Write-Up			
Method of Bid Selected			
Bid Amount			
Within 20% of App. Budget (If no - DCA Approval Date)			

Monitoring Review of: _____ Grant No. _____

	Case 1	**Case 2**	**Case 3**
Client Name			
Contractor Name			
Contractor License #			
Contract Signed by Owner and Contractor			
Contract Provisions: **Contract Price**			
Length in Days			

Progress Payments			
City or County Party to Contract?			
Termination Clause?			
Arbitration Clause?			
Terms and Conditions of Rehab			
Notice of Commencement Signed and Dated			
Change Orders:			
Number			
Signed by all parties?			
Justified			
Cost Reasonable			
New Contract Total (Orig Contract + Co's)			
Progress Payment Inspection Forms			
Dated Final Inspection Form			

Monitoring Review of:_____ Grant No._____

Client Name	_____	_____	_____
Contract Finished in Allotted Time			
If No: Signed Extension?			
Liquidated Damages Paid?			
Contractor release of Liens			
Payments made to contractor			
Totals Match? **(Payments and Contract Total)**			
Cert. of Final Payment			
Copies of Equipment and/or Materials **Warranty(s) in File**			
Termite Certification			
Insulation Certification			
Homeowner Satisfaction **Statement** (in file)			
Temporary Relocation **Paid** (if yes, list method)			
Evidence of Recorded Lien			
Date of DCA Inspection			
Homeowner Comments			

Monitoring Review of: Grant No.

Complete this section for LEAD BASED PAINT HAZARD CONTROL

	Case 1	Case 2	Case 3
Client Name			
Copy of LBP Risk Assessment/Inspection report			
Risk Assessor/Inspector (name and EPD cert. #)			
Evidence that report was received by owner			
LBP hazards detected? (if no stop here)			
Hazard Control method required			
Lead Contractor completing hazard control			
Contractor Qualification (Cert or SWP training)			
Contract Signed by Owner and Contractor			
Contract Provisions:			
Contract Price			
Length in Days			
Progress Payments			
City/County not Party to Contract			
Termination Clause			
Arbitration Clause			
Terms and Conditions of Rehab			
EPD Proceed Notices			

Client Name			
Notice of Commencement Signed and Dated			
Change Orders:			
Number			
Signed by all parties?			
Justified			
Cost Reasonable			
New Contract Total (Orig Contract + Co's)			
Contractor release of Liens			
Payments made to contractor			
Totals Match? **(Payments and Contract Total)**			
Cert. of Final Payment			
Clearance examiner name **(if different from Assessor/Inspector)**			
Clearance Report copy in file			
Clearance standard met?			
Evidence that report was received by owner			
Temporary Relocation Paid?			

Comments:

Monitoring Review of: _____ Grant No._____

COMPLETE THIS SECTION FOR RECONSTRUCTION CASES ONLY

	Case 1	Case 2	Case 3
Client Name			
Street Address			
Location Map Number			
Was Reconstruction for This Unit Proposed in Original Application			
DCA Approval for Recon.			
How was Ownership Documented			
Feasibility Test in File			
Cost Estimate for Reconstruction			
Less than comparable unit in community?			
Appraisal for Recon.			
Appraised Value Higher Than Recon. Cost			
Same or More Number of Bedrooms in Recon.			
Living Area Same or More (Sq. Ft.)			

Monitoring Review of:_____ Grant No._____

COMPLETE THIS SECTION FOR ESCROW ACCOUNT PROGRAMS ONLY

Is there Evidence that the Bank Account:	**Y**	**N**	**N/A**	**Comments**

1. Is Identified as Recipients Rehab Escrow Account				
2. Is an Interest Bearing Account				**If Yes-% Rate**
3. Statement has been Reconciled each Month				
4. Has an Appropriate Ledger Established for this Account				
5. Has been Intermingled with other CDBG Monies				
6. Has been Limited only to Rehab Assistance				
7. Has Written Contract Authorizing Recipient to Escrow Rehab Funds				
8. At No Time had Deposits Exceeding 10 Calendar Days Cash Needs				
9. Accrued Interest has been Remitted to DCA Quarterly				
10. CDBG Deposits were made on or after Date of The Executed Construction Contract				

Escrow Accounts:

Comments: _____

_____

_____

GEORGIA DEPARTMENT OF COMMUNITY AFFAIRS

COMMUNITY DEVELOPMENT BLOCK GRANT

HOUSING REHAB/RECONSTRUCTION MONITORING REVIEW II

Recipient: _____ **DCA Grant Number:** _____

Review Date: _____ **Reviewer:** _____

III. Program Status:

a. Number of Rehabilitations Proposed _____ **Completed** _____

b. Number of Reconstructions Proposed _____ **Completed** _____

c. Number of Files Reviewed _____ **Number of Site Inspections** _____

IV. Changes in Recipients' Program Policy From Original Plan? Yes _____ **No** _____

If Yes, Explain: _____

_____

_____

V. Date of Rehab I Monitoring _____

IV. Problems or Follow Up Items to be Addressed During this Visit: _____

_____

_____

_____

Monitoring Review of: Grant No.

(cont.) _____ _____

VI. Case File Review:

	Case 1	Case 2	Case 3
Client Name			
Street Address			
Location Map Number			
Occupancy (Owner/Renter)			

Type of Assistance (Rehab/Reconstruct)			
Completed Program App.			
Proof of Ownership (Method)			
Proof of Insurance			
Pre-1978 Unit?			
Provision of LBP warning pamphlet			
LBP Test results in File? **(if Positive complete pages 5&6)**			
Annualized Gross Income			
Family Size			
Method of Determining Annual Income			
How was Income Documented			
Verification of Deposits			
"Before" and "After" Photos or Video Taken			
Rehab Advisor WWU Including Cost Estimate			
Quality of Work Write-Up			
Method of Bid Selected			
Bid Amount			
Within 20% of App. Budget (If no - DCA Approval Date)			

Monitoring Review of: _____ Grant No. _____

Case File Review Continued:

	Case 1	Case 2	Case 3
Client Name			
Contractor Name			
Contractor License #			
Contract Signed by Owner and Contractor			
Contract Provisions:			
Contract Price			
Length in Days			
Progress Payments			
City/County not Party to Contract			

Termination Clause			
Arbitration Clause **Terms and Conditions of Rehab**			
Notice of Commencement Signed and Dated			
Change Orders:			
Number			
Signed by all parties?			
Justified			
Cost Reasonable			
New Contract Total (Orig Contract + Co's)			
Progress Payment Inspection Forms			
Dated Final Inspection Form			

Monitoring Review of:_____ Grant No._____

	Case 1	Case 2	Case 3
Client Name			
Contract Finished in Allotted Time			
If No: Signed Extension?			
Liquidated Damages Paid?			
Contractor release of Liens			
Payments made to contractor			
Totals Match? **(Payments and Contract Total)**			
Cert. of Final Payment			
Copies of Equipment and/or Materials **Warranty(s) in File**			
Termite Certification			
Insulation Certification			
Homeowner Satisfaction **Statement** (in file)			
Temporary Relocation **Paid** (if yes, list method)			
Evidence of Recorded Lien			
Date of DCA Inspection			

Homeowner/Client Comments			

Comments: _____

Monitoring Review of: _____ Grant No. _____

Complete this section for LEAD BASED PAINT HAZARD CONTROL

	Case 1	Case 2	Case 3
Client Name			
Copy of LBP Risk Assessment/Inspection report			
Risk Assessor/Inspector (name and EPD cert. #)			
Evidence that report was received by owner			
LBP hazards detected? (if no stop here)			
Lead Contractor completing hazard control			
Contractor Qualification (Cert or SWP training)			
Contract Signed by Owner and Contractor			
Contract Provisions:			
Contract Price			
Length in Days			
Progress Payments			
City/County not Party to Contract			
Termination Clause			
Arbitration Clause			
Terms and Conditions of Rehab			
EPD Proceed Notices			

Monitoring Review of: _____ Grant No. _____

LEAD BASED PAINT HAZARD CONTROL Cont.

	Case 1	Case 2	Case 3
Client Name			
Notice of Commencement Signed and Dated			
Change Orders:			
Number			
Signed by all parties?			
Justified			
Cost Reasonable			
New Contract Total (Orig Contract + Co's)			
Contractor release of Liens			
Payments made to contractor			
Totals Match? **(Payments and Contract Total)**			
Cert. of Final Payment			
Clearance examiner name **(if different from Assessor/Inspector)**			
Clearance Report copy in file			
Clearance standard met?			
Evidence that report was received by owner			
Temporary Relocation Paid?			

Monitoring Review of: _____ Grant No._____

COMPLETE THIS SECTION FOR RECONSTRUCTION CASES ONLY

	Case 1	Case 2	Case 3
Client Name			
Street Address			
Location Map Number			
Was Reconstruction for This Unit Proposed in Original Application			
DCA Approval for Reco.			
How was Ownership Documented			
Feasibility Test in File			
Cost Estimate for Reconstruction			
Less than comperable unit in community?			
Appraisal for Reco.			
Appraised Value Higher Than Reco. Cost			
Same or More Number of Bedrooms in Reco.			
Living Area Same or More (Sq. Ft.)			

Comments: _____

_____

Monitoring Review of: _____ Grant No._____

COMPLETE THIS SECTION FOR ESCROW ACCOUNT PROGRAMS ONLY

Escrow Accounts:

Is there Evidence that the Bank Account:	Y	N	N/A	Comments
1. Is Identified as Recipients Rehab Escrow Account				
2. Is an Interest Bearing Account				If Yes-% Rate
3. Statement has been Reconciled each Month				
4. Has an Appropriate Ledger Established for this Account				
5. Has been Intermingled with other CDBG Monies				
6. Has been Limited only to Rehab Assistance				
9. Has Written Contract Authorizing Recipient to Escrow Rehab Funds				
10. At No Time had Deposits Exceeding 10 Calendar Days Cash Needs				
9. Accrued Interest has been Remitted to DCA Quarterly				
10. CDBG Deposits were made on or after Date of The Executed Construction Contract				

Comments: _____

_____

_____

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