



NEWBERG AFFORDABLE HOUSING COMMISSION AGENDA
Tuesday, October 28, 2014 1:30 PM,
Permit Center Conference Room, 414 E. First Street, Newberg OR

- I. CALL MEETING TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF MINUTES – August 26, 2014 meeting**
- IV. PUBLIC COMMENTS**
- VI. RENTAL REHABILITATION PROGRAM – APPLICATION AND IMPLEMENTATION**
- VII. NEXT MEETING – January 27, 2015**
- VIII. OTHER BUSINESS**
- IX. ADJOURNMENT**

ATTACHMENTS

- A. August 26, 2014 meeting minutes Pg. 2 - 3
- B. MHFA – Rental Rehabilitation Deferred Loan Program Pg. 4 - 5
- C. County of Contra Costa – Rental Rehabilitation Loan Program ...Pg. 6 - 11

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical or language accommodations you may need as far in advance of the meeting as possible as and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please dial 711.

NEWBERG AFFORDABLE HOUSING COMMISSION MINUTES

Tuesday, August 26, 2014, 1:30 PM

Newberg City Hall Permit Center Conference Room
414 E. First Street

CALL MEETING TO ORDER

Chairman Stuart Brown opened the meeting at 1:30 PM.

ROLL CALL

Members Present: Stuart Brown, Chair Steve Comfort Terry Emery

Staff Present: David Beam, Associate Planner
Steve Olson, Interim Building and Planning Director
Sue Ryan, Interim City Recorder
Jacque Betz, City Manager

APPROVAL OF MINUTES

Approval of April 22, 2014, Newberg Affordable Housing Commission Meeting Minutes.

MOTION: Emery/Comfort approved the affordable housing commission minutes for August 26, 2014.
Motion carried (3Yes/0 No).

TRUST FUND ACTIVITY

Rental housing loan program – presentation materials – Associate Planner David Beam gave an update on the rental housing loan program and referring to a handouts he provided at the meeting (Exhibit A and B). He said the intent of the draft PowerPoint handout was to describe to the audience why and how the trust fund was established and specifically how the rental rehabilitation loan program works.

Regarding the rental rehabilitation program, there were questions regarding eligibility and qualifications an applicant to the loan program would need. Specifically, they felt that clarification was needed for eligibility #3 regarding sufficient equity and sufficient ability to repay the loan. Chairman Brown suggested having a more detailed standard on eligibility in the document (Exhibit A). There was a discussion on how that could impact rental units versus individually owned properties. Chairman Brown expressed a concern about how to reach individual landlords about the program and not just property management agencies. There was discussion on how the housing agencies could help reach the targeted audience. There was discussion on how the City could promote the program.

Mr. Beam said the program does have limited funds. There was discussion on how to proceed with allocation, the rate at which to loan out the money, how to prioritize their use.

City Manager Betz asked who the program loan officer was. Mr. Beam said one had not been established yet for the trust fund. He said the department does use Mid-Willamette Valley COG to help with the administration of the small business development revolving loan fund and there had been some preliminary discussion about using that same agency as the loan officer for the rental rehabilitation loan program.

There was a discussion on definitions for the different grant/loan programs and the materials purpose being to explain the trust fund. Commissioner Emery asked about the timeframe for beginning the rental rehabilitation

program. Mr. Beam said he thought they may be able to start in late October. Chairman Brown suggested the Commission set a limit of how much they would loan out the first year such as one-third of the trust fund amount. There was a discussion on loan terms and amounts. The commission decided to bring up the topic again at their next meeting to have more time to review the material. Chairman Brown asked if they could also discuss at the next meeting eligibility and qualifying and establishing the measures and standards for these two items.

Regarding the Notice of Funding Availability (NOFA)/Review of Application and review process: This item was discussed under the rental housing loan program topic. Mr. Beam will draft a NOFA for this fiscal year and run it by the Commissioners for their approval. The NOFA will need to be approved by the city council before actually being published.

Growing the trust fund – next actions: Mr. Beam said the Commission needed to consider if grants should continue to be given out at this time. Doing so would deplete the trust fund in the long run. He suggested prioritizing the fund to use it for loans at this time. There was discussion on how grants are allowed but not required under the trust fund program and to delay awarding further grants until a plan was in place for replenishing/growing the fund has been developed.

Mr. Beam handed out a previously developed list by the Commission of potential mechanisms to grow the housing trust fund. These ideas included property transaction fees through title companies, donations by real estate agents per transaction, unclaimed properties, code enforcement fines, rental housing violation fines, County lottery funds for economic development, grants and charitable gifts. Chairman Brown said he thought the topic should be the subject for an entire future meeting.

MOTION: Chairman Brown moved, seconded by Commissioner that they delay awarding grants until such time as a strategy is developed for replenishing/growing the fund. There was discussion on the motion. Mr. Beam clarified some points. Motion carried 3-0.

Future Commission work – Chairman Brown said the next meeting they will focus on the presentation materials for the rental rehabilitation program. He said the commission needs to understand the materials better and have confidence in them before they approach the community to begin the program.

There was discussion on agenda items for 2015. Chairman Brown said he would like the Commission to consider the issue of Accessory Dwelling Units. Mr. Beam passed out a handout (Exhibit C) showing a Zoning Use Table where Accessory Dwelling Units are allowed. Chairman Brown said he was in favor of this because it added housing units and increased density but is generally affordable housing. He said one population that needs more housing is students.

NEXT MEETING – OCTOBER 28, 2014

ADJOURNMENT – The meeting adjourned at 2:30 p.m.

Approved by the Newberg Affordable Housing Commission on October 28, 2014.

Recording Secretary

Affordable Housing Commission Chair

DRAFT

THIS INFORMATION IS IMPORTANT, PLEASE READ IT CAREFULLY.

**Minnesota Housing Finance Agency (MHFA)
Rental Rehabilitation Deferred Loan Program
Application Instructions**



Step 1: Complete and sign the following enclosed forms:

- ☐ MHFA Rental Rehabilitation Deferred Loan (RRDL) Pilot Program application
- ☐ Applicant Certification of Environmental Issues
- ☐ Market Qualification Information – on this form Complete highlighted portions only
- ☐ Affirmative Fair Housing Marketing Plan
- ☐ Equal Employment Opportunity Policy Statement
- ☐ Conflict of Interest Form
- ☐ General Disclaimer Form
- ☐ Borrower's Certification & Authorization Form
- ☐ Privacy Notice

Step 2: Gather the following property documents:

- ☐ Copy of the recorded Warranty Deed or Certificate of Title from the County Recorder
- ☐ Copy of your current property tax statement
- ☐ Copy of your current property insurance declarations page(s)
- ☐ Copy of most recent mortgage statement
- ☐ Copy of all current utility statements

Step 3: Gather the following financial documents:

- ☐ Submit a commitment letter with documentation of outside leverage funds available (from funding source)
- ☐ Submit a copy of the property's last two (2) years of operating budgets

For Individual Borrowers:

- ☐ Personal Financial Statement (PFS) – signed & dated (this can be obtained by using the link and filling out electronically at:
http://www.mnhousing.gov/resources/apply/rehabilitation/MHFA_012295.aspx)
- ☐ Two (2) years of personal tax returns, including K-1's
- ☐ Personal credit report from one of the three large national credit bureaus

For Corporations, General Partnerships, Limited Partnerships, Limited Liability Companies:

- ☐ Two (2) or more years of accountant prepared financial statements
- ☐ Two (2) years of tax return forms

For Municipalities or Local Units of Government (HRA's, EDA's, etc.) or Non-profit:

- ☐ Two (2) or more years of audited financial statements

Step 4: See attached sheet.

Step 5: Submitting documents:

- ☐ Include a \$100 per unit application fee in the form of a certified/cashier's check or money order made out to Lakes & Pines Community Action Council.
- ☐ Send all the paperwork from Steps 1-5 to Lakes & Pines Community Action Council, Inc. at the address below. Please contact us at 800-832-6082 if you have any questions or need assistance.

1700 Maple Avenue East - Mora, MN 55051-1227
Office & TDD - 320.679.1800 - FAX 320.679.6863
Special accommodations for people with disabilities upon request.
Serving the counties of Aitkin, Carlton, Chisago, Isanti, Kanabec, Mille Lacs and Pine
An Equal Opportunity Employer & Contractor

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**Minnesota Housing Finance Agency (MHFA)
Rental Rehabilitation Deferred Loan Program
Application Instructions**



Step 4: Submit the following information based on the type of ownership:

Type of

Ownership:

To complete or submit:

Corporation	• Articles of Incorporation* • ByLaws* • Certificate of Good Standing issued by MN Secretary of State dated within 30 days of closing • Draft of a Resolution containing the following: authority to own & operate the rental property, authority to borrow funds & execute loan documents, and name & title of officers authorized to execute documents.
General Partnership	• Partnership Agreement* • Draft of a Resolution containing the following: authority to own & operate the rental property, authority to borrow funds & execute loan documents, and name & title of officers authorized to execute documents.
Limited Partnership	• Certificate of Limited Partnership* • Partnership Agreement* • Certificate of Good Standing issued by MN Secretary of State dated within 30 days of closing • Draft of a Resolution containing the following: authority to own & operate the rental property, authority to borrow funds & execute loan documents, and name & title of officers authorized to execute documents.
Limited Liability Company	• Articles of Organization* • Operating Agreement* • Member Control Agreement, if applicable • Contribution Agreement • Certificate of Good Standing issued by MN Secretary of State dated within 30 days of closing • Draft of a Resolution containing the following: authority to own & operate the rental property, authority to borrow funds & execute loan documents, and name & title of officers authorized to execute documents.
Municipalities or Local Units of Government (HRA, EDA, etc.) or Non-profit	• State Statue, Local Ordinance or Instrument establishing the HRA or CDA • ByLaws* • Draft of a Resolution containing the following: authority to own & operate the rental property, authority to borrow funds & execute loan documents, and name & title of officers authorized to execute documents.

*Include any amendments.

Note 1: If the Buyer is an LLC or a Limited or General Partnership, and the general partner(s) or members are a corporation, HRA/CDA or LLC, then the appropriate organizational documentation outlined above must also be submitted.

Note 2: The buyer must be an entity authorized to do business in Minnesota.

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HOUSING AUTHORITY of the COUNTY OF CONTRA COSTA

3133 Estudillo Street Martinez, CA 94553

HOME

HOUSING
PROGRAMS

SECTION 8

DEVELOPMENT
PROGRAMS

HURRICANE
KATRINA

ABOUT US

Resource
Reference

Rental Rehabilitation Loan Program

The Rental Rehabilitation Program is funded in part by the Contra Costa County Affordable Housing Program with Federal Community Development Block Grant (CDBG) monies. In addition, the Rental Rehabilitation Program also receives funds from program income. It is administered through the Housing Authority of the County of Contra Costa's Development Department, Rental Rehabilitation Program Division.

Rental Rehabilitation Loan Program Information

Link to: [Forms](#)

Eligible Properties: Properties eligible for this program must be mainly residential single-family or multiple units. The property must be primarily occupied by lower income tenants. Vacant properties are also eligible.

Eligible Geographical Locations: Rental Properties to receive repair must be located in all areas of the County of Contra Costa, excluding the cities of Concord, Pittsburg, Richmond and Walnut Creek. North Richmond and Bay Point are covered under this program.

FEES AND COSTS : Applicant is Responsible for cost required to cover for Title Search, Appraisal, Credit Checks, and Lead Inspection and Report. The fee varies relative to the number of units and age of property. This is due upon submittal of application or can be included with the loan. A non-refundable \$50 per unit application fee is required at submission of application.

Other related fees such as lead-based paint supervision and clearance testing may be financed out of loan proceeds.

Eligibility for Assistance:

- The applicant must be the owner of record.

Housing Choice
Voucher
Toll Free
1-888-746-8731
Tdd
number is:
(925)
957-1685

- The proposed project must be primarily residential.
- At the time of application at least 50% of the occupied units must be rented to lower income families. A vacant unit may be considered a lower income unit. Landlords will be required to provide proof of Tenant Household Size and Tenant Income.
- After rehabilitation is complete the property owner is required to make any vacant units available to prospective lower income tenants.
- At least 70% of the total projects completed during a fiscal year must house low-income tenants.
- Units rehabilitated with Rental Rehabilitation loan funds may **not** be occupied by the owner.
- A minimum average of \$5,000 per unit is required (e.g. a two-unit project with \$3000 of eligible work in one unit and \$7,000 in the second unit would qualify because the average cost per project unit is \$5,000).
- A credit check, title search, appraisal, mortgage, and property insurance verification including fire and liability coverage are required as part of the loan application review.

Eligible Expense Categories: The following categories of expense shall be considered eligible for funding under the program.

- All work identified as not meeting the Rehabilitation Standards.
- Costs necessary to make essential repairs or improvements related to the Rehabilitation Standards, but not limited to work that includes plumbing, heating, roofing, flooring, painting, and general permanent improvements with Authority* approval, with emphasis on housing rehabilitation work that is needed and will produce good quality housing and improve overall neighborhood appearance.
- Repair or replace major housing systems in danger of failure.
- Improvements necessary to permit the use by handicapped persons.
- The abatement of lead based paint hazards.
- Energy-related repairs or improvements.
- Architectural, engineering or related professional services required in the preparation of rehabilitation plans and drawings or write-ups.
- Costs for processing and settling the financing for a project, such as lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorneys' fees, private appraisal fees and fees for an independent rehabilitation cost estimate.
- Costs for the owner to provide required information services to tenants.
- Construction items and rehabilitation costs that are incurred up to six months prior to submitting a rehab program application.

Ineligible Expense Categories: The following categories of expense shall be considered ineligible for funding under the program.

- Property acquisition.
- Refinancing of existing debt.
- New construction.

Matching Funds: The Rental Rehabilitation Loan program requires a minimum of 25% up to 50%

Attachment C

"matching Funds" from the property owner. The Housing Authority of the County of Contra Costa may loan from 50% up to 75% of the total cost of a project.

Loan Terms: The Rental Rehabilitation Program provides secured loans for up to 90% of value after rehabilitation based on the Authority's formula or an approved appraisal.

- Loan shall carry a 1% or 3% simple interest
- Loan term is 20 years deferred
- No monthly payments for the term of the loan.
- Principal and accrued interest is due in full at the earliest of the following events:
 - Sale or transfer of the property, or
 - Twenty years to the date of the note.
- The maximum loan amount shall not exceed the lesser of the two following values:
 - 50% up to 75% of the eligible rehabilitation cost for private property
 - 75% of the eligible rehabilitation cost for non-profit organizations
- The following loan maximum schedules:
 - \$17,000 per 0 bedroom dwelling unit.
 - \$20,000 per 1 bedroom dwelling unit.
 - \$22,500 per 2 bedroom dwelling unit.
 - \$25,000 per 3 bedrooms or more dwelling unit.
- Loan limits may be increased in a case to case basis
- No early pre-payment penalty charge
- Loans may be assumed if borrower, property, rents and tenants meet all underwriting criteria and requirements.

Affordability Limitations:

- Rent and Income Limitations shall remain in force and effect for a **minimum of 20 years** from the effective date of the loan agreement **regardless** of early loan payoff, transfer or succession in ownership.
- Owner shall maintain 50% of the total Property dwelling units as Qualifying Units for the term of the loan agreement.
- Rent for current resident Households in Qualifying Units shown on following exhibit shall not exceed the rent shown thereon for a period of one year from the effective date of the loan agreement.

AFFORDABLE RENTS FOR QUALIFYING HOUSEHOLDS

Unit Size	Maximum Monthly Rent
0 bdrm	\$ 1,127.00
1 bdrm	\$1,208.00
2 bdrm	\$1,450.00

3 bdrm	\$1,675.00
4 bdrm	\$1,868.00
5 bdrm	\$ 2,061.00

Maximum Rent shall not exceed 30% of 70% of the then current Median Income and are based on occupancy levels. The rents above reflect adjustments for usual tenant paid gas and electric utilities and owner paid water and garbage. For dwelling units where water and garbage service are paid by tenants deduct **\$60 per month** from maximum Rents shown.

- Households receiving a Section 8 rent subsidy may be charged the allowable lease maximum.
- No increase in rent shall be charged for more or fewer occupants.
- Household incomes for all other Qualifying Units shall not exceed the amounts shown on exhibit as updated periodically by Authority for the term of the loan agreement.

MAXIMUM ANNUAL INCOMES FOR QUALIFYING UNITS

Household Size	Annual	Monthly
1 person	\$45,750.00	\$3,813.00
2	\$52,300.00	\$4,358.00
3	\$58,850.00	\$4,904.00
4	\$65,350.00	\$5,446.00
5	\$70,600.00	\$5,883.00

Maximum Household Income is the gross income received by all members of the Household.

The Maximum Rent and Household Income limits shown below may be adjusted from time to time by the Authority, following publication of the Oakland PMSA Median Income (AMI), by the U.S. Department of Housing and Urban Development

- Owner shall obtain an annual "Certification of Tenant Eligibility" (Exhibit D) completed by the Head of each Household counted toward the required number of Qualifying Units.
- When the income of a resident Qualifying Household exceeds 120% of AMI that household will no longer be considered qualified and the next vacant unit shall be rented to a Qualifying Household.
- Owner shall give Qualifying Households and Authority written notice six months prior to the end of the Term of the loan agreement advising of all planned rent increases and changes in rental arrangements.

Loan Security Requirements: Loans will be secured by a Deed of Trust recorded on the subject property, a Loan and Regulatory Agreement, and Promissory Note with demand restrictions.

Loan Minimums: Loans must be an aggregate amount of **no less** than \$5,000.00 per unit.

Insurance:

- Owner and/or Owner's contractor(s) shall provide Project insurance coverage acceptable to Authority and related agencies funding the Loan.
- Certificates shall name Contra Costa County its officers, agents, employees, and elected officials as additional insured.
 - Workers Compensation Insurance including employer's liability coverage with limits not less than \$1,000,000 each accident for rehabilitation construction work.
 - Comprehensive General Liability Insurance with limits not less than \$1,000,000 each occurrence combined single limit for bodily injury and property damage including owned, non-owned and hired vehicles for rehabilitation construction work.
 - Fire and Hazard Insurance covering all real property risks of loss for 100% of the replacement value with a deductible acceptable to Authority naming Authority or its assignee as Loss Payee as its interest may appear. Flood Hazard Insurance is required in federally designated hazard areas.

Application Process:

1. Loan Applicant submits application to the Housing Authority of the County of Contra Costa , Development Department, Rental Rehabilitation Program Division, non-refundable \$50 per unit application fee, and all attachments as requested.
2. Program eligibility and qualifications are determined.
3. Applicant is required an advance fee \$400 up to \$750 to cover Title, Appraisal, Credit and Lead Inspection reports, depending on the number of units and age of property.
4. Application is subject to Title Search, Mortgage Verification Appraisal Evaluation, and Credit Verification.
5. Complete Loan Underwriting Analysis and Approval
6. Inspectors conduct initial property inspection, lead inspection or/and risk assessment. Review Reports
7. Create Deficiency List and work Write-Up Specifications for Property Owner's review and approval.
8. Submit HUD Appendix A (National Environmental Protection Act) to Contra Costa County , Development Department for review and approval.
9. Bid Process, Owner's Review, Contractors Selection
10. Finalize Work Write-Up and Cost Specifications
11. Determine Project Budget and Loan Amount
12. Executive Director and Department Head reviews and issue loan approval.
13. Preliminary loan documents are issued for Authority and Property Owner's review.
14. Owner signs loan documents.
15. Executive Director signs loan documents.
16. Record Loan Documents
17. Issue preliminary draft of construction agreements to owner and contractor or Owner-Builder Participation Agreement to Property Owner.
18. Owner signs construction agreement with contractor or Owner-Builder Participation Agreement
19. Construction Work, Progress and Monitoring Inspections, Disbursements, and Mechanic's Lien Releases

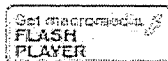
20. Record Final Inspection and Issue Notice of Completion
21. Record Notice of Completion
22. Close and reconcile all project accounts.
23. Project and File closed.

FORMS:

- [Advertising Flyer Attention](#)
- [Required Supplementary Document & Information](#)
- [Rental Rehabilitation Program Project Proposal and Application for Financial Assistance Form](#)
- [Fair Lending Notice](#)
- [Lead-Based Paint Notice](#)
- [Renter Information](#)
- [Certification of Household Income Form](#)
- [Housing Rental Rehabilitation Program](#)
- [Antioch Rental Rehabilitation Program](#)
-

**THIS PROGRAM DOES NOT DISCRIMINATE AGAINST OR
SEGREGATE OF A PERSON OR OF A GROUP OF PERSONS ON
ACCOUNT OF RACE, COLOR, RELIGION, CREED, AGE, DISABILITY,
SEX, SEXUAL ORIENTATION, MARITAL STATUS, ANCESTRY OR
NATIONAL ORIGIN.**

**WE STRONGLY SUPPORT EQUAL OPPORTUNITY IN RENTAL
HOUSING, LENDING AND CONTRACTING ARRANGEMENTS.**



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HOUSING AUTHORITY OF YAMHILL COUNTY

YAMHILL COUNTY AFFORDABLE HOUSING CORPORATION

Rehabilitation Loan Processing Checklist and Loan Approval Form

Borrower(s): _____

Address: _____

90% of Available Equity \$ _____

Loan Amount \$ _____

LOAN APPLICATION CHECKLIST:

	<u>DATE VERIFIED</u>	<u>INTLS</u>		<u>DATE VERIFIED</u>	<u>INTLS</u>
Questionnaire Received	_____	_____	Inspection/HQS/Toxins	_____	_____
Verification: Employment	_____	_____	Photos	_____	_____
Banking	_____	_____	Work Write-Up	_____	_____
Mortgage	_____	_____	S.H.P.O.	_____	_____
Misc. Income	_____	_____	Endangered Species	_____	_____
Guidelines: Net Worth Under	_____	_____	Environmental Stand.	_____	_____
Income Under	_____	_____	Toxic Chemicals	_____	_____
6 Month Ownership/Occupancy	_____	_____	Flood Plain	_____	_____
Non-Competition	_____	_____	Site Specific	_____	_____
Equity/Value of Home	_____	_____	Exception(s)	_____	_____
Ordered Title Report	_____	_____	Application	_____	_____
Preliminary Title Report	_____	_____	Loan Close	_____	_____

LOAN APPROVAL

We have examined this Deferred Payment/Low Interest Loan Application, including supporting data, and find that the application appears to meet the requirements of the Deferred Payment/Low Interest Loan Program. Exceptions to HAYC Loan Policy are attached as Exhibit A. Accordingly the undersigned authorized YCAHC Board member has approved the application for a Deferred Payment/Low Interest Loan.

Prepared by: Housing Rehabilitation Specialist

Date

Reviewed by: HAYC Director

Date

Approved by: YCAHC Board Member

Date

**HOUSING REHABILITATION PROGRAM
LOAN & CONSTRUCTION DOCUMENT CHECKLIST**

APPLICATION DISCLOSURES:

Must be given or sent within 3 days once all information to complete application is received and at least 7 business days (any day except Sunday or a federal legal public holiday) before closing (unless emergency).

☐ Mortgage Servicing Disclosure
☐ Interest Rate Disclosure
☐ Good Faith Estimate
☐ Amortization Schedule (Installment Loans)
☐ Truth in Lending
☐ Approval Letter

CLOSING:

☐ Receipt of Preliminary Disc. Cert.
☐ Application
☐ HUD - 1
☐ Right to Cancel (2 per home owner)
☐ Trust Deed
☐ Promissory Note
☐ Insurance Verification

OWNER-CONTRACTOR (at closing):

☐ Owner Contractor Agreement
☐ Work Write Up
☐ Contractor Selection Form
☐ Notice to Proceed
☐ Protect Your Family from Lead (b/f 1978)
☐ Renovate Right (b/f 1978)
☐ Lead Info. Signature Form (b/f 1978)
☐ Performance Requirements
☐ General Conditions

CONSTRUCTION CONTRACT (once bids are obtained and contractor selected):

☐ Work Write Up
☐ Construction Contract
☐ Notice to Proceed
☐ Protect Your Family from Lead (b/f 1978)
☐ Notice About Construction Liens
☐ Consumer Protection Notice
☐ Notice of Procedure
☐ CCB Contract Addendum
☐ General Conditions
☐ Performance Requirements

If Grant:

☐ Contractor Section 3 Form
☐ Permit Brochures (Grant)/Sign. Form

Built before 1978:

☐ Contract Lead Applicability Form

HOUSING REHABILITATION LOAN PROGRAM APPLICATION



Equal Housing
Opportunity

APPLICANT(S) _____
PROPERTY ADDRESS _____
MAILING ADDRESS (IF DIFFERENT) _____ PHONE _____

HOUSEHOLD MEMBERS NAME	AGE	HOUSEHOLD MEMBERS NAME	AGE
1.		5.	
2.		6.	
3.		7.	
4.		8.	

PROPERTY INFORMATION

TAX ACCT# _____ FIRE INSURANCE COMPANY/AMOUNT _____
LENDER _____
ASSESSED VALUE _____ AGE OF STRUCTURE _____
FIRST MORTGAGE/LIEN _____ PROPOSED REHABILITATION WORK _____
SECOND MORTGAGE _____
OTHER LIENS/JUDGEMENTS _____
TOTAL LIENS _____

ANNUAL HOUSEHOLD INCOME (Members 18 and older)

INCOME SOURCE	APPLICANT	CO-APPLICANT	OTHER	VERIFICATION
WAGES				
SOCIAL SECURITY				
UNEMPLOYMENT				
WELFARE				
PENSION				
CHILD SUPPORT/ALIMONY				
INTEREST/DIVIDENDS				
OTHER				
TOTAL				
TOTAL HOUSEHOLD INCOME				

Head of Household

Racial/Ethnic

- ☐ White, not Hispanic
☐ Black, not Hispanic
☐ Hispanic
☐ Asian or Pacific Islander
☐ American Indian/ Alaskan Native

Gender

- ☐ Female
☐ Male

Household Income is below HUD income limits

☐ yes ☐ no _____
approved by:

VERIFICATION OF ANY OF THE INFORMATION CONTAINED IN THIS APPLICATION MAY BE OBTAINED FROM ANY SOURCE NAMED HEREIN.

THE APPLICANT CERTIFIES THAT ALL INFORMATION IN THIS APPLICATION IS TRUE AND COMPLETE TO THE BEST OF THE APPLICANT'S KNOWLEDGE AND BELIEF.

DATE SIGNATURE

DATE SIGNATURE

IMPORTANT: PLEASE INCLUDE A COPY OF YOUR MOST RECENT FEDERAL TAX RETURN.

RETURN TO: MID-WILLAMETTE VALLEY COUNCIL OF GOVERNMENTS
100 HIGH STREET SE, SUITE 200
SALEM, OR 97301
PHONE: (503) 588-6177

City of Woodburn
Housing Rehabilitation Program H12004
Loan Approval Page

City: Woodburn _____ File Opened: _____ File Closed: _____
 Owner's Name: _____
 Property Address: _____
 Loan Number: WBN-000 _____ Loan Amount: \$ _____
 Home Phone: _____ Work Phone: n/a _____
 Applied: _____ Approved: _____
 Year Built: _____ Historic: _____ Environmental: _____
 Number in household: _____ HUD Income Limit: \$ _____

Types of Repairs: _____

☒ Condition Met

<i>Income Calculation</i>		
Owner		\$ 15,900
Co-owner		
Other		\$ 14,820
Total		\$ 30,720
HUD limit		\$ 36,500

☒ Condition Met

<i>Equity</i>		
RMV	85%	\$ 110,407.00
1st Mortgage		\$ (12,500)
2nd "		\$ -
Other	Prop tax	\$ (3,051)
Total		\$ 94,856

VDI Policies Section 2:1

Loan maximum shall be \$25,000; or the applicant's equity in the subject property based upon 85% of the County assessor's real market value; or, the current appraisal valuation of the subject property (within 12 months of application).

☒ Condition Met

<i>RMV of Structure</i>		
RMV improvement		\$ 61,890
50% of RMV		\$ 30,945
Loan Maximum		\$ 25,000

VDI Policies Section 2:12

Loans funded with federalized CBDG funds will not exceed 50% of the real market value of the structure before rehabilitation, based upon County assessor's RMV or appraised value

<i>Loan Calculation</i>		
Rehab Contract(s)	\$	24,359
Title Insurance	\$	85
Recording	\$	56
Other Lead Tst	\$	500
Total	\$	25,000

Approved By: _____
 President, VDI Board

Date: _____

**City of Woodburn
Housing Rehabilitation Program H12004
Loan Approval Page**

Picture 1

Picture 2

VALLEY DEVELOPMENT INITIATIVES
HOUSING REHABILITATION PROGRAM MANAGEMENT POLICIES
(adopted by VDI Board on 2/27/2012 and amended 2/27/2013)

INTRODUCTION

The Housing Rehabilitation Program, funded through Oregon Community Development Block Grants, was initiated as a response to community demand for assistance in general housing rehabilitation.

The goals of the Rehabilitation Loan Program are:

1. To alleviate health and safety problems and correct city code violations and structural deficiencies in homes.
2. To conserve and improve existing affordable housing stock.
3. To increase housing opportunities for low and moderate income households.
4. To enable lower income residents to remain in their homes, particularly those with disabilities.

SECTION 1: APPLICANT ELIGIBILITY

In order to be eligible for a Housing Rehabilitation Loan, an applicant must meet all of the following requirements:

1:1 Residency: The applicant must own and occupy the property to be rehabilitated. The applicant must occupy more than 50% of the floor space of the dwelling to be rehabilitated. The property must be located within the non-entitlement jurisdictions of Marion County that partner with Valley Development Initiatives for management of housing rehabilitation funds.

1:2 Income: Annual gross income of the applicant household must not exceed 80% of county median income limits established by HUD in the year of the grant award. *The limits by family size are listed in Appendix A.*

1:21 Current HUD guidelines are used to determine countable income. Total gross income includes, but is not limited to, the following: wages, salaries, tips, commissions, self-employment income, interest, net rental income or income from estates or trusts, dividends, social security benefits, pensions, annuity income, alimony, child support, welfare payments or other public assistance programs, veteran's benefits, disability benefits, stipends, or living allowances.

- 1:22 Annual income does not include the following:
- a. Income from employment of children (including foster children) under the age of 18 years.
 - b. Payments received from the care of foster children.
 - c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, one-time IFA distributions and settlement for personal or property losses.
 - d. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
 - e. Income of a live-in aide.
 - f. Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the Government to a veteran for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student.
 - g. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

- h. Amounts received under training programs funded by HUD. Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).

Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program.

- i. Temporary, nonrecurring or sporadic income (including gifts).
 - j. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937.
- 1:23. For the purposes of this subsection, "Applicant" is the person(s) who owns the property and any other 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 evidenced a stable family relationship for the six months prior to signing the application.

Evidence of "stable family relationship" may include any of the following: birth certificates of the children, joint tax return, prior lease (held jointly), joint bank accounts, insurance policies, prior joint credit history, or equivalent documentation as determined by the Program Staff.

- 1:24. To determine the applicant's income for eligibility purposes, one of the following methods will be used:
- a. Applicants with full-time employment will have income computed from the three months prior to the date of application, annualized year to date earnings, or their latest federal tax returns
 - b. Applicant's receiving Social Security, SSI, and Welfare, Pensions, Unemployment etc. will have their income computed from their most recent benefit letter or latest federal tax returns.
 - c. Applicants with temporary, part-time or seasonal occupations will have their income computed from their latest federal income tax returns or from the twelve months prior to the date of application.
 - d. Applicants with self-employment income will have income computed from their latest federal income tax returns or most recent quarterly income statement.
 - e. Income will be verified by one of the following methods:
 - f. (1) Third party written.
 - g. (2) Third party oral.
 - h. (3) Computer generated reports.
 - i. (4) Review of documents.
 - j. (5) Self-certification or declaration.

- 1:25. Income and employment information submitted by applicants will be subject to verification:
- a. Applicants with full-time employment or who receive social security or welfare benefits must provide a copy of the check(s) for the month(s) prior to application.
 - b. Applicants employed in temporary, part-time or seasonal occupations or self-employed persons must provide copies of federal income tax return(s).

SECTION 2: REHABILITATION LOAN TERMS AND CONDITIONS

Federalized loan funds shall be subject to the terms and conditions of the applicable award with the State of Oregon.

De-federalized loans will be offered at a 4% per year simple interest rate (calculated on principal only) for first four years and then 0% interest for remainder of loan with all payments deferred until sale or transfer of ownership by the last surviving borrower, or when the property is no longer the primary residence of the borrower.

Applicants will be encouraged to use other private or public resources where possible to provide additional rehabilitation assistance.

- 2:1. Loan Amounts, Conditions and Terms:** The maximum rehabilitation loan will be the lesser of:
- 2:11. \$25,000; or the applicant's equity in the subject property based upon 85% of the County assessor's real market value; or, the current appraisal valuation of the subject property (within 12 months of application).
 - 2:12. Loans funded with federalized Community Development Block Grant funds will not exceed 50% of the real market value of the structure before rehabilitation, based upon County assessor's real market value or appraised value.
 - 2:13. Actual cost of approved rehabilitation work and fees.
 - 2:14. The applicant's equity in subject property as determined by subtracting all liens and/or judgments of record from county assessed value, or appraised value as determined by a certified appraiser. The appraisal must have been completed within the past 12 months. An exception can be made if the rehabilitation loan and all other priority liens are less than the assessed or appraised value. Priority liens are liens that must be paid from the proceeds of the sale of the property before payment can be made for the rehabilitation loan. Questions about the priority of a specific lien should be referred to legal counsel if necessary.
 - 2:15. Loans that exceed the limit allowed in 2:11 must be approved by the Valley Development Initiatives (VDI) Board of Directors taking into consideration the following factors:
 - a. The work items for which the additional funds are needed due to safety or health issues, energy conservation, accessibility or overcrowding issues, or code violations. Only necessary work items will be permitted.
 - b. The amount that the requested loan exceeds the limit allowed in 2:11. Loans that slightly exceed the limit will be given more favorable consideration than those that greatly exceed the limit.
 - 2:15. The Valley Development Initiatives (VDI) Board of Directors must approve loans that exceed the limits of 2:13. Some of the factors that will be considered are:
 - a. The credit worthiness of the applicant(s) as evidenced by a credit report. Generally, applicant(s) with a good credit report will receive more

favorable consideration, however, the VDI Board will carefully examine the circumstances regarding negative credit information such as illness/disability, job loss or divorce.

- a. The applicant(s) ability to finance some of the rehabilitation work. The applicant(s) will be evaluated based upon the percentage of income devoted to housing costs, the percentage of income devoted to total installment debt, the credit worthiness of the applicant(s) and the suitability of the house for financing.
- a. The amount that the requested loan exceeds the limit allowed in 2:13. (Please refer to 2:14(b).)

2:16. Loans made under the Housing Rehabilitation Program shall not be subordinated to any subsequent liens made against the property under ordinary circumstances. Extraordinary circumstances will be examined by the VDI Board on a case-by-case basis and considered only when 1) the homeowner receives material financial benefit from a refinance that requires a subordination and 2) enough equity remains in the property to satisfactorily protect the interests of the Program.

2:17. Loan repayment shall be deferred until property transfer or until the loan is found to be in default of the terms and conditions of the Note and Trust Deed.

2:2. Eligible Rehabilitation Costs: The rehabilitation loan may be used to pay for all the work necessary to achieve the rehabilitation standards of the Program as determined by the Program Staff. The minimum standard will be the HUD Section 8 Housing Quality Standard. The preferred standard will be the HUD Minimum Design Standard for Rehabilitation for Residential Properties and other improvements and repairs not required by this standard but determined to be necessary to reduce maintenance and operating costs by the Program Staff.

2:21. Removal of architectural barriers to meet the special needs of elderly and handicapped persons will be considered an eligible rehabilitation cost.

2:22. Recording, title insurance, appraisals, credit reports and other miscellaneous fees are eligible rehabilitation costs.

2:23. Additions that are necessary due to overcrowding are eligible rehabilitation costs. Guidelines used by the local housing authority and the rehabilitation standards of the program will be used to determine whether overcrowding exists. Federalized CDBG funding may not be eligible for expansion of footprint, without funding agency review and approval.

2:24. Federalized loans must be lent for projects that meet the CDBG low and moderate income direct national objective CFR 570.483(b)(3).

2:25. Conditions which endanger the health, safety, property, or welfare of the occupants.

2:26. Work which should be done to prevent deterioration and preserve the structure.

- 2:27. Conservation of energy, improve weatherization, restore or maintain architectural integrity, or decrease maintenance and/or operating expense.
- 2:28. General improvements to the property which are usually classified as remodeling or upgrading of the structure.

2:3. Ineligible Rehabilitation Costs:

- 2:31. New construction, expansion, addition or the finishing of unfinished spaces, such as attic or basement. Exceptions to this policy are: dwellings which do not meet guidelines used by the local housing authority and the rehabilitation standards of the program or improvements needed to improve accessibility by or remove a safety or health hazard to persons with disabilities.
- 2:32. Materials, fixtures, or equipment of a type or quality which exceeds that customarily used in properties of the same general type or value as the property being rehabilitated.
- 2:33. Purchase, installation or repair of furnishings with the exception of water heaters.
- 2:34. The applicant's labor or the labor of a member of the applicant's family or household.

2:4. Ineligible Structures: The existence of the following conditions will disqualify a structure for a Housing Rehabilitation Loan:

- 2:41. The structure has deteriorated to the extent where rehabilitation is not economically feasible.
- 2:42. The structure and/or use is in substantial nonconformity with the zoning regulations and/or the comprehensive land use plan of the city or county in which it is located.
- 2:43. Significant code violations exist which would be extremely difficult and/or economically unfeasible to correct.
- 2:44. The proposed expenditure would not increase the value of the property sufficiently to protect the owner's existing equity.
- 2:45. The cost of the repairs required to bring the dwelling up to minimum property standards will exceed the program's loan limit.
- 2:46. The applicant does not own the land on which the structure is located.
- 2:47. Acquisition of existing housing, acquisition of land for development, or acquisition or undeveloped land is prohibited.
- 2:48. Conversion of land use/zoning is prohibited.

2:5. Consent from Holders of Prior Financing: Written consent from all holders of prior financing with recorded liens must be secured prior to loan closing if required under prior

financing agreements. Prior financing includes but is not limited to prior mortgages, trust deeds and land sales contracts.

- 2.6. **Prior Financing Balloon Payment Provisions:** The Program staff must approve prior financing containing balloon payment provisions. Some of the factors that will be considered are:
- 2.61. The amount of the balloon payment.
 - 2.62. The present equity and projected equity when the balloon payment is due.
 - 2.63. An assessment of the applicant's ability to refinance or pay the balloon payment.
- 2.7. **Judgments/Federal Tax Liens:** All judgments must be paid before loan closing if judgments, property taxes, existing liens and the rehabilitation loan exceed 80% of assessed or appraised value. All Federal tax liens must be satisfied prior to loan closing.
- 2.8. **Property Taxes:** All real property taxes that are due and payable beyond the current and immediate past year at the date of loan closing must be paid before loan closing.
- 2.9. **Fire Insurance:** Applicants are required to have fire insurance equal to the amount of existing liens and the rehabilitation loan at the time of loan closing and to maintain the insurance during the term of the loan. All premiums for fire insurance coverage that are due and payable at the date of loan closing must be paid before loan closing.

SECTION 3: APPLICATION PROCESSING

- 3.1. **Application Verification:** All verification documentation except consent(s) from holder(s) of prior financing, must be submitted within 60 days of the applicant(s) signing of the application. If the required documentation is not received within 60 days of signing of the application, the next eligible applicant may be considered for a loan.
- 3.2. **Property Inspection:** The Program Staff must inspect all dwellings to determine needed repairs and improvements. Input and participation by the homeowner is encouraged in determining needed repairs and improvements.
- 3.3. **Inspection Report/Bid Form:** After the Property Inspection, the Program Staff will prepare a written report based on the Property Inspection that describes the substandard conditions of the house and recommended corrections. The homeowner must agree to carry out the repairs described in the report. Contractors interested in submitting bids for rehabilitation projects, must use the Inspection Report/Bid Form for their proposal and cost estimate. The Program Staff will prepare a cost estimate for the file to evaluate cost reasonableness of bids provided by contractors.
- 3.4. **Procurement of Bids:** It is the responsibility of the applicant to procure a minimum of (1) acceptable bid for the rehabilitation work within 30 days unless the applicant authorizes the Program Staff to procure the bids. Applicants are encouraged to obtain at least three bids, however, one bid can be accepted if it is less than the cost estimate prepared by the Program Staff. If the Program Staff procures the bids, at least three bids will be obtained. Contractors who have a record of poor performance with prior rehabilitation projects funded through the Rehabilitation Program will not be awarded

contracts and will be removed from the list of approved contractors provided to homeowners for a period of six months. Some of the factors that will be considered as evidence of poor performance are:

- 3:41. The quantity and severity of complaints from homeowners: Complaints will be documented from the Evaluation form provided to the homeowner and complaints filed with the Construction Contractors Board. Complaints will be evaluated based upon records and findings made by the Program Staff and Program Staff and the Construction Contractors Board. Homeowner complaints that are not sustained by the Program Staff and Program Staff and/or the Construction Contractors Board will not be considered evidence of poor performance.
 - 3:42. Failure to pay subcontractors and suppliers when payment is due: Failure to pay a disputed claim may or may not be evidence of poor performance. The Program Staff and Program Staff will issue decisions on disputed claims in accordance with the Construction Contractor. However, if the contractor fails to pay undisputed bills to subcontractors and suppliers when due, this may be considered as evidence of unsatisfactory performance.
 - 3:43. Failure to complete work in a timely manner: Both the frequency and the magnitude of time will be evaluated and compared with the records of other contractors participating in the program.
 - 3:44. Other material violations of previous contracts awarded through the Rehabilitation Program: Contractors may appeal the decision to have their name removed from the list to the Housing Policy Advisory Committee..
- 3:5. **Loan Approval:** The VDI Board of Directors shall approve all federalized CDBG rehabilitation loans. Applicants approved for a rehabilitation loan will be notified in writing. Applications will be approved in the order they are completed. All loans will be secured by a recorded trust deed. Title insurance is required and can be included in the loan.
- 3:6. **Other Rehabilitation Assistance:** Program staff may assist homeowners in applying for weatherization grants/loans, bank loans for rehabilitation and/or refinancing and other assistance as appropriate. All other rehabilitation assistance and bank loans for rehabilitation and/or refinancing must be committed, in writing, prior to loan closing. Weatherization grants/loans may be committed after loan closing.
- 3:7. **Special Disability Assistance:** Program staff may also consult with subconsultants, case workers, or staff from Northwest Senior and Disability Services to determine the extent to which a disability requires home modification and for client referral to other services for applicants with disabilities.

SECTION 4: THE CONSTRUCTION CONTRACT

The parties to the contract are the homeowner and contractor. All Construction Contracts and related documents must be completed on forms supplied by the Program Staff. The Program Staff must approve all Construction Contracts. The Program Staff is authorized to interpret and enforce the provisions of and satisfactory performance of the Construction Contract.

- 4.1. **Contractor Eligibility Requirements:** All contractors and subcontractors awarded contracts through the Rehabilitation Loan Program must be registered with the Construction Contractor's Board and possess the required registration classifications and must have \$100,000 liability insurance and Workmen's Compensation Insurance if required. Contractors with a record of poor performance pursuant to paragraph 3:4 will not be eligible for rehabilitation contracts. Homeowners are encouraged to hire local contractors whenever possible.
- 4.2. **Owner/Contractor:** The owner may act as the general contractor for the rehabilitation work. The owner will be responsible for coordinating the work of the subcontractors and will be required to submit billings from subcontractors in order to receive payment. The owner is also responsible for ensuring that all subcontractors are registered with the Construction Contractors Board.
- 4.3. **Work Performed by Homeowner:** Homeowners will be encouraged to do some or all of the work when, in the estimation of the Program Staff, they are able to do so. The owner and members of the owner's household cannot receive any payment for their labor. The homeowner will be required to submit invoices for materials purchased in order to receive reimbursement.
- 4.4. **Contract Completion Time:** All work must be completed within 90 days from the date of the Notice to Proceed. The contract may be terminated by the Program Staff if work has not begun within 45 days or less than 30% of the work is completed within 60 days of the Notice to Proceed. Time extensions may be approved due to weather and other reasons in accordance with the Construction Contract. Completion dates of less than 90 days may be required in order to complete the Rehabilitation Loan Program in a timely manner.
- 4.5. **Contract Payments:** Progress payments can be made for up to 90% of the value of acceptable work completed as determined by the Program Staff. Payments will be made in accordance with the Accounts Payable Schedule for the Rehabilitation Loan Program. Before final payment can be authorized:
- 4:51. All contract work must be completed to the homeowner's satisfaction.
 - 4:52. Work must pass inspection of the Rehabilitation Program Staff and the City or County Building Department.
 - 4:53. The borrower must sign the Owner's Certification and Acceptance of Improvements.
 - 4:54. The contractor must sign the Contractor's Warranty and Lien Waiver.
- 4.6. **Contract Payments Withheld:** The Program Staff may withhold or, on account of subsequently discovered evidence, nullify the whole or a part of the Contract Sum owing to Contractor as may be necessary to protect the Owner and/or Grantee from loss on account of:
- 4:61. Defective work not remedied.

- 4:62. Claims filed or reasonable evidence indicating probable filing of claims.
- 4:63. Failure of Contractor to make payments properly to subcontractors or for material or labor.
- 4:64. A reasonable doubt that the contract can be completed for the balance then unpaid.
- 4:65. Damage to another Contractor.
- 4:66. Failure of Contractor to complete work within the time limits set forth in the Construction Contract.
- 4:67. Work not authorized under the Construction Contractor or approved Contract Change Order.

As the above grounds are removed, payment can be made for amounts withheld because of them.

- 4:7. Contract Change Order:** Any modification of the Construction Contract must be approved, in writing by the Program Staff, which approval shall not be unreasonably withheld. Modifications to previously approved federalized loan amounts must be submitted to the VDI Board for approval.

SECTION 5: CONFLICT OF INTEREST

No employee of the Grantee, its agents, members and families of the VDI Board, and other 'covered persons' pursuant to 24CFR 570.489(h) who exercise any functions or responsibilities in connection with administration of the Housing Rehabilitation Program shall be eligible for a Housing Rehabilitation loan, nor shall such a person have any interest, direct or indirect, in the proceeds of such a loan unless a waiver is granted in accordance with 24CFR 570.489(h).

SECTION 6: PROGRAM EVALUATION, POLICY EXCEPTIONS AND CHANGES

- 6.1** VDI shall form a "Housing Policy Advisory Committee" composed of an invited representative from each housing rehabilitation grantee city participating in the program and a staff member designated by the VDI Board. The Committee shall invite Committee members to a meeting annually. Members may request an additional special meeting at any time. The Committee shall carry out the following responsibilities:
- a. Annually review the housing program performance and financial status.
 - b. Consider and approve or reject any changes in policies and rules prior to such changes being considered by the VDI Board of Directors.
- 6.2** The VDI Board of Directors in specific cases only may waive non- statutory program policies when, in the opinion of the Board, such a waiver is necessary to accomplish the goals of the Program or meet unanticipated local needs. Such exceptions or waivers must be first proposed by staff and then approved by the representative on the Housing Policy Committee from the affected city.

6.3 Any future changes in these Housing Rehabilitation Program Management Policies must first be approved by the Housing Policy Committee and then by the VDI Board of Directors. Such future policy changes must also be consistent with federal and state regulations applicable at the time.

SECTION 7: GRIEVANCE PROCEDURE/REASONABLE ACCOMMODATION

7.1 In the event of a conflict between the homeowner and the contractor, the following procedure will be followed:

Prior to the beginning of work, both the homeowner and the contractor will have a clear and precise understanding to the work to be done. There may be times, however, when the understanding of the two parties may be different. In this event, the Program Staff will immediately attempt to mediate the problem. If the Program Staff is not able to mediate the problem to the mutual satisfaction of the homeowner and the contractor, then the contractor or homeowner can request the Program Director to review the case. Within 30 days of the request for review, the Program Director will issue a written decision. The decision of the Program Director may be appealed through the Construction Contractor's Board.

7.2 VDI shall work to ensure that no otherwise qualified individual with a disability in the United States shall, solely by reason of her or his disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any programs, services or activities under the VDI Housing Rehabilitation program. VDI and VDI subcontractors are required to ensure that the programs and services are readily accessible to and usable by persons with disabilities to the maximum extent feasible. This includes meeting at the homeowner's residence as requested, or otherwise accommodating requests on a case-by-case basis. VDI is committed to complying with the requirements under Title II of the Americans with Disabilities Act (ADA) and Section 504, by providing reasonable accommodation on its housing rehabilitation program and services.

SECTION 8: PROGRAM INCOME

Program income shall be managed in accordance with requirements of Title 1 of the federal Housing and Community Development Act of 1984 as amended including, but not limited to, requirements for eligible costs compliance with national objectives, environmental review, labor standards, procurement, equal employment opportunity, affirmatively furthering fair housing, nondiscrimination against persons with disabilities, and relocation and real property acquisition. The Grantee shall rely primarily on guidance from the State of Oregon in complying with these requirements, since the state is responsible for monitoring the local use of program income earned from Oregon Community Block Grant projects.

Program income earned as a result of this program shall be used for continuation of the rehabilitation loan program as described in these Rehabilitation Program Policies and other activities as allowed by state and federal regulations.

VALLEY DEVELOPMENT INITIATIVES REHABILITATION LOAN PROCESSING PROCEDURES

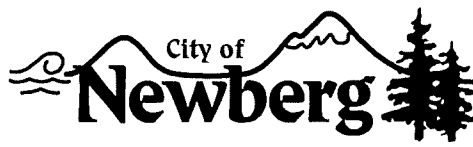
ADDRESSED TO	STEP	PROCEDURE
Applicant	1	Contacts Program Staff to request information about rehabilitation loans.
Program Staff	2	Prescreens applicant over phone. Checks to see if applicant is a homeowner. Checks household size and income; occupancy status; location in target area; assessed value and amount owed.
Program Staff	3	If applicant meets requirements based upon prescreening, appointment is made for home interview.
Program Staff	4	Sends applicant document checklist letter identifying documents required to verify loan eligibility and notice of availability of reasonable accommodation.
Program Staff	5	Obtains income, asset and liability verification; verification of housing value and amount of debt owed on house; completes application.
Program Staff	6	. Verifies liens on title report with application. Prepares Lien Consent and forward to lien holders for signature.
Program Staff	7	Reviews application to determine eligibility. If applicant is not eligible, decision letter sent to applicant giving reason for ineligibility.
Program Staff	8	Inspects building and prepares Inspection Report/Bid Form listing deficiencies and repairs needed to meet program standards. Sends four copies to homeowner. Prepares cost estimate for file. Assists applicant in obtaining bids.
Applicant	9	Obtains bids from contractors for work listed on Inspection Report. Forwards bids to Rehabilitation Program Staff for review.
Program Staff	10	Review bids. One bid is acceptable if it is lower than cost estimate. Checks builder's registration and bonding.
Program Staff	11	Prepares loan package and eligibility criteria to document that household income eligibility, ownership, and collateral requirements have been met and proposed work is eligible under program rules. Orders and reviews preliminary title report. If any proposed work is ineligible under program rules, homeowner is notified.
VDI Board/Program Staff	12	Federalized funds require VDI Board approval of loan package and eligibility criteria. De-federalized funds require Program Staff approval.
Program Staff	13	The applicant is notified of loan approval and the Site Specific Environmental Review Form is signed by the Certifying Officer.
Program Staff	14	Prepares Construction Contract, Note, Trust Deed, Truth in Lending, Right of Recision, and Statement of Non-Collusion/Notice to Proceed.
Program Staff	15	Notifies successful and unsuccessful bidders.
Program Staff	16	Sends Fire Insurance Verification form to Insurance Agent. Schedules loan closing. Obtains required signatures on loan documents and Construction Contract and related documents.
Program Staff	17	Records Trust Deed, purchases title insurance and sets up

		account for disbursement of loan funds if applicable.
Program Staff	18	Provides copies of approved Construction Contract and Notice to Proceed to applicant and Contractor.
Program Staff	19	Conducts periodic inspections of work and recommends progress payments in accordance with Construction Contract. Records permit and local building official inspection information on Payment Request Voucher. Prepares Contract Changes as required. Provides technical assistance to contractors and homeowners as required.
Program Staff	20	Performs final inspection and obtains owners signature on Certificate of Acceptance and Contractors signature on Lien Waiver and Evaluation form.
Program Staff	21	Drafts progress payments. Approves Contract Change Order(s) within loan amounts authorized by VDI Board prior to final payment. Reviews loan file for completeness and prepares reconciliation of project payments to the note(s) amount(s).
Program Staff/VDI Board	22	Federalized funds require VDI Board member signature on progress payments, final payments, and reimbursements associated with approved loans. De-federalized funds require Program Staff signature on progress payments, final payments, and reimbursements associated with loans.
Program Staff	23	Sends payoff letter to lender or title company if required. After receipt of funds, sends original Trust Deed, Note and Deed of Reconveyance to lender or title company. Records loan repayment in grant program income account.

Adopted by the Valley Development Initiatives Board on ____ day of February, 2013.

Signed:

Kevin Joyce, Chairman



NEWBERG AFFORDABLE HOUSING COMMISSION AGENDA

Tuesday, July 22, 2014 1:30 PM,

Permit Center Conference Room, 414 E. First Street, Newberg OR

CANCELLED

RESCHEDULED MEETING DATE TO BE ANNOUNCED

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical or language accommodations you may need as far in advance of the meeting as possible as and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please dial 711.