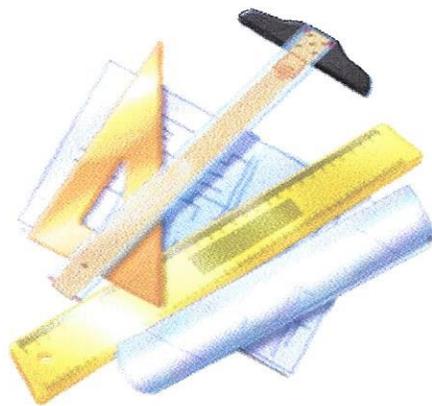


**CRAWFORD COUNTY**  
2014-2016

***PROCEDURAL GUIDELINES***

**For the  
Housing Resource Fund Rehabilitation Program**



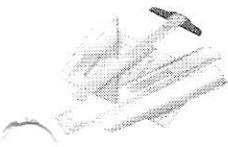
*Crawford County  
Home Improvement Program  
200 Michigan Avenue  
Grayling, MI 49738  
989/344-3284*

*March 2014*



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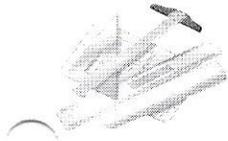
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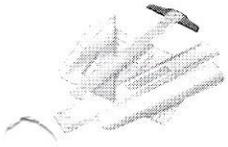


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## INTRODUCTION

These policies have been adopted by the Crawford County Housing Commission Board, to administer the Home Improvement Program. Amendments to this policy can only be made by a majority vote of the Crawford County Housing Commission Board.

### Source of Funding:

City of Grayling – HRF 2014 Targeted Strategy	200,000
USDA Rural Development HPG	30,000
PIP/PIP PLUS	22,000

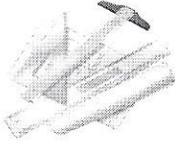
**Program Income:** Loan repayments/recaptured funds from all CDBG State programs and RD/HPG Programs must be treated as program income and must be spent throughout the duration of the program on the same activities as stated in present and prior grant applications. Eighteen (18%) of program income can be utilized to help defray the cost of administering the county CDBG program, and fifteen percent (15%) of HPG Program funds and recaptured HPG program income can be used for administration purposes.

**Program Area:** Crawford County Home Improvement Programs will offer Single-Family, Owner-Occupied Homeowner Rehabilitation in the City of Grayling. Rural Development, PIP, Program Income both RD & CDBG will be offered county-wide.



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## SECTION I

### GENERAL PROVISIONS

**Purpose of Program:** This program is intended to provide funds for the rehabilitation or replacement of owner occupied, single family residential units and provide affordable first time home buyer opportunities. All repairs must conform to the Michigan International Builders Code, Michigan Electrical Code, the Crawford County Home Improvement Board's Materials and Methods Manual and the HUD Section 8 Existing Housing Standards, with amendments thereto. The program will comply with local zoning regulations and ordinances. This program is intended to provide rehabilitation and replacement of unrehabitable existing housing.

#### **PROGRAM ACTIVITIES:**

**Single Family Rehabilitation** - This will enable the entire housing unit to be brought up to Section 8 Housing Standards and BOCA property maintenance code. CDBG, RD 502 direct loans and HPG funds will be used for this activity.

**Emergency Rehabilitation** - Assistance will be provided to households having an emergency condition such as: no water, furnace breakdown, septic problems, roof, etc. The entire unit will not be brought up to code, however the individual repair needed to alleviate any condition that would create a hazard to health or safety will meet state and county code.

**Replacement Housing** - This activity will be used when funding permits to replace unrehabitable mobile homes and stick built homes within the county.

- The housing expense of the borrower relative to the USDA first mortgage loan (principal, interest, taxes and insurance, PITI) must generally be between 25% and 30% of their income. However, it may be possible for USDA Section 502 Guaranteed funds to be used. This will be reviewed on a case by case basis.
- The borrowers (household) income must be at or below 80% area median income.



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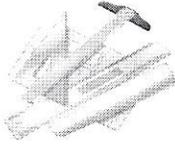


**Housing/Purchase/Rehabilitation Program** – this program is designed to assist 1<sup>st</sup> time homebuyers to acquire loans by local lenders and/or Rural Development to purchase a home that may need minor rehabilitation. Once the purchaser has acquired the home the Home Improvement Program will assist with minor rehabilitation. Purchaser will need to attend homebuyer purchase classes prior to purchase, which will prepare them for the responsibility of owning a home. All participants must be credit worthy and able to secure 1<sup>st</sup> mortgage with a local lender. All rehabilitation guidelines will be followed when repairs are being made. This program is designated for a targeted area within the City of Grayling only.



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## SECTION II

### ALLOWABLE COSTS AND UNALLOWABLE COSTS

Allowable costs are costs necessary to implement the Home Improvement Program as approved by its funding source. Reference can be made to Rural Development Instructions and the Community Development Block Grant - Compliance Guide for more detailed information.

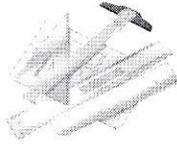
#### A. Rehabilitation Expenses

1. Installation and/or repair of sanitary water and waste disposal systems, together with related plumbing and fixtures, which will meet local health department requirements.
2. Energy conservation measures such as:
  - (i). Insulation
  - (ii). Combination screen-storm windows and doors.
3. Repair or replacement of the heating system including the installation of alternative systems such as: wood burning stoves or space heaters, when appropriate and if local codes permit. These items must be permanent fixtures.
4. Electrical wiring.
5. Repair of, or provision for structural supports and foundations.
6. Repair, or replacement of the roof.
7. Replacement of severely, deteriorated siding, porches or stoops.
8. Alterations to the unit's interior or exterior to provide greater accessibility for any disabled family members.



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9. For properties listed on or eligible for the National Register of Historic Places, activities associated with conforming repair and rehabilitation activities to the standards and/or design comments resulting from the consultation process contained in 1944.673 of the Rural Development HPG program guidelines.
10. Replacement of refrigerator and stove if existing unit does not meet Housing Quality Standards.
11. Necessary repairs to manufactured homes or mobile homes provided:
  - (i) The recipient owns the home and the site on which the home is situated and has occupied that home on that site for at least one year prior to receiving assistance; and
  - (ii) The manufactured home or mobile home is on a permanent foundation or will be put on a permanent foundation with these funds. Advice, on the requirements for a permanent foundation, is available from Rural Development.
  - (iii) A single wide mobile more than ten (10) years old will be reviewed for approval of repairs on a case by case basis to determine eligibility.
12. MSHDA and HUD approved replacement manufactured housing units will be acceptable when it is determined that it would be less expensive to replace then to rehabilitate.
13. Additions to any dwelling (conventional manufactured or mobile) only when it is clearly necessary to alleviate overcrowding or to remove health hazards to the occupants.



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- A. Funds may be used for payment of incidental expenses directly related to accomplishing authorized activities such as fees for connection of utilities (water, sewer, gas, electric), credit reports, surveys, title clearance, loan closing, inspections, and architectural and other technical services. All fees will be in accordance with local prevailing rates and so documented.
  
- B. Funds may be used to make improvements that do not contribute to the health, safety and well being of the occupant or do not materially contribute to the structural integrity or long term preservation of the unit. The percentage of funds to be used for such purposes must not exceed 20 percent of the total funding for the unit, and such work must be combined with improvements listed as eligible under paragraph (A) of this section.

These improvements might include, but are not limited to the following:

- Painting
- Paneling
- Carpeting
- Improving clothes closets or shelving
- Improving kitchen cabinets
- Air Conditioning (for medical purposes)
- Landscape Plantings

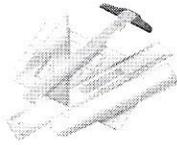
C. Funds **may not** be used to:

1. Refinance any debt or obligation of the homeowner other than obligations incurred for eligible items covered by this section entered into after date of agreement with grantee.
  
2. Repair or rehabilitate any property located in the Coastal Barrier Resources System as designated by the Coastal Barrier Resource Act.



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3. Expanding structures, or completing unfinished spaces, if not required by code.
4. Materials, fixtures, grading or filling of a type of quality which exceeds that customarily used in the locality for properties of the same general type as the property to be rehabilitated.
5. Appliances, such as dishwashers, washing machines and clothes dryers.
6. Penalties or special assessments which are a requirement of the homeowner.
7. Furnishings, such as items of furniture, drapes, carpeting and appliances that are not required by housing code.

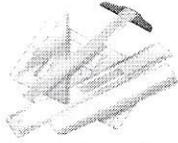
D. Administration Costs.

1. Payment of reasonable salaries or contract for professional, technical, and clerical staff actively assisting in the delivery of the Home Improvement Program.
2. Payment of necessary and reasonable office expenses such as office rental, supplies, utilities, telephone services and equipment. (Any item of non-expendable personal property having a unit value of \$1,000 or more, acquired with federal funds will be specifically identified to the grantor in writing. An itemized list of all equipment purchased with CDBG & RD funds and will be kept on file and will include date of purchase, ID or Serial # and description. This file will be made available upon request. Equipment purchases over 5 years old (date of purchase) will be deleted from this list and will become the property of Crawford County.
3. Payment of necessary and reasonable administrative costs such as worker's compensation, liability insurance, and the employer's share of Social Security and health benefits. Payments to private retirement funds are permitted if the grantee already has such a fund established and ongoing.
4. Payment of reasonable fees for training of grantee personnel.



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5. Payment of necessary and reasonable costs for an audit upon expiration of the grant agreement.
6. Other reasonable travel and miscellaneous expenses necessary to accomplish the objectives of the specific grant which were anticipated in the individual grant proposal and which have been approved as eligible expenses at the time of grant approval. This may include contract or fee inspection where necessary pursuant to Section 1944.665 of the Rural Development instructions or activities outlined in the OMB Circular No. A-87 Costs Principles for state and local governments.

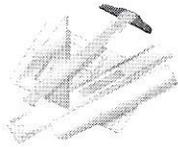
E. Administration funds **may not** be used for:

1. Preparing housing development plans and strategies except as necessary to accomplish the specific objectives of the Home Improvement Program.
2. Substitution of any financial support previously provided or currently available from any other source.
3. Reimbursing personnel to perform construction related to HPG assistance (See Rural Development instructions 1944.664 (e) for more information).
4. Buying property of any kind from families receiving assistance from the grantee under the terms of the program.
5. Paying for or reimbursing the grantee for any expense or debts incurred before the grantor executes the grant agreement.
6. Paying any debts, expenses, or costs, which should be the responsibility of the individual families receiving HPG and/or CDBG assistance outside the cost of repairs, rehabilitation or replacement?
7. Any type of political activities prohibited by OMB Circular A-87.
8. Other costs including contributions and donations, entertainment, fines and penalties, interest and other financial costs unrelated to the assistance to homeowners, legislative expenses and any excess of costs from other grant agreements.



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### SECTION III

#### HOUSING COMMISSION BOARD AUTHORITY

The Crawford County Housing Commission Board has the authority and may (upon MSHDA and/or Rural Development (RD) approval) at its discretion, exceed any of the guidelines it has established and disregard any of the restrictions it has imposed in any case where the Crawford County Housing Commission Board determines that the program purpose will be best served by doing so. Commission retains the right to re-determine any applicant based on change of income status.

### SECTION IV

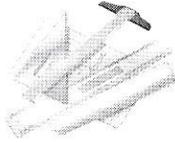
#### EXPENSE ALLOCATION

The contract between the County of Crawford through the Michigan State Housing Development Authority documents the allocation of expenses for this program in the following activities:



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**Year 2013-2014 Housing Funds**  
**Homeowner**  
**Rehabilitation Projects**

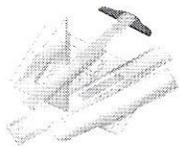
<b><u>Activities</u></b>	<b><u>CDBG Funds</u></b>	<b><u>Other Sources</u></b>	<b><u>Total</u></b>
1. Single Family Rehabilitation	\$205,500	HPG \$ 30,000 PIP 22,000	\$257,500
2. Est. Admin. 18% PDF	36,990 21,000		57,900
<b>Total</b>	<b>\$263,400</b>	<b>\$52,000</b>	<b>\$315,400</b>

Crawford County will be taking advantage of MSHDA's Project Delivery Fee (PDF) to assist with additional administration costs.



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## SECTION V

### APPLICANT REQUIREMENTS

1. Applicant must be an individual or family who has ownership by deed and occupies a single family dwelling residential property, or is purchasing property under a land contract or mortgage. The deed, land contract or mortgage must be recorded in the County Register of Deeds office.
3. Applicant must meet income requirements combining gross income of the applicant and family and any other persons related by marriage or operation of law who share the same dwelling unit, also that of any non-related adult residing within the same dwelling, excluding the income of those persons under the age of 18 or full time students, or mentally or physically disabled children whatever their age (this does not exclude social security, disability or child support payments received for minor children). The income of Foster Children is excluded.
4. Applicant must have occupied the premises for one (1) year prior to making application. Applicant must reside in the premises for the term of the loan.
4. Applicant and all other joint owners of the property must agree to sign a mortgage and note for the total amount of the loan, including all related costs of the loan. If an applicant is purchasing a home on a land contract, the land contract holder **must also sign** the mortgage and note.
5. Applicant will be required to maintain loss payable insurance on the property for the duration of the terms of the loan and provide proof annually. The Crawford County Housing Commission will be placed on the insurance policy as lien holder if the project is approved.

It will be the option of the housing committee to require either loss payable insurance or replacement coverage on the applicant's home. The type of insurance will depend on the amount of assistance. Any type of coverage will still require that the Crawford County Housing Commission be placed on the insurance policy as lien holder. Emergency Repairs will be covered with at least Loss Payable insurance while any other assistance that brings the entire unit up to code will require replacement coverage.



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6. Applicant will be required to keep the property tax payments current for the duration of the loan term and provide proof annually.
  7. Upon termination of ownership, whether by death, sale of property or title transfer, the balance of the mortgage must be paid in full.

**Note:** If the home is deeded to another family member upon applicant's death; that person's income shall be verified and if he/she qualifies, payment will be determined by the Crawford County Housing Commission Board. If income is too high, this person shall be required to pay off the loan in full.

8. Applicant's home must be at least five (5) years old.
9. Applicants, if successful in obtaining a Home Rehabilitation loan, may not apply for another loan for a period of five (5) years. This does not include Emergency Repair, or MSHDA Property Improvement Program (PIP).
10. Applicants related to Commission members or staff must disclose their relationship on the application. This application must have prior grantor approval. (Conflict of Interest Regulations.)
11. Commission members, elected officials and staff **shall not** be considered eligible applicants; however they may apply for a Property Improvement Program (PIP) through the Michigan State Housing Development Authority.
12. After rehab. appraised value of the home must not exceed \$121,296. This only applies to programs administered with HOME funds (This does not apply to CDBG funded projects). See Policy Bulletin # 17 for additional information.)
13. HPR Applicants must be credit worthy 1<sup>st</sup> time homebuyers purchasing home that needs minor rehab. Purchasers are required to take homebuyer classes prior to purchase. Once purchased the Home Improvement Program will inspect for rehab. and follow all existing rehab. guidelines.



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## SECTION VI CONTRACTOR REQUIREMENTS

1. Eligible contractors will be licensed contractors residing in Crawford County and whose principle place of business is in Crawford County. If a suitable number of local contractors do not participate, out of county contractors can be utilized. Minority and female contractors are encouraged to bid on projects.
2. Contractor will provide all materials, equipment and labor necessary to perform the work stated in the Bid Specification. All materials and workmanship must meet minimum standards as set forth in the BOCA Basic National Property Maintenance Code, Michigan Energy Code, HUD Section 8 Existing Property Standards and the Crawford County Housing Commission Board's Materials & Methods Manual. All materials used are to be new materials unless otherwise stipulated in the specifications.
3. Contractor will be responsible for obtaining any required work permits and arranging for subsequent permit inspections.
4. Contractor will conform to all applicable local codes and ordinances whether or not specifically stated in the Specifications.
5. Contractor will furnish evidence of Comprehensive Public Liability Insurance (\$300,000) protecting the Homeowner in the event of bodily injury, including death, and (\$100,000) in the event of property damage arising out of the work performed by the contractor or a sub-contractor.
6. Contractor will furnish evidence of Worker's Compensation Insurance when applicable and any other coverage required by Michigan Statutes. Statement of Sole Proprietorship will be required from contractors operating as such.
7. Contractor will submit the names of all sub-contractors performing work on each job to the Crawford County Housing Commission for clearance.



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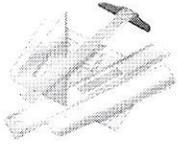


8. Contractor must sign the contractual agreement with the Homeowner, as prepared and approved by the Crawford County Housing Commission.
9. Contractor will be required to begin work within thirty (30) calendar days from receipt of the "Proceed to Work Order" or show just cause for not beginning work.
10. Contractor shall disqualify his bid by specifying material not otherwise specified in bid specifications. Contractor must bid each numbered item and show lump sum of all items.
11. All contractors working on a home built prior to 1978, which has tested positive for lead based paint, will have attended the Lead Based Paint training which includes OSHA safe work practices and must be supervised by a certified Lead Based Paint Abatement Supervisor, OR workers must have successfully completed one of the following courses:
- ✓ A lead based paint abatement supervisor course (offered by Michigan Dept. of Health).
  - ✓ A lead based paint abatement worker course (offered by Michigan Dept. of Health).
  - ✓ The Lead-Based Paint Maintenance Training Program (Work Smart, Work Wet and Work Clean to Work Lead Safe).
  - ✓ The Remodeler's and Renovator's Lead-Based Paint Training Program.
12. If the contractor is unable to complete his work due to conditions within his control, the contractor will pay for additional inspection plus twice the amount of the item not completed will be withheld from the balance until final inspection and final payment.
13. Each contractor will be responsible for all landscaping that is damaged during work being performed. If landscaping is found damaged on final inspection all remaining monies will be withheld until the damage is repaired to original condition.
14. Contractor is required to sign AD-1048, certifying that he is not debarred from participating in any federally funded programs.
15. The contractor may be removed from bidding if failing to respond to the invitation to bid for a period of six months.
16. Once removed from bidding, for poor workmanship, the contractor may request re-instatement from the housing board.



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## SECTION VII

### ELIGIBILITY PRIORITY

The Housing and Community Act of 1974 requires that priority be given to very low, low and moderate income persons in making a rehabilitation deferred loan or local loan on residential property. This is interpreted to mean persons whose income is less than 80% of the median income for Crawford County residents as reported by State of Michigan for non-metropolitan areas. Any applicant who received HPG assistance may not have income in excess of 50% AMI.

The income guidelines adopted by the Crawford County Home Improvement Board are in accordance with the Section 8 Income Limit Guidelines as established by the Department of Housing and Urban Development and the Rural Development low and very low income guidelines. Eligibility by income will be determined by the use of these guidelines on an individual basis by the Home Improvement Board.

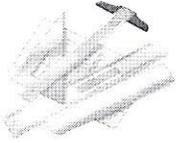
Applicants applying for and receiving 2011 CDBG or HPR funds will require household income at or below 80% AMI. All loans will be deferred for applicants at 50% AMI other will require a local loan with an interest rate ranging between 0-3%.

NOTE: SEE ATTACHED INCOME ELIGIBILITY GUIDELINE CHARTS.



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## SECTION VIII

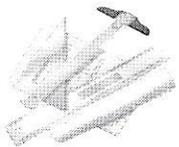
### PROCESSING

1. Applications will be accepted at the office of the Crawford County Home Improvement office at times specified by the Crawford County Home Improvement Director. Notification as to when applications will be accepted shall be published in the local newspaper.
2. Applications will be accepted from all applicants who meet the requirements as outlined in Section V. An attorney title opinion may be required to verify property ownership and location.
3. A member of the Crawford County Home Improvement Board or staff will interview the applicant to ensure the applicant is aware of the program scope and the requirement of a mortgage being placed on the property to secure the deferred loan or local loan and other pertinent information.
4. The following items will be verified by the Crawford County Home Improvement staff:
  - A. Income
  - B. Employment or Unemployment
  - C. Credit Check - through banks, credit bureaus, etc.
  - D. Asset Check - through banks or other depositories. Lien holder on applicant's property, market value of property through Tax Equalization Department.
  - E. Homeowner's insurance on home
  - F. Property taxes must be paid to date
  - G. Must have occupied home for over (1) year and home must be five (5) years old or older. Any home build prior to 1978 will require a Lead Base Paint Assessment by a certified inspector.
  - H. If home is being purchased on a land contract, homeowner **must submit written consent from land contract holder agreeing to sign a mortgage. This form must be notarized.**
  - I. Make sure all improvements are eligible.
  - J. If home is 50+ years old a historical significant assessment must be performed by the Michigan State Historical Preservation Office (no work can begin without this clearance, except emergency repair).



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5. If applicant is determined eligible the application papers will continue as follows:

- A. Housing Inspector is notified to conduct a non-destructive, visual inspection of home to determine HQS violations.
- B. Housing Inspector prepares specifications detailing improvements to be made.
- C. Specifications and item by item cost estimates are filed with the Housing Director.
- D. Housing Director proceeds as follows upon her/his discretion:

Receives Bid Specification Approval and Authority to proceed from Applicant. Invites Contractors to Bid.

OR

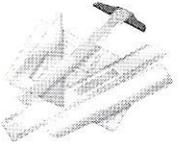
Presents Bid Specification to Commission Members. Upon Board's approval of the Specification, the Homeowner is contacted for Bid Specification Approval and Authority to Proceed. Contractors are then invited to bid.

6. Bid results are reviewed by the Crawford County Home Improvement Bid Committee. If bid results are acceptable then the applicant will be informed of the following:
- A. Crawford County Home Improvement Bid Committee's determination as to whether the applicant will receive a deferred loan or local loan and the terms attached thereto.
  - B. Cost of the work to be performed and the Contractor(s) that will be awarded the job in accordance with general bidding practices.
7. If applicant decides not to proceed he/she will so indicate in writing and the file will be closed. When an applicant withdraws his/her application then wishes to be reconsidered, the entire application process will begin as a new applicant and placed at the end of the waiting list. All new documentation will be required. **Income document can not be more than 6 months old from date of project closing.**



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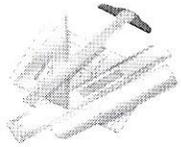


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8. If the applicant accepts the determination of the Crawford County Home Improvement Bid Committee, a loan closing appointment along with a contract closing appointment between the Homeowner and Contractor(s) will be scheduled.
  9. Applications may not remain in sequential order throughout the application process due to unavoidable delays in verifications and/or the process itself (e.g. Emergency Repair vs. Code Enforcement).
  10. Processing for PIP loans will be in accordance with established guidelines.
  11. The Director has the authority to proceed with emergency application prior to commission meetings providing the applicant meets program requirements and the project does not exceed \$6,000. This information must be presented at the next commission meeting
  12. Applicants applying for and receiving 2014 CDBG will require household income at or below 80% AMI. All loans will be deferred for applicants at 50% AMI other will require a local loan with an interest rate ranging between 0-3%.



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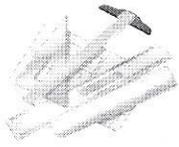
## SECTION IX INSPECTION

1. The initial inspection will be conducted by the designated inspector for the Crawford County Home Improvement Program to determine HQS Enforcement areas needing to be addressed.  
  
Any home built prior to 1978 that requires more than \$5,000 in federal funds and will require work to be performed on any surface which may contain Lead Base Paint **will be required** to have a Lead Base Paint Assessment performed by a **certified Lead Base Paint Inspector as stated in MSHDA Policy Bulletin #26**
2. The inspector may be requested by the Director to conduct a special inspection either prior to homeowner's acceptance of the prepared specifications or, if conditions warrant such, during actual construction.
3. The final inspection made by the inspector is conducted after receipt of the Work Completion Statement in order to determine contractor's compliance with work specifications.
4. Contractors must arrange with local code officials for inspections and final approval on any building, electric, plumbing and/or mechanical permits required.
5. At this time the Housing Director is also acting as the Housing Inspector therefore no costs are being charged against the budget. However, in the future this duty may be sub-contracted out at the following rate:.
  - A. Initial Inspection (includes mileage, walk through inspection report and cost estimate). \$75.00
  - B. Bid Specification/Final Cost Estimate (includes preparation of bid specifications, final cost estimates, and mileage). Bid specification shall be itemized per item plus cost breakdown. \$100.00
  - C. Other inspections (includes mileage and signed inspection forms for half-way rough-in, special and final inspections). \$50.00



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All the inspection fee charges and cost incurred from code rehabilitation and emergency repair projects by the Home Improvement Inspector will be charged against the Administration budget category.

## **SECTION X**

### **BID SPECIFICATIONS**

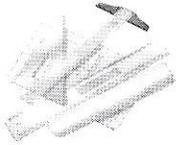
The County has prepared one specification book, entitled Materials & Methods, listing items that are to be considered on bids. These specification books will be given to all interested licensed Contractors. This specification book has been prepared by the County Code Enforcement Officials.

The Homeowner must sign "Approval of Bid Specifications" forms. The homeowner is advised to question any items which are unclear and inform the Director of any additional work to be done (if eligible) before project is let for bids.



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## SECTION XI

### BIDS

1. Bid package will be prepared and mailed to licensed and insured contractors requesting work.
2. The homeowner and the director will go over the bids. The homeowner will voice his/her choice of contractor. The homeowner will be reminded that it is the general practice to accept the lowest responsible bid (within 10% of the inspector's estimate). If the owner chooses the higher bid, he/she must pay the difference between the lowest responsible bid and the chosen, higher bid. This difference must be paid prior to the start of any work. The director will present bids to the Crawford County Home Improvement Bid Committee at the regular board meeting, (the director may choose to call a special bid committee meeting) and they will be informed of the homeowner's preference. The Board will be given the opportunity for the final approval.
3. The homeowner is notified of the bid award. Upon the homeowner's acceptance, the contractor is notified of the bid award. If the low bidder was not selected due to a choice by the homeowner, the low bidder will be notified of this in writing.
4. The Crawford County Home Improvement Board reserves the right to reject all bids in excess of 10% of the HQS Inspector's estimate (when applicable), upon receipt of a single bid, or when the bids appear to be out of line.
5. To prevent unnecessary change orders and cost over-runs on projects, contractors will be asked to bid projects on an item by item basis. This will enable the Director to keep project costs under control.
6. If the selected contractor is not currently listed on the Directors contractor list, he/she will be required to submit the necessary information prior to signing contract.
7. Typically 3 or more bids will be required, however if only one bid is received the homeowner and/or boardmembers have the option to accept that bid, if it is within 10% of the housing inspectors estimate or may elect to rebid the project.



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## SECTION XII

### LOCAL AND DEFERRED LOANS, PIP, PIP PLUS NIP AND CDBG

#### Financial Mechanisms:

**Deferred Loans:** Single Family Owner Occupied Rehabilitation. This mechanism will be used to provide rehabilitation assistance to households having very low income at or below 50% of area median income. A lien will be placed on the property for the duration of homeowner's occupancy. The lien amount will become due and payable upon occupant's death or transfer of deed through sale of the property.

**Local Loans:** This option will provide loan assistance ranging from 0-3% interest. Household size and income will be utilized to determine interest rates. This assistance will be provided to households having income higher than 50% county AMI, but not to exceed 80% AMI. Households not eligible for local loans or need additional funds to complete the job will be referred to the MSHDA Property Improvement Program (PIP).

**CDBG** - All CDBG applicants will require a total household income at or below 80% and may fall within the deferred loan category for the term of the loan.

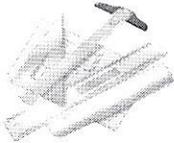
**NIP** – NIP funds will be used when necessary to leverage with CDBG and other funds. NIP funds are a grant with a forgiveness rate of 20% per year for 5 years. If applicant does not reside in the unit for 5 years after rehab the NIP funds are returned to FHLB.

**PIP** – All payments will be sent directly to MSHDA.



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**PIP PLUS** - The Crawford County Home Improvement Program has entered into an agreement with MSHDA and Roscommon County Housing Commission to administer the PIP PLUS Program. This program will be available to credit worthy applicants with income at or below 80% AMI. Roscommon County Housing Commission will administer the CDBG portion with MSHDA administering the PIP portion. Applicants who qualify will have the opportunity to have 50% of the total rehab. cost forgiven over a five year period. (PIP repayable at an interest rate ranging 4-8% depending on the applicant's total household income). CDBG funds will be forgiven on a prorated basis over a five-year period. Those funds will be held by the county.

**NOTE:** No annual income review will be performed on any project except to lower an applicant's payment due to an ongoing change in their financial status. This policy will be reviewed on a case-by-case basis.

#### **Per MSHDA Policy Bulletin #9**

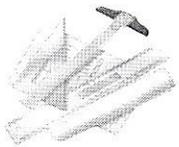
Requires at a minimum a 100% deferred lien when the total CDBG/HOME assistance for hard costs exceeds \$5,000. Cost specifically attributable to lead based paint hazard reduction is **not** subject to a lien per MSHDA, however, the County may elect to lien all lead based paint repairs along with rehab. costs.

If the total amount of CDBG/HOME assistance for a project **does not exceed \$2,500 no lien is required on the property.** If the total CDBG/HOME assistance is greater than \$2,500, but does not exceed \$5,000, the project must be secured by a lien. The lien **can** be forgiven over a five-year period if there was a dollar for dollar leverage in the project.



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## **Financial arrangements and necessary forms:**

### **A. Mortgage**

**All Loans** will be secured with a recorded mortgage for the total amount of the project. All mortgages will provide for payments in full (current balance) upon the homeowner's failure to reside at said premise or termination of ownership whether by death or by transfer of property.

The debt is not transferable. The term of mortgage on loans will be until the financed amount is repaid in full. Mortgage will be registered with the Crawford County Register of Deeds Office.

Upon proof of hardship a local loan project **may** be considered for deferred loan status. This policy will be initiated on a case by case basis.

### **B. Promissory Note - Local Loan**

This note will be executed for loans only and will outline the terms and conditions of repayment and become part of the applicant file.

### **C. Promissory Note - Deferred Loan**

This note will be executed for deferred loan only and outline the terms and conditions of the deferred loan and be maintained in applicant file.

### **D. Truth in Lending Disclosure Statement**

This form will be used for local loans and deferred loan and become part of the applicants file.

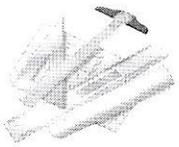
### **E. Rescission Notice**

This notice must be executed for local loans and deferred loan and be part of the file.



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## **OTHER LIEN FORMS & REQUIREMENTS**

### **Notice of Commencement**

Notice of Commencement records the start date of a rehabilitation project. The homeowner(s) is responsible to have this form recorded at the County Register of Deeds office. Once recorded the form must be posted on the site. All workers/suppliers must have access to this form. Housing Directors (grantees) must have a copy of this form in the applicants file.

### **Notice of Furnishing**

All sub-contractors, workers or suppliers must submit a Notice of Furnishing if they are involved in the construction/rehab. project. Notice of furnishing will be posted at the job site along with the Notice of Commencement. This reserves their ability to lien the construction/rehab. project in the event they are not paid for services or supplies to the project. Workers/Suppliers must submit Proof of Service of Notice of Furnishing by certified mail or proof of receipt by homeowner(s) signature.

### **Job Cost Breakdown**

The Job Cost Breakdown should be a part of the Rehab. Contract. This records the contractor's intention of who is providing services/supplies. Homeowner(s) and Housing Offices can use this against Notice of Furnishing submittals. Job Cost Breakdown should correlate to the Contractors Sworn Statement at time of invoice.

### **Partial Unconditional Waiver of Lien**

Each Interim Contractor Invoice will be accompanied by a Partial Unconditional Waiver for the total invoice amount. Each sub-contractor/worker/supplier will submit a Partial Unconditional Waiver for their portion of the contractors invoice.

### **Full Unconditional Waiver of Lien**

At the final payment or invoice, the contractor must submit a Full Unconditional Lien Waiver. All sub-contractors/workers/suppliers must submit a Full Unconditional Waiver for their portion of the final invoice. The Housing Commission must have a copy of all Full Unconditional Waivers in the grant file.

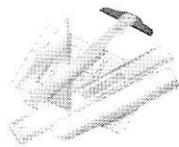
### **Contractor Sworn Statement**

The contractor will provide a Sworn Statement breaking down the cost of each sub-contractor, laborer and supplier for whom payment is due at the time of invoice. The Sworn Statement will correlate between the Job cost Breakdown, Partial and Full Unconditional Lien Waiver. The Housing Commission must have all interim and full sworn statement in the grant files.



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## SECTION XIII

### REPAYMENTS

**Deferred Loans:** A lien will be placed on the property for the life of the present owner. Upon death, occupancy or title transfer, the total amount becomes due and payable.

- Loan repayment will be made at the Crawford County Home Improvement office, made payable to the Crawford County Home Improvement Program.
  - All accounts receivable will be reported to the Crawford County Home Improvement Board on a monthly basis.
  - If a claim is filed for loss payable insurance the Crawford County Home Improvement Board may, at its option, capture the funds available to clear the existing lien.
1. **Local Loans:** The following amortization schedule will be utilized to determine the terms and monthly payment for all loans at the interest rate of 0-3%. The maximum term for any loan will be 20 years. The minimum payment will be \$15.00 per month.

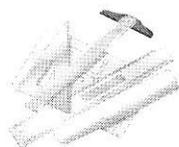
*Amortization Table - See following page*

2. Loan repayment will be made at the Crawford County Home Improvement office, made payable to the Crawford County Home Improvement Program.
3. All payments received will be treated as program income and are to be used for the same activity (ies) for which the Crawford County Home Improvement Program is presently and previously funded for. For detailed information regarding Program Income – See MSHDA Policy Bulletin #11 – update 2014.



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By definition, program income is income which is received from a CDBG and HPG awards, via recaptured monies due to rehabilitated properties secured by a lien, a revolving loan account, etc.

4. All accounts receivable will be reported to the Crawford County Home Improvement Board on a monthly basis.
5. The first payment will be due 30-45 days post closing.
6. If a claim is filed for loss payable insurance the Crawford County Home Improvement Board may, at its option, capture the funds available to clear the existing lien.

**PIP Loans** – repayment will go directly to MSHDA. Term and amount will be determined once project is complete.

**PIP PLUS Loans** will be offer CDBG and PIP funds for additional rehabilitation projects. PIP funds will be recaptured at a 4-8% interest rate. Loan terms may vary – (ie: six months to 20 or 30 years, generally set up payback of \$1,000 toward principal per year if possible will be required.) CDBG funds will be forgiven over a five-year period with 20% forgiven per year.

**NIP Funds via FHLB** – will be forgiven over a 5 years period.

**CDBG Funds** – will be a deferred loan for applicants at or below 50% AMI. Repayment will be required when the home is no longer the applicant's primary residence due to death or sale of property. Any applicants with income at or below 51-80% AMI will require a local loan with interest rate ranging between 0-3% on a monthly installment repayment plan.



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### AMORTIZATION TABLE

TERM	PAYMENTS	1%	2%	3%
1	12	83.78	84.24	84.69
2	24	42.10	42.54	52.98
3	36	28.21	28.64	29.09
4	48	21.26	21.70	22.13
5	60	17.09	17.53	17.97
6	72	14.31	14.75	15.19
7	84	12.33	12.77	13.21
8	96	10.84	11.28	11.73
9	108	9.69	10.13	10.58
10	120	8.76	9.20	<b>9.66</b>
11	132	8.00	8.45	8.90
12	144	7.37	7.82	8.28
13	16	6.84	7.28	7.75
14	168	6.38	6.82	7.30
15	180	5.98	6.44	6.91
16	192	5.64	6.09	6.56
17	204	5.33	5.79	6.26
18	216	5.06	5.52	6.00
19	228	4.82	5.28	5.76
20	240	4.60	5.06	5.55

#### INSTRUCTIONS FOR AMORTIZATION TABLE

1. Divide principle loan amount by 1,000
2. Determine interest rate and term of loan
3. Find monthly payment per \$1,000 in above table
4. Multiply monthly payment from #3 above by figure from #1 above.  
The answer is the correct monthly installment.

#### EXAMPLE

1. \$5,000 principle divided by 1,000 = 5
2. Interest rate is 3% for 10 years
3. \$9.66
4. \$9.66 x 5 = \$48.30



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## SECTION XIV WORK PERFORMANCE

1. Contractor will begin work within 30 days of contract signing and issuance of the "Proceed to Work Order.
2. Homeowner will notify the Director of the date work is started. This date will be documented in the applicants file.
3. Contractor will notify the Director of any problems occurring during the performance of work.
4. All necessary work change orders more than 10% of the project cost will be approved by a committee consisting of the Crawford County Home Improvement Board Chairperson and Home Improvement Director. They will be issued by the Director and signed by both the contractor and the homeowner. Any work change order in excess of 10% of the project cost will be reviewed by the full Crawford County Home Improvement Board and acted upon by the full Board at the next regular meeting.
5. Lien Protection Procedure

Using the proper Lien Procedure protects the Homeowners, workers, suppliers, contractors/builders and grantees. Using the proper Lien Forms and time line submittals will provide full lien protection.



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**SECTION XV**  
**PAYMENTS TO CONTRACTOR**

1. Director may disburse up to 40% of the total contract amount, if less than 40% of the approved improvements are complete.
2. Director may disburse up to 70% of the total contract amount, if at least 70% of the approved improvements are complete.
3. Director may disburse up to 95% of the total contract amount, if at least 100% of the approved improvements are complete. Director will notify Housing Inspector to conduct final inspection.
  - A. Inspector will set appointment with homeowner and contractor.
  - B. Inspector will ensure that all items on the work specifications were completed satisfactorily.
  - C. Inspector will give signed reports to the Housing Director.
4. Upon receipt of project acceptance by Homeowner and Inspector, and final inspections of permits by local code officials:
  - A. Contractor is entitled to a 95% disbursement of the contract amount, provided he has supplied waiver of lien forms signed by all sub-contractors and has signed the Contractor's Final Invoice Release of Claims & Warranty.
  - B. The final 5% of a project's contract amount will be released 7 days following final acceptance of the completed work.
5. The director is authorized to prepare up to five draws to the contractor, whenever the project total exceeds \$15,000. Amount of addition draws are determinate upon work progress inspections.



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## SECTION XVI COMPLAINT POLICY

### 1. Applicability

This complaint procedure is applicable to all individual complaints and housing rehabilitation or discrimination complaints, as defined in subsection 2.a, hence under, between a contractor, client or applicant and the Crawford County Home Improvement Program.

### 2. Definitions

- a. "Complaint is defined as any dispute with respect of the Crawford County Home Improvement Program's action or failure to act in accordance with Federal, State or County fair housing policies equal opportunity requirements or any County action or failure to act involving interpretation or application of the County's rehabilitation regulations, policies or procedures, which affect the rights, duties, welfare or status of the complainant.
- b. "Complaint is defined as any contractor, client or applicant whose rights, welfare or status are or may be adversely affected by the Home Improvement Program's action or failure to act, and who files a grievance with the Program respect to such action or failure to act.

### 3. Informal Settlement of a Grievance

- a. Any complaint shall be personally presented, if possible, either orally or in writing to the Crawford County Home Improvement Director so the complaint may be informally discussed and settled without a review. This informal discussion is prerequisite to a review, and may only be waived by the Home Improvement Board if the complainant can show good cause why he failed to proceed in accordance with this provision. Complaints presented for informal discussion should be filed in the office by the complainant or their representative within a reasonable time.
- b. A summary of each informal discussion shall be prepared by the Home Improvement Director within a reasonable time, not in excess of ten (10) working days, one copy of which shall be delivered or mailed to the complainant, and one retained in the complainant's file.



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*Upon written complaint from either homeowner or contractor, the housing director will commence the following actions:*

1. Contact the homeowners, contractor and inspector to obtain necessary information for the housing board within 15 days of the date of receipt of written complaint.
2. Ask the housing inspector to visit the site to view firsthand the items cited in the written complaint.
3. Inform Chairman of the County Board of Commissioners of said complaint.
5. Advise the housing board of said complaint and report findings to the housing board. (Inspector may attend housing meeting to report his findings.)

*Upon hearing the complaint and findings from the director and housing inspector, the housing board will then:*

1. Invite the contractor and the homeowner to discuss the complaint in front of an arbitration committee.
2. Arbitration Committee is to be appointed from members of the housing board, or at least three persons knowledgeable in the field of housing rehabilitation such as is carried out by the Home Improvement Program.
3. Once the homeowner and the contractor have had ample opportunity to discuss concerns that are appropriate to the complaint, the arbitration committee will compile all input and decide the steps necessary to resolve the outstanding complaint.
4. Resolution of the complaint will be put in writing within 15 days to both the homeowner and the contractor, asking for signature and return of the resolution form.
5. If the homeowner refuses to accept the determination of the arbitration committee, the housing director will be instructed to provide information on other avenues of resolution to the homeowner.



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6. If the contractor refuses to accept the determination of the arbitration committee, the housing director will be instructed to inform the contractor that the following action will be taken:

Final 10% payment or such funds as are deemed necessary will be retained to pay another contractor to perform any actions as may be called for by the arbitration committee.

7. Should the above listed efforts fail to resolve all outstanding issues, the commission must seek the services of the closest Dispute Resolution/Mediation Program. The costs, if any, for using mediation to seek resolution of the dispute are eligible CDBG and HPG administration costs.

As stated in the Crawford County Home Improvement Program Rehabilitation Contract, Article VII, "The Party determined the loser of the settlement will be required to pay all cost of the process of arbitration.

After all previous steps have failed to resolve the complaint, the Crawford County Housing Commission Board may contact MSHDA and/or RD in writing, detailing the complaint and verifying its compliance with above listed steps. Only then will MSHDA and/or RD review the identified concerns.

**Michigan Dept. of Licensing  
P.O. Box 30018  
Lansing, MI 48909  
517/373-0678**

**Community Mediation Services  
989-732-1576  
989-354-8025  
1-800-873-7658  
Fax: 989-705-1337**

**USDA, Rural Development  
Attn: Civil Rights Manager  
3001 Coolidge Road, Suite 200  
Lansing, MI 48823**

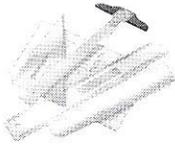
**(Contact is only required when HPG Funds are used)**

Hearing Impaired and/or disabled applicants may call the Michigan Text Relay System by dialing 1-800-649-3777 for telephone assistance.



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## SECTION XVII

### PAYMENT OF EXPENDITURES

1. Vouchers to institute payment of bills will be prepared by the Secretary of the Home Improvement Program and presented to the Director for approval. Once approved for payment, vouchers will be signed by the Director, Chairperson or Vice Chairperson. Vouchers in excess of \$600.00 will require Board approval.
2. The Director will issue checks for payment. To ensure a proper register of checks, these checks will be Crawford County Home Improvement Program checks and not those of the County's General Fund. The checks will be signed by the County Treasure and a Deputy Treasurer or any other authorized person to sign county disbursement checks.
3. The Director or other staff appointed by the Crawford County Home Improvement Program Board will be responsible for proper maintenance of books of account.
4. The Director will be responsible for preparing Grant Payment Requests and Status of Funds Reports.
5. Monthly financial reports will be prepared by the Director on the administration and rehabilitation accounts. These reports will show the following:
  - A. Program Budget
  - B. Actual Expenses for the Month
  - C. Year to Date Expenses
  - D. Current Cash Balance
  - E. Balance of Unexpended Program Budget
  - F. Program Income will be tracked separately and will be included in the above mentioned reports.
6. All other accounting functions will be the responsibility of the Director or other staff appointed by the Crawford County Home Improvement Program Board.



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## SECTION XVIII

### LEGAL

The Crawford County Home Improvement Program Board shall seek legal counsel to assist them in their program efforts if they so desire. This could be the County prosecutor or other counsel as they see fit. Expenditures associated with legal counsel will be charged to the administrative budget.

## SECTION XIX

### REIMBURSEMENT - DIRECTOR AND HOME IMPROVEMENT BOARD

In accordance with county wide policy, the following per diem rates and mileage are established for Board members of the Crawford County Home Improvement Program Board.

Half Day Meeting - \$35.00  
Full Day Meeting - \$70.00  
Mileage - .445

## SECTION XX

### HOUSING COMMISSION BOARD RESPONSIBILITY

The Crawford County Home Improvement Program Board shall have the authority to hire personnel and/or expend funds necessary to effectively administer the Home Improvement Program.



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**SECTION XXI**  
**OFFICE PROCEDURES**

1. The Director will do the following on a monthly basis:

- A. File all vouchers with copy of checks in appropriate files.
- B. Compare monthly totals to date per line item with Treasurer's Balance Sheet/Income Statement.
- C. Prepare financial statement of actual expenses for the month, Quarterly Report and Rehabilitation Monies Committed to Date.
- D. Attach a copy of monthly financial statements approved by Board to meeting minutes.
- E. Record all payments on amortization schedules from deposit slips received from lending institution, comparing this total with the Treasurer's statements.
- F. Keep notes of monthly activities for reference when preparing Progress Report for meetings.
- G. Verify homeowner's insurance and, if not up to date, send letter.

2. The Director will do the following on a quarterly basis:

- A. Prepare Quarterly Reports of the appropriate programs.
- B. Pay Per Diem and mileage monthly to all Board members.
- C. Prepare Program Goals for Completed Projects for Board meeting annually.
- D. Report on number of persons requesting applications and/or information and those determined ineligible.



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3. The Director will do the following on a semi-annual (every six months) basis:
  - A. Prepare Grant Loan and Deferred Loan Status Reports annually to show current balances.
  - B. Report monthly on loan repayments for all programs on a monthly basis and monthly average.

## SECTION XXII

### PREPARATION FOR BOARD MEETINGS

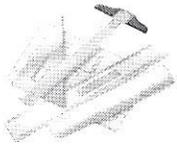
Following are the necessary steps to prepare for a board meeting:

- A. Mail previous meeting minutes one (1) week prior to meeting date to all Board members, liaison person from the County Board of Commissioners.
- B. Post meeting notice on entrance door to building 18 hours prior to meeting.
- C. Prepare agenda to distribute at meeting.
- D. Prepare Progress Report.
- E. Prepare Monthly Statement of Revenues and Expenditures, quarterly Report and Monies Committed Year to Date.



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## SECTION XIII

### MARKETING PLAN For Home Improvement Programs

The purpose of this plan is to describe how the community will promote the Michigan CDBG, USDA, Rural Development and all other housing programs and how the program information will reach eligible participants.

#### **Market Identification**

The marketing target of the Crawford County CDBG & other home improvement programs will be at or below 80% AMI. In Crawford County 17.9% of the population are living in poverty, with 7.6% being elderly. Of the 6,016 occupied housing units in Crawford County, 82.5% are owner occupied. According to the 2000 census 41% of all homes in the County were built prior to 1970.

#### **Marketing Goal**

For purpose of this application, it is the goal of the Crawford County Housing Commission to reach a minimum of 25 households with a variety of information regarding housing assistance.

#### **Marketing Methods**

1. Crawford County will do a news release when funding announcements are made.
2. Program notices are sent to local service clubs and organizations such as Department of Social Services, Saint Vincent DePaul, and United Way.
3. Several times during the program, classified ads are placed in local newspapers.
4. Public Service announcements are placed on radio and TV as necessary in order to reach those hearing and visually impaired individuals who may qualify for the program.
5. Posters and fliers are distributed around Crawford County in opportune places such as supermarkets, banks, Laundromats, drug stores.
6. The program director will appear upon request, at local governmental meetings and organizational meetings to discuss the County Home Improvement Programs.

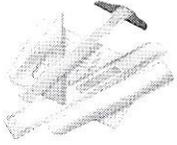
#### **Marketing Budget**

\$500.00 will be budgeted to market this program.



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## SECTION XXIV

### DISCRIMINATION COMPLAINT POLICY

Crawford County will comply with all provisions of Title VI of the U.S. Act 220 of 1978, as well as: Elliot-Larson, Civil Rights Act, Public Act 453 of 1976; Section 4, Act 251, Public Acts of 1955 as amended; Section 4a of Act 349, Public Acts of 1966, and Section 4a, Public Acts of 1965, all four being laws of the State of Michigan. No person shall be denied participation in any program sponsored by the Crawford County Housing Commission on the basis of religion, race, color, national origin, age, sex, martial status, height, weight, arrest record or handicap, except in those cases where such denial is mandated by federal and/or State law or accompanying regulations. All discrimination complaints, whether from a contractor or applicants, will be reviewed in the following manner;

#### Establishment of Equal Opportunity Committee

- a. An Equal Opportunity Committee shall be designated consisting of members of the Crawford County Home Improvement Program Board and the Crawford County Board of Commissioners.
- b. In the event that any of the persons on this Committee is directly involved in a discrimination complaint, that person shall be replaced by a non-biased member.

#### Duties and Powers

- a. The Committee shall hear all discrimination complaints;
- b. The decision of the Committee shall be rendered within 10 working days;
- c. If appealed, the committee shall refer the complaint to the Crawford County Board of Commissioners at it next meeting and the decision may be referred to the Michigan Department of Civil Rights for further action;
- d. The Committee shall monitor Affirmative Action and Equal Opportunity activities and issue such suggestions as it deems necessary in the Civil Rights area.



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Further, the Housing Director will provide information on other methods of resolving the matter, including the following address of the of **Civil Rights Service Center**.

**State of Michigan Plaza Bldg., Fifth Floor  
1200 Sixth Avenue  
Detroit, MI 48226  
313/256-2578  
1-800-482-3604**

**Fair Housing Enforcement Center  
US Dept. of Housing & Urban Development  
Ralph H. Metcalf Federal Building  
77 West Jackson Blvd., Room 2101  
Chicago, IL 60604-3507  
312-353-7776  
1-800-765-9372  
TTY (312) 353-7143**

**and/or**

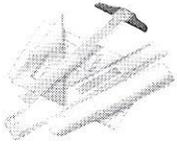
**USDA, Rural Development  
Attn: Civil Rights Manager  
3001 Coolidge Road, Suite 200  
Lansing, MI 48823  
(Contact is only required when HPG Funds are used)**

Hearing Impaired and/or disabled applicants may call the Michigan Text Relay System by dialing 1-800-649-3777 for telephone assistance.



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## SECTION XXV

### FAIR HOUSING POLICY

The Crawford County Home Improvement Program (**known as *The Home Improvement Program*** throughout the remainder of this policy) is committed to fair housing and will work aggressively to ensure that the Crawford County Home Improvement Program complies fully with all state, federal and local fair housing laws. The Home Improvement Program has appointed Cy Wakeley, Housing Director as their fair housing contact person. Mr. Wakeley has an understanding of the Fair Housing Laws and will attend applicable training to remain informed.

The Home Improvement Program has established a Fair Housing Log. The Fair Housing Log will be maintained by Cy Wakeley, and will disclose information regarding any and all fair housing concerns and their outcomes. Fair housing issues identified in the community, such as in the newspaper; will be recorded in the log. Persons wishing to file a housing related complaint or concern will be referred to the Michigan Department of Civil Rights, HUD, and their local Fair Housing Center. Persons wishing to file a complaint or concern that is employment related will be referred to the Equal Employment Opportunity Commission and the Michigan Department of Civil Rights. The Home Improvement Program will notify MSHDA and/or Rural Development if a complaint or concern is filed.

The offices of the Home Improvement Program are accessible and barrier free. The Home Improvement office will make every attempt to reasonably accommodate all of its customers.

The Home Improvement Program will include the Fair Housing Logo on all of its documents and advertisements. The Home Improvement Program will post a Fair Housing poster in a place visible to the public. The Home Improvement Program will secure and distribute Fair Housing material provided by MSHDA-CDBG and Rural Development and various other Fair Housing agencies and organizations. "*Fair Housing, It's Your Right*" brochures will be distributed to all applicants.

The Crawford County Housing Commission will consider all applicants and contractors based on qualifications. No applicant or contractor will be denied housing or a contract based on their race, color, national origin, religion, age, sex, marital status, familiar status and/or disability. Persons raising concerns regarding discrimination will not be retaliated against. The Home Improvement Program will request that both minority and women apply for assistance through the single-family and emergency assistance programs.



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The Crawford County Home Improvement Program is committed to affirmative marketing and will identify their fair housing needs and barriers. The Program will address these needs and barriers by establishing a plan to resolve and meet fair housing needs.

The Program is committed to providing safe, affordable, decent, and sanitary housing located in areas where people choose to live.

Fair Housing Complaints will be reviewed in the following manner:

### **Establishment of Fair Housing Committee**

- a. A Fair Housing Committee shall be designated consisting of members of the Crawford County Home Improvement Board and the Crawford County Board of Commissioners.
- b. In the event that any of the persons on this Committee is directly involved in a fair housing complaint, that person shall be replaced by a non-biased member.

### **Duties and Powers**

- a. The Committee shall hear all Fair Housing complaints;
- b. The decision of the Committee shall be rendered within 10 working days;
- c. If appealed, the committee shall refer the complaint to the Crawford County Board of Commissioners at its next meeting and the decision may be referred to the Michigan Department of Civil Rights FHAP for further action;

Further, the Housing Director will provide information on other methods of resolving the matter, including the following address of the

**Michigan Dept of Civil Rights FHAP**  
**303 West Kalamazoo**  
**Lansing, MI 48913**  
**Phone: 517/335-3165**  
**E-mail: SchusterE@state.mi.us**

Hearing Impaired and/or disabled applicants may call the Michigan Text Relay System by dialing 1-800-649-3777 for telephone assistance.



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## SECTION XXVI CONFLICT OF INTEREST

**Per MSHDA Policy Bulletin #8 (dated 1/7/2010) the following Conflict of Interest rules will apply to all County Housing Programs:**

The County will comply with federal Conflict of Interest regulations when awarding contracts or assisting households. The Policy Bulletin addresses the following:

- **General Prohibitions**
- **Penalties for Violations Include Repayment and/or Ineligibility**
- **Who is Covered**
- **Exception for the Preceding Persons**
- **Provision for Owners, Developers, or Sponsors**

The Conflict of Interest guidelines are based on Community Development Block Grant (CDBG) and HOME regulations found in 24 CFR 570.489 and 24 CFR 570.611 (CDBG) and 24 CFR 92.356 (HOME). In addition, these Conflict of Interest rules must be adhered to when purchasing supplies, equipment, construction and other related services. (See 24 CFR 85.36 and 24 CFR 85.42 (the Common Rule).

### **General Prohibitions**

None of the employees, officers, agents, or sub recipients of OCD funds shall participate in the selection, award, or administration of a contract involving OCD funds if a Conflict of Interest, either real or apparent, would be involved.

None of the employees, officers, agents, or sub recipients of OCD funds shall accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to a sub-agreement.

### **Penalties for Violations Include Repayment and/or Ineligibility**

The penalty for violations of these provisions could include repayment of OCD funds and/or ineligibility for future participation. The penalty, sanction, or other disciplinary action will be determined by MSHDA.



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## **Who is Covered?**

Any person who is an employee, agent, consultant, officer, or elected official or appointed official of the grantee, state recipient, or sub-recipient are covered by the Conflict of Interest provisions if they currently **or in the past:**

- ▶ Have any function or responsibilities regarding OCD-assisted activities; or
- ▶ Are in a position to participate in a decision-making process, or gain inside information with regard to these activities; or
- ▶ Have a financial interest in any contract, subcontract, or agreement with respect to an OCD-assisted project or the proceeds of the contract, subcontract, or agreement, either for themselves or for those with whom they have family or business ties.

**This prohibition is in effect during their tenure and for one year thereafter.**

## **Exceptions for the Preceding Persons**

Upon written request to MSHDA, employees of the grantee receiving OCD funds, their agents, consultants, officers, elected officials, or appointed officials and their immediate families may be granted an exceptions to these provisions on a case-by-case basis.

The designated signatory of the Grant Agreement must submit to your MSHDA CD Specialist in writing the request for exception. When the conflict involves federal funds (CDBG, HOME and NSP), MSHDA will forward the request to HUD and HUD will make the determination.



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### Request for an Exception

The request for an exception must include the following information:

- The name, title and classification of the person, and a brief description of the person's position as it relates to the ODC-assisted project or contract award;
- A disclosure of the nature of the Conflict of Interest and proof that the disclosure has been made public; and
- A legal opinion from the grantee, or if the recipient of OCD funds is not a unit of local government the attorney representing the recipient, stating that there would be no violation of state or law if the exception were granted.



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