

# **City of Bullhead City, Arizona**

## **2016**

Owner Occupied Housing Rehabilitation Guidelines

Adopted by the Bullhead City Council by Resolution No. 2016R-32 on July 19, 2016.

RESOLUTION NO. 2016R- 32

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BULLHEAD CITY, ARIZONA AUTHORIZING THE ADOPTION OF HOUSING REHABILITATION GUIDELINES DATED JULY 19, 2016 IN RELATION TO CONTRACTS FOR GRANTS AWARDED THROUGH THE ARIZONA DEPARTMENT OF HOUSING FOR HOUSING REHABILITATION ACTIVITIES AND DECLARING THE GUIDELINES A PUBLIC RECORD.**

**WHEREAS**, the City of Bullhead City is desirous of undertaking a housing rehabilitation program; and

**WHEREAS**, this housing rehabilitation program is funded with the Community Development Block Grant (CDBG) and State Housing Fund, which includes State Housing Trust Fund and HOME Investment Partnerships Program (HOME) Program Funds; and

**WHEREAS**, the Arizona Department of Housing State Housing Fund Program requires that every applicant requesting Funds for housing rehabilitation adopt specific guidelines for such a program; and

**WHEREAS**, the City of Bullhead City has developed housing rehabilitation guidelines dated July 19, 2016 which have been preapproved by the Arizona Department of Housing.

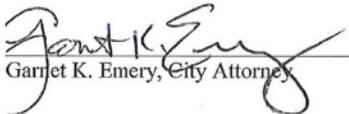
**NOW, THEREFORE, BE IT RESOLVED THAT** the Mayor and City Council of the City of Bullhead City hereby adopts the attached "CITY OF BULLHEAD CITY, ARIZONA 2016 OWNER OCCUPIED HOUSING REHABILITATION GUIDELINES," dated July 19, 2016 which shall be used to implement the City's housing rehabilitation program; and

**THAT**, the attached document entitled "CITY OF BULLHEAD CITY, ARIZONA 2016 OWNER OCCUPIED HOUSING REHABILITATION GUIDELINES" with one paper and one electronic copy on file with the Office of the City Clerk is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk; and

**THAT**, the City of Bullhead City shall utilize the adopted housing rehabilitation guidelines without revisions except those authorized by the chief elected official or a person authorized in writing to approve revisions.

**PASSED AND ADOPTED** by the Mayor and City Council of the City of Bullhead City, Arizona this nineteenth day of July, 2016.

APPROVED AS TO FORM:

  
Garjet K. Emery, City Attorney

  
Tom Brady, Mayor

Date: 7/20/16

ATTEST:

  
Susan Stein, City Clerk (SEAL)

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## **GOALS**

1. To benefit very low, low, and moderate income families in the City of Bullhead City in upgrading their living conditions.
2. To improve and preserve the quality and appearance of the housing stock and the overall environment in the community.

## **OBJECTIVES**

1. Secure a variety of funding sources to allow the implementation of a comprehensive rehabilitation program.
2. To provide technical assistance and counseling services to all eligible families for and not limited to:
  - a. Ownership Responsibilities: in relation to home care and maintenance, as a party to the rehabilitation construction contract, and to promote cooperation with the contractor and City staff.
  - b. Budgeting for property taxes and insurance: to manage household finances in order to stay current on financial obligations.
  - c. Property maintenance: to maintain and repair the home and property, its furnishing and appliances to preserve the value and decency of the home.
  - d. Energy conservation: to be a wise consumer by avoiding waste and inefficiency and minimizing utility expenses.
3. To bring code enforcement activities in conjunction with rehabilitation services as an educational process in the target areas to remove health and environmental hazards and promote cleanliness and pride of ownership.
4. To provide referral services to the various agencies offering assistance in the areas of housing, medical; financial hardship, legal aid, etc.

## **DEFINITIONS**

1. Income:
  - a. Household income is defined as the gross income with no adjustments or deductions that the household anticipates it will receive in the 12-month period. If the household's income cannot be determined based on current information because the household reports little to zero income, or income fluctuates, income may be determined based on actual income received or earned within the last twelve months before the determination.

- b. Income includes, but is not limited to, earned and unearned income from all household members age 18 and older (adults, including foster adults 19), unearned income of minor children and foster children under the age of 18, and income from assets. Emancipated minors, persons under the age of 18 who have entered into a lease under state law, are treated as adults.)
2. Family/Household: All persons occupying the assisted residence including permanent extended family, including elderly parents, single children with children. In the case of more than one family per dwelling unit, efforts are made to provide the non-owner with home ownership opportunity through another program to decrease overcrowding.
3. Qualified Applicant: An individual or family whose income does not exceed 80 percent of the HUD area median income guidelines adjusted by household size.

## **RESOURCES**

1. Properly trained rehabilitation services personnel to provide assistance from initial contact through completion of work.
2. Properly trained code enforcement personnel (education/human relations) to serve as liaison for all available programs as well as beautification/environmental tasks.
3. Funds from a variety of sources, mainly: Housing & Urban Development (HUD), Community Development Block Grant (CDBG), HOME, and Housing Trust Funds. The availability of these funds makes the following components possible. Any project (based on eligibility) may have one or any combination of funds/components to accomplish the goal of providing decent housing.

NOTE: Any and all of the funds described above are subject to availability and conditions prescribed by the funding source. Additional funds not described above may become available from time to time and will be disbursed as prescribed by the funding source.

## **TERMS OF ASSISTANCE**

1. Replacement Program: Requires a conditional deferred payment loan. A forgivable, non-interest bearing loan secured by a lien and promissory note to replace homes that are dilapidated and beyond repair. The maximum amount allowed on a conditional deferred payment loan may not exceed 95% of the HUD-determined area median value. The lien amount is based upon the amount of State funds invested in the assisted unit.
  - a. The promissory note shall be forgiven at a rate of six point six seven percent (6.67%) per year for fifteen years, as long as the dwelling is occupied by the owner or a qualifying immediate family member that has inherited the property and the property is maintained free of City code violations.

- b. The unforgiven balance of the loan shall become due and payable upon the sale, exchange, or transfer of property. Any program income will be returned to the Arizona Department of Housing.
  2. Moderate Rehabilitation Program: requires a conditional deferred payment loan. A forgivable, non-interest bearing loan secured by a lien and promissory note in amounts of \$1,000 up to \$50,000 to rehabilitate homes with a more extensive scope of work necessary in order for the entire home to meet state rehabilitation standards and local codes.
    - a. The recapture period of the conditional deferred payment loans is based on the project costs as follows:
      - Five years for projects costing up to \$15,000
      - Ten years for projects costing between \$15,000 and \$40,000
      - Fifteen years for projects costing more than \$40,000
    - b. The promissory note shall be forgiven as follows:
      - Five-year Note forgiven at the rate of twenty percent (20%) per year
      - Ten-year Note forgiven at the rate of ten percent (10%) per year
      - Fifteen-year Note forgiven at the rate of six point six seven percent (6.67%) per year
    - c. The Promissory Note shall be forgiven as long as the dwelling unit continues to be occupied by the owner or income-qualified immediate family member that has inherited the property. The unforgiven balance of the loan shall become due and payable upon sale, exchange, or transfer of the property.
    - d. If the property remains in the applicant's ownership at the end of the recapture period, a lien release will be recorded.
3. Emergency Rehabilitation Program: Grants of \$1,000 up to \$15,000 (depending on funding source) to perform emergency repairs.

## **ELIGIBILITY REQUIREMENTS**

1. The property to be rehabilitated must be located in the corporate City limits and must not be located within a floodplain.
2. Applicants for the program must have a verifiable household gross income that does not exceed 80 percent of the HUD area median income guidelines adjusted by household size at the time the rehabilitation commitment is made to the homeowner.
3. The property must be owner-occupied and owners must provide current bills for each utility, deed of ownership, and sign a certification.

4. Owners must certify that the property is their principal and only residence. Primary residence is where a person must be domiciled in the City. Domicile means the place at which the person is physically present and that the person regards as home; a person's true, fixed, principal, and permanent home.
5. The property must be a single family unit, a condominium unit, or single family residence up to four units where the owner occupies at least one of the dwelling units. Manufactured housing must comply with County Assessor Property Use Code 829 upon completion of rehabilitation.
6. The home must be suitable for rehabilitation within the time and monetary constraints of the program. In order to determine project eligibility, the after-rehabilitation value of the unit will be calculated and must not exceed 95 percent of the area median purchase price for single family housing, as determined by HUD.
7. Applicants who have received rehab services will not be eligible to reapply for services until after the lien has been released.
8. The ownership interest in the subject home may be subject only to mortgages, deeds of trust or other debt instruments approved by the City. The property must be free of restrictions or encumbrances that unduly restrict the good and marketable nature of the ownership interest, such as child support liens, tax liens, or non-owner occupants named on a deed.
9. Property must be free of previous code enforcement issues. Staff will assist in educating the family and working with the Code Enforcement Division in order to resolve those issues before any major rehabilitation or replacement takes place.
10. Each applicant is required to have current property taxes, mortgage payments, sewer liens, and any outstanding code enforcement violation fees paid up to date.
11. The property must have:
  - a. fee simple title, or
  - b. 99-year leasehold on the property.
12. All mortgage payments, property taxes, homeowner insurance, and utilities must be current.
13. Assistance may be denied for any applicant because of criminal activity as discussed below.
14. An applicant must provide a valid Arizona Driver license or non-operating identification license and one of the following documents to prove lawful presence in the United States and shall sign a sworn affidavit stating that the document(s) presented are true under penalty of perjury:

- a. Birth certificate or delayed birth certificate issued in any state, territory or possession of the United States.
- b. United States certificate of birth abroad.
- c. United States passport.
- d. Foreign passport with a United States visa.
- e. I-94 form with a photograph.
- f. United States citizenship and immigration services employment authorization document or refugee travel document.
- g. United States certificate of naturalization.
- h. United States certificate of citizenship.
- i. Tribal certificate of Indian blood.
- j. Tribal or Bureau of Indian Affairs affidavit of birth.

**APPLICANT SELECTION**

1. Demand for rehabilitation assistance exceeds the resources available. The following priority rating system is established to administer the waiting list so resources are directed to the highest priority cases. Each application is assigned points and ranked on the basis of the following household characteristics:
  - a. Household Income (maximum 30 points)
    - i. Household income is equal to or less than 30 percent of the area median income limits. 30 points
    - ii. Household income is greater than 30 percent, but less than or equal to 50 percent of the area median income limits. 20 points
    - iii. Household income is greater than 50 percent, but less than or equal to 80 percent of the area median income limits. 10 points
  - b. Age of Household Members
    - i. Household is comprised of family with children under the age of 18 years. 10 points
    - ii. Elderly household where at least one household member is age 62 or older. 10 points
  - c. Disability
    - i. Documented disability status. 10 points
  - d. Veteran
    - i. Documented veteran status. 10 points

- e. Condition of Structure
    - i. Those homes having a situation which is an immediate threat to health and safety (i.e., leaking roofs, inoperable cooling systems, handicap ramp prescribed for medical conditions). 3 points
    - ii. Those home in which code violations are of a mechanical nature but do not present an immediate threat to health and safety (i.e., plumbing problems, decaying steps). 2 points
    - iii. Those homes in which other code violations exist. 1 point
2. When multiple applications attain equal scores, the date and time the application was received will be used to determine the order in which applicants are selected to proceed in the eligibility process.

**BACKGROUND CHECKS**

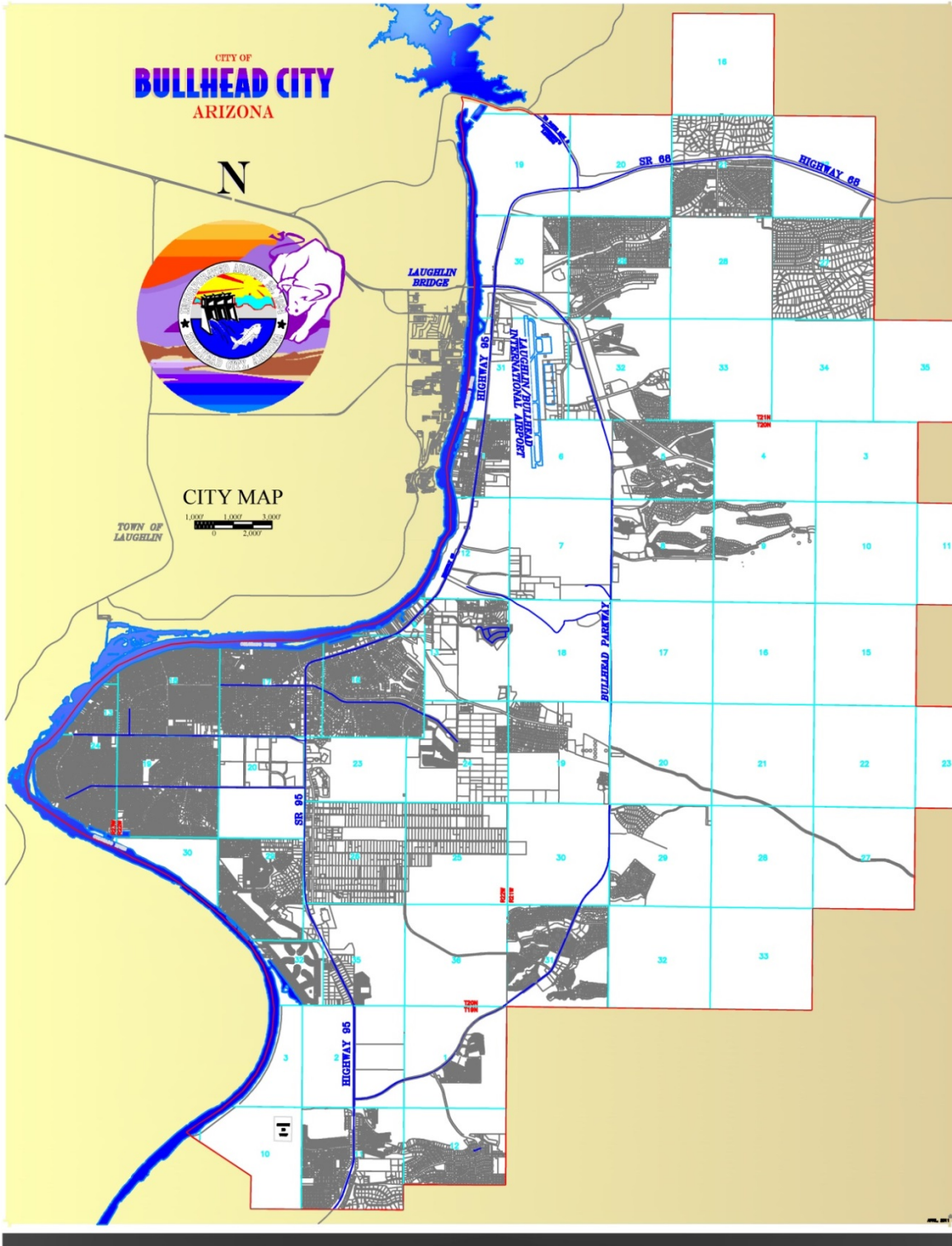
1. All selected Housing Rehabilitation Program owner applicants will be screened for criminal history background before receiving program assistance.
2. If the Housing Division proposes to deny assistance due to criminal activity, the applicant will have an opportunity to dispute the accuracy and relevance of the criminal record prior to the denial of assistance. Housing rehabilitation assistance will be denied when it is determined that those subject to criminal history/background checks as described in Item 1 above have the following criminal convictions:
  - a. Five (5) years for all criminal convictions.
  - b. Up to lifetime for any person required to register as a sex offender.
3. Eligibility after criminal activity: Applicants who have satisfactorily met the following conditions may be eligible for participating in the Housing Rehabilitation Program.
  - a. Applicants that have been convicted of a criminal offense and (i) have served their time, paid all fines, and/or are satisfactorily participating in probation; and (ii) have demonstrated a five year period\* without any criminal convictions.
  - b. An applicant with a sex crime conviction must demonstrate a five year period\* without any criminal convictions and must not be required to register as a sex offender.
  - c. An applicant with an arrest, but where no charge was filed, will be considered eligible.
  - d. An applicant with an arrest and charge(s) are pending will be denied pending the outcome of the case.

4. Record Maintenance:

- a. All criminal history/background information will be secured in a separate file other than the applicant's working file.
- b. The only employees authorized to access these secured files are the Housing Inspector and the Director responsible for the Housing Programs.
- c. Criminal history/background records will be retained for five years and will be checked to verify the mandatory five-year waiting period has lapsed. After the five-year retention period has lapsed, the records will be included in the Bullhead City records destruction process.
- d. If an applicant is approved for housing rehabilitation assistance, the criminal history/background information will be kept in a file as described in item 4.a above. The criminal history background information will not be removed from the file until the applicant leaves the program. These files will then be included in the Bullhead City records destruction process.

**GEOGRAPHIC AREA**

The following map reflects the Corporate City limits of the City of Bullhead City.



## **LEVEL OF REHABILITATION ASSISTANCE**

1. The after-rehabilitation value of assisted units must not exceed 95 percent of the area median purchase price for single family housing, as determined and published by HUD. Staff will use real estate broker price opinion with supporting comparable sales documentation to estimate the after-rehabilitation value.
2. Some rehabilitation projects may exceed the maximum amount allowed by a funding source. In those cases, other available funding sources may be used to provide assistance if it is economically feasible. Several factors will be taken into consideration and discussed by the rehabilitation staff and homeowner, these may include, but are not limited to: present value of the property, property value after rehabilitation, available funds, repayment ability, and the possibility of replacement housing verses rehabilitation.

## **REHABILITATION STANDARDS**

1. All City building and construction codes,<sup>1</sup> as well as the City Zoning ordinance and Flood Prevention ordinance, are adopted as the Rehabilitation standards unless the standards contained herein exceed them or the City building and construction codes are silent on the issue. The scope of work must comply with all the above-stated codes/ordinances, particularly if additions to the home are necessary and setback requirements are to be followed.
2. Energy conservation measures will comply with Department of Housing required property standards. Examples of such measures may include use of low VOC paint, replacement of HVAC systems to higher efficiency Energy Star 13 seer or higher, use of compact fluorescent light bulbs, installation of low flow water saving devices, home sealing (insulation and air sealing) and roof products, windows, doors, and solar items. Abatement of hazardous materials (i.e., lead base paint) as prescribed by HUD including and not limited to State adopted HUD Lead-based Paint Regulations included as EXHIBIT D are also included in the scope of work.
3. Program will comply with the most current published Arizona Department of Housing Weatherization Standards.
4. General property improvements are also included to upgrade the physical appearance of the home and the neighborhood as a whole.
5. The following are examples of work that cannot be considered part of rehabilitation:
  - a. Items that exceed the quality of products as specified, i.e., upgraded carpet/tile (HUD/FHA Use of Materials Bulletin (UM) 44 FHA rated only).

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<sup>1</sup> The City building and construction codes are the adopted edition of the Uniform Building Code; Uniform Mechanical Code; Uniform Plumbing Code; National Electrical Code; and the local amendments thereto.

- b. Luxury items not considered a necessity, i.e., fireplaces, swimming pools, connection to cable television, etc.
  - c. Additions for family rooms, recreation rooms, etc. (bedroom additions will be considered based on family structure and over-crowding in existing dwelling).
6. See EXHIBIT A for a complete set of standard specifications.

## **MARKETING**

1. The Housing Program in Bullhead City is founded on the premise of helping those who want help. Participation in the program is completely voluntary. The City does, however, make concerted efforts to inform and promote program awareness to every segment of the community. Although word of mouth has been the strongest means of program promotion, flyers have been developed and advertised in the local newspaper (*Mohave Valley Daily News*), and posted information on the City website. The City has also organized a local channel on local cable television in order to promote events and information within the City. Information regarding the housing rehab program is shown on a regular basis. The City also has a network for referrals from: a.) Local utility companies (i.e., the electric company will advise that they have disconnected service at a particular address because the service is so inadequate it creates a health/fire hazard); b.) The Building Division (i.e., homeowners trying to do repairs but may lack funds or expertise to do the work); c.) Code Enforcement (i.e. during the course of property maintenance inspections, an inspector will report broken sewer or water lines, leaky roof, etc.).
2. Promotional materials are prepared and marketing tasks are performed by housing rehabilitation staff whenever possible and on an ongoing basis. Some tasks may have to be contracted out if they require professional printing services or workload impedes housing rehabilitation staff from devoting the time to conduct a comprehensive door-to-door housing stock study/marketing plan. It is recommended that comprehensive studies be conducted at least every 10 years (similar to the Census) to determine and physically locate and evaluate each dwelling unit in the targeted areas. The results of the study provide the Housing Division with the information necessary to assess existing programs and services and implement new ones if necessary.
3. The Housing Inspector will be responsible for ensuring that all marketing costs are within the approved budgeted amount. Other than the isolated contractual tasks, marketing on an on-going basis will be part of Rehabilitation Services costs.
4. The Housing Inspector is also responsible for the translation and complete review for accuracy and clarity of the contents of any marketing materials. All marketing materials will include fair housing and non-discrimination clauses.

## **MARKETING TO CONTRACTORS**

1. For the total replacement program, it is standard procedure to advertise for rehabilitation bids in the local newspaper (the *Mohave Valley Daily News*) which is circulated in surrounding areas.
2. The Housing Inspector also keeps a list of qualified licensed and bonded contractors. These contractors are notified by mail, telephone, or in person of any jobs that may be out to bid for the repair program.
3. Every effort is made to obtain a minimum of three bids for each housing rehab project. The City also encourages minority, small business, and women owned firms (using MBE, WBE, etc.) to bid on every job.
4. The City also commonly refers to the yellow pages or similar commercial advertising forums as they are updated and invites new companies to submit an application to be included in the contractors bid notification list. A simple application can be obtained from the Housing Inspector and once completed, the Housing Inspector verifies all the information therein and determines eligibility. The information includes contractor license number, tax identification number, insurance, City business license, and references.

## **MARKETING TO THE GENERAL PUBLIC**

1. The City makes concerted efforts to promote program awareness to the general public with presentations to local groups such as the Board of Realtors, the Women's Council, neighborhood meetings, and other groups that may be interested. The program is also available for review and comments to the general public at scheduled public hearings that are held prior to submitting applications for grant funds.
2. An update to program accomplishments is often included on the City's web site, along with press releases, and periodic updates in the local media and to the City Council.
3. The Housing Division is responsible for insuring that all information, assistance, and services are available in both English and Spanish and that other languages will be accommodated as needed

## **STAFFING/ADMINISTRATIVE STRUCTURE**

1. All work related to the Administration and Rehabilitation Services for the program is performed in-house.
2. The Department Director is responsible for all City Council presentations and requests as they pertain to the use of Grant Funds. The Department Director is responsible for writing all grant applications for submission to WACOG or other funding agencies. The Department Director is also responsible for all correspondence with the Department of

Housing regarding CDBG, HOME, HTF, and other funds and with other funding agencies as well as in-house correspondence/memos with the City's Finance Director who is responsible for accounts payable and receivable. The Housing Inspector is responsible for the day-to-day operation, record keeping and final audit of the Rehabilitation Program. All personnel involved in the financial and technical implementation of the Program are trained in their particular field of expertise. Additional training for financial staff is supplied and paid for with City funds. Technical staff receives additional training and keeps informed of new regulations, guidelines, innovative programs and strategies by attending workshops and training sessions paid for with grant monies.

3. Loan closing and lien recordation: The Housing Inspector will process the documents to attach the liens. They are signed at the time all work has been completed. The documents are then submitted to the City Clerk, who sends them to the County to be recorded. At this time all final paper work is signed and processed.
4. Lien releases: The Housing Inspector monitors the term of the loans. Annually they are checked for compliance of code enforcement issues. Once a unit has fulfilled its recapture period, (5, 10 or 15 year term) the Housing Inspector will process a lien release, which will be submitted to the City Clerk, who will send it to the County to be recorded.
5. Program Income: Any program income (i.e., received through recapture or resale) will be returned to the Arizona Department of Housing.
6. Refinancing of existing debt or home equity loans: Repayment of rehab grant funds is required when a recipient utilizes refinancing with cash out or takes a home equity loan after completion of rehab and prior to loan repayment or expiration of the recapture period. The recipient's title company is required to contact the City Finance Department to obtain the payoff amount.
7. Loan subordination will only be allowed when refinancing results in a fixed rate, lower monthly payment. Loan subordination will not be allowed under any circumstances for a cash-out refinancing.

### **APPLICATION PROCESS**

1. Applications for assistance are accepted on an ongoing basis. The date and time are recorded on the form when it is received. Applicants are added to the waiting list. When preparing a grant application for funding, a ranking process is utilized to prioritize and select eligible applicants for assistance. However, if an emergency situation is found at the home, it is given priority, as funding permits.
2. Applications are available at City Hall which is ADA accessible. Applications may be requested via telephone including TDD for the hearing impaired and "At-Home" services are also available to homebound individuals. Applications are also available on the Internet at [www.bullheadcity.com](http://www.bullheadcity.com). The Housing Inspector is responsible for the application process and for insuring that all information, assistance, and services are

available in both English and Spanish. Other languages will be accommodated as necessary.

3. The Housing Inspector will assist in the preparation and review of the application to ensure all necessary information is provided.
4. Prior to the formal application being approved, two eligibility determinations/certifications are made:
  - a. Family: based on income and home ownership (the applicant will be recertified if the application has been taken six months or more prior to receiving service); and
  - b. Property: determined feasible for rehabilitation.
5. The applicant will sign a Privacy Act Statement giving the Housing Inspector permission to verify all information in the application. Confidentiality will be ensured by keeping the information in secure files in the Inspector's office. The Housing Inspector will verify all income via letter from Social Security, Veteran's Administration, employer's verification of employment, check stubs, tax forms, etc. Third party income verification should be used whenever possible.
6. The Housing Inspector will verify ownership and check County Assessor's records.
7. The Housing Inspector is responsible for approval/disapproval of each application. This is normally done in person with the homeowner and followed-up in writing within three weeks of the application interview and signing of the Privacy Act Statement.
8. The applicant is required to sign affidavits, acknowledgements, contracts, and other forms (some examples are included in Exhibit C). These documents are related to the applicant's eligibility for assistance, program requirements such as loans and liens, and lead poisoning dangers in homes built before 1978 (ref: Exhibit D). Additional conditions prior to concluding the rehab projects will require that all property taxes are paid and that a homeowner's insurance policy is in effect. Terms of allowable existing liens must be in good standing.
9. All housing rehab beneficiaries will attend homeownership counseling sessions provided by qualified Housing staff. This will include: home maintenance; review changing and cleaning of the furnace/air conditioner filters and where the filters are located; review all appliances and discuss the owner's manuals and warranty items; and discussion of the structural items on the home and those things for which the contractor will be responsible. Counseling concerns regarding homeownership will also be discussed, i.e., budgeting for future repairs, making timely payments, and the importance of homeowner insurance.

## **WORK WRITE UP**

1. The Housing Inspector is responsible for preparing the work write-up. The Housing Inspector, Building Inspector, and Building Official are experienced in the construction, drafting and inspection fields and are required to keep abreast of the latest code requirements, construction methods and materials, and preservation. The City's certified Energy Plans Examiners will address energy efficiency issues. It is important to the City's program to preserve the architectural features of a particular era. The finished product is expected to complement the surrounding area. Therefore, it is important that staff has the knowledge and the "eye" to identify a particular feature, determine if it is repairable, and what products are available to accomplish this task.
2. In a case where code and preservation conflict, the work shall be performed to code. Staff will strive to provide the "look" of a particular feature, structural or nonstructural. A change order will be prepared, if necessary, and it will require approval from the homeowner, Housing Inspector, and contractor.
3. The Housing Inspector is responsible for reviewing the accuracy of the work write-up and the homeowner will approve the final work write-up. The work write-up will call for items that meet code in accordance with the Rehabilitation Standards (found in Exhibit A), and will specify brands, sizes, location, etc. The work write-up may be accompanied by a set of plans complete with construction details. The plans will identify all areas of the house and the approximate dimensions, door and window location, etc.

## **COST ESTIMATES**

1. The Housing Inspector is responsible for the preparation of a cost estimate for each rehab project. In addition to the experience and training mentioned in the previous section, staff must also keep abreast of the economic conditions in the area in regard to the construction trade including and not limited to availability of qualified contractors, materials, and labor costs. Training for the Housing Inspector is provided by City and Grant funds depending on availability of sessions and resources.
2. The Housing Inspector has a Cost Estimate Manual for reference. This manual is updated periodically to reflect any changes in the local area.
3. The Housing Inspector will prepare a cost estimate for each individual dwelling based on scope of work and technical specifications as determined in the work write-up. The cost estimate will include all cost for permits, materials, labor, clean up, overhead and profit.

## **PRE-CONSTRUCTION PROCESS & TIMELINE**

1. The City has adopted a formal bid process for the Rehabilitation Program and a sample outline is shown below.

- a. Two weeks from approval of application, the Housing Inspector will schedule an appointment for detailed initial inspection. Upon initial inspection, any owner-caused health/safety hazards must be corrected prior to contractor walk-thru or application will be cancelled.
  - b. Two weeks from inspection, consultation with homeowner to approve specifications and plans and discuss allowable and non-allowable items, liens, warranties, etc.
  - c. Upon homeowner approval of specifications and plans, bidding process begins.
  - d. The following two weeks consist of contractor's walk-thru to inspect house prior to formulating a bid.
  - e. For total replacement projects: End of two weeks, formal sealed bid opening. Contractor, homeowners, Rehabilitation staff and any other interested persons (attendance is documented as witnesses).
  - f. For repairs projects: bids are opened by staff, reviewed and contractors notified.
  - g. Conference with homeowner for bid award.
2. During the initial interview, the homeowners are made aware of each step of process above.

### **TEMPORARY RELOCATION ASSISTANCE**

1. If the completion of the identified repairs imposes a health and safety risk to the occupants, temporary housing arrangements will be made for the period of time estimated by the contractor to complete repairs.
2. Temporary relocation with area relatives or friends will be the first alternative. If this is not available, the occupants may be temporarily relocated in a City-owned home or to an area hotel/motel that is equipped with a microwave and refrigerator, if available. The occupants will be responsible for their own meals.
3. If necessary, personal belongings of the occupants may be placed in a temporary storage location if available.
4. Temporary relocation costs may be included in the total rehabilitation cost as long as the after-rehab value is within the allowable cost of the program.

### **PROCUREMENT PROCESS**

1. The procurement process will be conducted in accordance with the City of Bullhead City Procurement Policy.

- a. Qualified contractors list: The Housing Inspector keeps an updated list of qualified (non-barred, license/bond verified with Registrar and insured) contractors, who are notified in writing, by telephone, or in person of all bid invitations.
- b. Application for inclusion on the qualified contractor list: Contractors are invited to submit an application (see EXHIBIT B) to be included on the qualified contractors list. All information in the application will be verified by the Housing Inspector to protect the homeowner and the Program from any liabilities, lack of warranties, or poor workmanship.
- c. Projects advertised: The Program may advertise more than one dwelling for bid at a time, depending on caseload. Separate sealed bids are required for each dwelling.
- d. Pre-Bid Conference/Walk-Thru: The Housing Inspector will schedule a time to conduct a walk-thru of the house with all interested contractors to discuss all specifications and plans.
- e. Notification of Bid: All contractors that have submitted a bid will be informed by a letter from the Housing Inspector of the bid awards. The letter will include protest/grievance procedures.
- f. Specification Changes: Projects are to bid as specified. Changes (if any) in specifications will be provided by the Housing Inspector as an addendum to the original specifications at least three days prior to the bid opening date.
- g. Codes and Standard Specifications: Contractors are responsible for knowledge of the City's adopted building codes. All work must comply with the standards in the adopted codes. The work specifications may, on occasion, exceed the minimum requirements.

## **BID AWARDS**

1. Housing Inspector will recommend the award be made to the lowest qualified bidder. The Housing Inspector reserves the right to reject any and/or all bids for reasons including but not limited to the following:
  - a. The contractor is not licensed or has had his license suspended. Contractor or any of their subcontractors must not appear on the Federal Excluded Parties List.
  - b. The contractor is not able to proceed with the project in a timely manner due to other commitments.

- c. The bid submitted is more than 15 percent below Housing Inspector's cost estimate and, in the Housing Inspector's judgment, the contractor will not be able to complete the project as specified for the bid price.
- d. The contractor has failed to complete past projects in a timely or workmanlike manner or has failed to respond appropriately to requests for warranty service.
- e. The contractor has failed to provide lien waivers as required or has had mechanic's liens filed by suppliers or subcontractors on past projects.
- f. Bidding forms are improperly filled out or incomplete.
- g. All bids submitted are more than 15% above the Housing Inspector's cost estimate.

### **OWNER BID REJECTION**

The Owner may reject any or all bids without cause subject to the following provision. The Owner may reject the lowest qualified bid recommended by the Housing Inspector and select a contractor other than the lowest bidder if the Owner is willing to provide from personal funds an amount equal to the difference between the low bid and the selected bid.

### **CONTRACTOR BID WITHDRAWAL**

If a contractor chooses to withdraw a bid, the project may be offered to the next qualified low bidder or a new bid process will be initiated.

### **BID CLARITY**

The Housing Inspector reserves the right, with the owner's concurrence, to clarify bid items with bidders prior to awarding bids.

### **WORK BY HOMEOWNER**

The Rehabilitation Program does not allow the homeowner to perform any of the work. The intent of this restriction is to avoid any question or misinterpretation of warranty items and workmanship warranty in future "callback" notices. The Contractor is made responsible for any damages, theft of materials, etc. at the house until the project is completed. Therefore, any labor provided by other than those for which the contractor is responsible is not allowed. There may be some exceptions, but only related to general property improvements like landscaping. These exceptions must be approved by the Housing Inspector prior to the work being performed. Please, refer to the Rehabilitation contract for additional conditions or restrictions for homeowners and contractors.

## **AGREEMENTS, CONSTRUCTION CONTRACTS, AND OTHER**

1. Please see EXHIBIT C for sample forms of the construction contract between homeowner and contractor which incorporates the work write-up and specifications, warranties, provisions, conditions and restrictions for both parties.
2. EXHIBIT C also includes samples of all forms used before, during and after construction. These include but are not limited to: Application; Privacy Act Statement; Affirmation; Certification of Ownership; Contract; Agreement; Conflict of Interest Certification; Contractor Selection Affidavit; inspection and disbursement orders; lien waivers; Certificate of Release and Final Payment Statement; Certificate of Owner's Acceptance; Certification of Final Inspection; and Disposition of Funds.
3. A checklist is retained in each individual project file noting all these documents and additional documentation such as income verification, property tax statement, title report, title insurance, and the like. This checklist will reflect the type of documents included in each file and will note those that do not apply as "N/A".
4. Each file will contain a lien for the conditional deferred payment loan and promissory note unless the project was funded solely with unconditional outright grants.

## **PRE-CONSTRUCTION CONFERENCES**

1. As previously mentioned, a pre-construction conference with the homeowner takes place prior to any bid advertisement. The project can be advertised for bid after the homeowner agrees to and understands the scope of work to be performed, including the work that will NOT be done, time frame for construction, temporary housing, etc.
2. The Housing Inspector will hold additional pre-bid conferences at the property with prospective contractors and homeowners present. This provides an opportunity to answer any questions regarding the work and prevent misunderstandings between all the parties involved.

## **PROPERTY INSPECTIONS**

1. Inspections during the course of construction will be performed by qualified City building inspectors to ensure that all work complies with the applicable building codes. These building inspectors are required to be certified in their field and training is provided with City funds.
2. In addition, the Housing Inspector will conduct daily inspections to ensure and monitor progress, identify problems that may need to be addressed through a change order, and insure compliance with HUD requirements. This staff is also experienced in the inspection field and training is provided with grant funds.

3. An inspection and disbursement order is completed by the Housing Inspector, signed by the contractor. This order reflects percentage of work completed to date, amount of draw, and contract balance.

### **CHANGE ORDERS**

A change order may be requested by the contractor for circumstances that were not included in the original work write-up, due to unforeseen safety or code violations. The contractor must have written approval from the Housing Inspector before undertaking any change order work. The Housing Inspector must approve all change orders. The homeowner must be informed of any changes to the contract or other problems encountered during the rehabilitation work and sign the change order form.

### **PAYMENTS AND WARRANTIES**

The contractor Payment Request when signed by the contractor constitutes a request for payment. The Payment Request will certify and warrant both to the Bullhead City Housing Rehab Program and the Owner that the laborers, mechanics, suppliers and sub-contractors have actually and satisfactorily completed that part of their work, labor or furnishing of material in the amount set forth. The contractor will then have the owner sign the Contractor Payment Request certifying that the work has been completed contingent upon the building inspector's inspection. The Housing Inspector will inspect the job to determine completion of work in place and certify the same by signing the Payment Request. The Department Director will approve disbursement of funds. The Housing Inspector will submit a check request with attached documentation. The Finance Department will issue a check for the requested amount and give a copy of the check to the Housing Inspector for file documentation and will release it to the contractor. Final payment will not be released until receipt of lien waivers.

### **CASE MANAGEMENT AND TRACKING**

1. The Housing Inspector is responsible for reporting procedures and for the maintenance of all case files. Housing Inspector reports progress to the department director on a monthly basis or as required.
2. The Housing Inspector is also responsible for all performance reports to the Arizona Department of Housing including and not limited to family and contractor profiles (minority, handicap, etc.) and for the maintenance of current log of all properties that have participated in the Rehabilitation Program.

### **CONFLICTS OF INTEREST**

In accordance with the City's policy, employees at all levels shall be free from any interest, influence or relationship that might conflict or appear to conflict with the best interests of the City. The existence of an actual or potential conflict of interest depends on specific facts applied to either City policy and/or state laws governing conflicts of interest. In any uncertain situation,

the employee should protect himself or herself by immediately discussing the matter fully and frankly with the appropriate supervisor. Where there is any further doubt concerning conflict, the specific facts should be noted in writing and sent to the Director of the Housing Division for resolution. The continuing requirement to disclose serves to inform the City and, at the same time, protects the employee from the harmful effects of any subsequent revelation of activities, associations or interests that might constitute a prohibited conflict of interest.

## **COMPLAINTS AND APPEALS**

1. Housing Inspector will mediate all disputes if any disagreement arises between the homeowner and the contractor with respect to rehabilitation work. If this arbitration is unsatisfactory, either party may make appeal to the Director of the Housing Division for determination. This appeal process does not preclude property owners and/or contractors from appealing to other parties they deem necessary.
2. In the event of a disagreement between any parties involved in the Housing Rehabilitation Program, namely, the Contractor, homeowner, housing rehabilitation staff, suppliers, or other interested parties, regarding any process of the Program, and including but not limited to Procurement, Bid Process, Bid Award, Payment Schedule, Change Orders, Workmanship, and Warranties, a formal grievance procedure must be followed. Steps and time frames of the procedure are described as follows:
  - a. Informal verbal complaints may be addressed to the Housing Inspector. The Housing Inspector will attempt an immediate resolution.
  - b. If the resolution is not satisfactory, the complaint shall be submitted to the Director of the Housing Division in writing. The Director will provide a written response to the owner within two weeks.
  - c. If the determination of the Director of the Housing Division is not satisfactory to the complainant, the decision may be appealed in writing to the City Manager. The City Manager shall provide a written response to the complainant within two weeks. The City Manager's decision is to be considered final.

NOTE: This process does not preclude complainants from appealing to other parties they deem necessary, i.e., City Council, funding agency, Registrar of Contractors, or Trade Organizations.

## **DISCRIMINATION**

The Human Resources/Risk Manager will assist in providing the proper 504 or ADA procedure(s) for complaints regarding alleged discrimination.

**EXHIBIT A**

City of Bullhead City

**[Owner Occupied Housing Rehabilitation Standards](#)**

Available online. Click the hyperlink above.

**EXHIBIT B**

City of Bullhead City

**[Forms and Procedures for Contractors](#)**

Available online. Click the hyperlink above.

## **EXHIBIT C**

City of Bullhead City

### Sample Forms and Contracts

- [OOHR Pre-Application Form](#)
- [OOHR Application Form](#)
- [Deferred Payment/Forgivable Loan Lien Acknowledgement](#)
- [Example Lien Document](#)
- [Example Promissory Note](#)
- [Affidavit Demonstrating Lawful Presence in the USA](#)
- [Statement of Affirmation](#)
- [Conflict of Interest Certification](#)
- [Applicant's Authorization for Release of Information](#)
- [Photo Release](#)
- [Lead Poisoning Fact Sheet](#)
- [Example Rehabilitation Construction Contract Owner/Contractor](#)
- [Example Rehabilitation Construction Contract Owner/City](#)
- [Work Description Concurrence](#)
- [Property Inspection Form](#)
- [Final Inspection and Contract Completion](#)
- [Contractor License Verification](#)
- [Grievance Procedure](#)

Samples available online. Click a hyperlink above.

Please contact the Housing Inspector to request other forms or sample documents.  
928-763-0197

**EXHIBIT D**

[Lead-based Paint, Dust, and Soil](#)

Available online. Click the hyperlink above.