



City of Fort Lauderdale
Housing & Community Development Division

POLICY & PROCEDURES MANUAL

Housing Programs

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City of Fort Lauderdale

HOUSING PROGRAMS POLICIES and PROCEDURES GUIDELINES

1.0 Introduction

The purpose of this document is to establish policies, guidelines and procedures that govern the Housing Programs of the City of Fort Lauderdale. This program is funded by Funds from State Housing Initiatives Partnership (SHIP), Community Development Block Grant (CDBG) and/or Home Investment Partnerships Program (HOME Program). The City of Fort Lauderdale Housing and Community Development Division administers the grants and is responsible for using SHIP, CDBG and HOME monies to rehabilitate or replace owner-occupied dwellings and provide down-payment assistance, sewer hook-ups, emergency disaster and various other assistance. The Housing Programs are subject to all laws, regulations, ordinances, and codes of the Federal, State and, the City of Fort Lauderdale.

2.0 Program Description

The Housing Programs are part of a comprehensive neighborhood revitalization strategy to preserve and improve the City's residential neighborhoods. The program is designed to assist very low, low or moderate income homeowners (according to the income limits adjusted to family size published annually by the United States Department of Housing and Urban Development based upon the annual gross income of the household) and to assist in providing decent, safe and sanitary housing units and to provide financial assistance, where necessary to preserve the owner-occupied housing stock (foreclosure prevention, down-payment assistance, etc.). The various programs provide deferred payment interest-free loans to eligible homeowners.

Participants must own and occupy the structure as their principal residence at the time of initial assistance and throughout the life of the loan. The gross income of all household members must not exceed 80% of the current area median income, based on family size, as determined on an annual basis, by the U.S. Department of Housing and Urban Development (HUD). The maximum loan amount for this program is \$205,000.

Program Description

Housing Rehabilitation/Replacement Program

- Designed to address substandard housing in the City of Fort Lauderdale. The programs primary goal is to eliminate City code violations. Other existing violations are also addressed. Assistance is given to homeowners on a first come, first qualified, first served basis.
- For eligible homeowners, the property must have documented disrepair and/or have violations of the City's housing code. The program is not designed for general home improvements only. In addition, certain items are not eligible for

funding. They include additions to increase the square footage, swimming pools, window air conditioner units and washers and dryers. All Broward County Property taxes on the property must be current.

Income Eligibility

Income eligibility is determined by the Federal Section 8 Income Limits. The current Section 8 Income limits are shown below. HUD Section 8 Income Limits are adjusted annually. The current income limits can be obtained from <http://www.huduser.org/datasets/il.html>.

When determining a household's eligibility for the Substantial Housing Rehabilitation/Replacement Program will consider the following sources of income.

- The full amount, before any deductions of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the Family;
- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the Family has Net Family Assets in excess of \$50,000, Annual Income shall include the greater of the actual income derived from all New Family Assets or percentage of the value of such Assets based on the current passbook savings rate, as determined by HUD.
- The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment, except SSI and social security.
- Payments in lieu of earnings, such as unemployment, workers compensation and severance pay;
- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
- All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the Family, spouse;
- Relocation Payments.

The following sources of income **will not** be considered part of a household's income when determining eligibility for the Owner-Occupied Housing Rehabilitation Program.

- Income from employment of children (including foster children) under the age of 18 years;
- Payments received for the care of foster children;
- Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance, worker's compensation, SSI and social security), capital gains and settlement for personal or property losses;
- Amounts received by the Family, that are specifically for or in reimbursement of the cost of medical expenses for any family member;
- Income of a Live-in-Aide;
- 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. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income;
- The special pay to a Family member serving in the Armed Forces who is exposed to hostile fire; (i) Amounts received under training programs funded by HUD; (ii) 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); or (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses (special equipment, clothing, transportation, child care, etc.) And which are made solely to allow participation in a specific program;
- Temporary, nonrecurring or sporadic income (including gifts); or
- 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. A notice will be published in the Federal Register and distributed to owners identifying the benefits that qualify for this exclusion. Updates will be published when necessary.
- Earned income tax credits.
- Reparation payments made by foreign governments in connection with the Holocaust (for all initial determinations and reexaminations carried out on or after April 23, 1993).

3.0 GOALS OF THE PROGRAM

The goals of the Housing Rehabilitation/Replacement Program are:

- ☞ To provide housing assistance to extremely low-, low- and moderate-income households.
- ☞ To preserve the existing housing stock in the City of Fort Lauderdale

- ☞ To strengthen the City's tax base
- ☞ To abate Code Violations
- ☞ To prevent the spread of blight in the City of Fort Lauderdale
- ☞ To reduce Lead Based Paint hazards

4.0 POLICY

4.1 Homeowner Contribution

It is the policy of this program, that if Contractor that the homeowners wishes to complete of the rehabilitations necessary to make the property conform to the Property Rehabilitation Standards exceeds the minimum bid amount (see City Manager, Lee Feldman directive), the homeowner must provide the additional funds by alternative sources. The sources may include:

1. An advance deposit of cash contribution from a personal source,
2. Securing a loan for the balance of the cost, or
3. A gift.
4. The City must be able to confirm the availability and commitment of the additional funds for use by the project. Funds provided by the owner shall be decreased accordingly if the overall dollar amount required to complete the work as contracted and subsequent change orders are less than the original contract price.

The funds must be paid directly to the Contractor and evidence must be provided by to the Housing & Community Development Division prior to commencement of the project.

4.2 Satisfactory/Work Completion

It is the policy of this program that work be completed in a timely and satisfactory manner and that payments are made as set forth herein.

4.3 Loans

Loans will be administered as specified in this document.

4.4 Program Administration

The Housing Rehabilitation/Replacement Program will be implemented and administered by the City of Fort Lauderdale's Housing & Community Development Division following the policies, guidelines, and procedures set forth in this document.

4.5 Security - Confidentiality of Documents

In order to protect the privacy of applicants, all records of the Housing Rehabilitation/Replacement Program are considered confidential. An applicant is required to Sign a Privacy Notice that is included in the program application indicating

that only duly authorized persons will have access to the Housing Rehabilitation/Replacement Program case files. Staff members are precluded from revealing any information regarding any aspect of a Housing Rehabilitation/Replacement Program case to an unauthorized person. Applicants will sign a privacy notice, which enables the City to verify other sources of income without violating privacy laws.

5.0 DEFINITIONS

⇒**AGENCY**: The City staff, comprised of the Housing & Community Development Division, which administers the program and other HUD-funded and State-funded housing programs.

⇒**APPLICANT**: Individual or family who owns and resides in a single-family dwelling unit or residential property, and who may be eligible for assistance.

⇒**CODES**: The South Florida Building Codes and applicable ordinances of the City of Fort Lauderdale.

⇒**CONTRACTOR**: A general contractor on the City's approved list, who has a current license and current liability insurance. To be eligible for additional awards, a contractor must have successfully completed at least one rehab or replacement house, and must have fewer than five active cases. Active cases are defined as having been issued a Notice to Proceed. New contractors are considered to be on probation and are limited to one initial project and upon success completion and evaluation by the Housing Programs Supervisor and/or Division Manager will be allowed to bid on future projects. Contractors will be awarded a maximum of 3 cases at any one time.

⇒**ELDERLY HEAD OF HOUSEHOLD**: A household headed by a person 62 years of age or older.

⇒**HABITABLE ROOM**: A space used for living, sleeping, eating or cooking, or combination thereof, but not including bathrooms, closets, halls, storage rooms, laundry and utility rooms and similar spaces.

⇒**HANDICAPPED HOUSEHOLD**: A household headed by a person who is under a disability or is handicapped (as defined in Section 3 of the U.S. Housing Act of 1937, as amended).

⇒**ELIGIBLE COSTS**: Eligible rehabilitation costs are limited to those essentially required to correct actual, Section 8 housing quality standards and as appropriate, incipient code violations, and general property improvements. General property improvements may not exceed 25% of the total rehabilitation loan(s):

- A. Repairs necessary to meet the City's Code requirements, Property Rehabilitation Standards, and HUD Section 8 Housing Quality Standards.
- B. Kitchen equipment (stove, oven/vent, refrigerator), heating unit, water heater.
- C. Building permits and fees. (The contractor is responsible for payment of such fees charged by the City relating to housing rehabilitation work performed with funding assistance from these programs.)
- D. Removal of architectural barriers for elderly or handicapped residents.
- E. Deferred maintenance and incipient code violations such as the painting of exterior surfaces, replacement or patching of small cracks in exterior walls, weather-boards, trimming, brick or other material, repair of gutters and downspout, repair of porch, steps and railing. Such costs are dependent of severity of need, subject to the availability of funds and amount of other repairs necessary to bring property to compliance with Property Rehabilitation Standards.
- F. Cost to register mortgages.
- G. Improvements designed to increase the energy efficiency of property such as weatherization.
- H. Termite inspection and treatment where necessary.
- I. Homeowners, flood, hazard, and/or title insurance premium payments where necessary. (Initial premiums)

⇒INCOME: The income of an applicant includes the gross income of the applicant/owner, and persons living in the household, and represents the sum of the household's income.

⇒LARGE FAMILY: Household of five or more persons, excluding handicapped households.

⇒LOANS: 15-Year Deferred Payment Loan, which will be forgivable at the end of the fifteen year after closing. At anytime during the first fifteen (15) years, the loan will become due and payable immediately upon the sale, lease, rent or transfer of title to the property.

⇒NET PROCEEDS: Net proceeds for the Housing Rehabilitation/Replacement Program are defined as the balance remaining after payment of all costs associated with the sale of the owner's property, to include, but not limited to, the cost for paying off existing indebtedness on the property, appraisals, surveys, taxes and closing costs.

⇒OWNER-OCCUPIED UNIT: A property occupied by the owner that is used entirely for residential purposes.

⇒OWNERSHIP: Any person who has real interest in any property or structure. Current title reports supported by copies of mortgage documents shall be considered sufficient proof.

⇒**PERSON**: One or more actual persons who either hold legal title to, or occupy a property to be rehabilitated.

⇒**PROGRAM**: The policies and procedures set forth in this document for the Housing Rehabilitation/Replacement program.

⇒**PROPERTY REHABILITATION STANDARDS**: The standards designed to meet the rehabilitation objectives adopted in the Program, consisting of the City of Fort Lauderdale and South Florida Building Codes, HUD Section 8 Existing Minimum Housing Quality Standards and Housing & Community Development Rehabilitation Program Standards.

⇒**REHABILITATION CONSTRUCTION**: All repairs to or replacement of present elements to existing buildings as may be necessary to bring unit into conformity with the Property Rehabilitation Standards.

⇒**SMALL FAMILY**: Households of four or fewer persons, including unrelated individuals excluding elderly and handicapped households.

⇒**STANDARD FOR REHABILITATION**: A property must meet the following criteria in determining eligibility:

- A. Does not currently meet the Property Rehabilitation Standards and the City Codes.
- B. Is determined to be economically and physically appropriate for rehabilitation considering the cost of required equipment and construction.

⇒**SUBSTANDARD HOUSE**: A unit which does not conform to the Property Rehabilitation Standards, including the applicable City Codes, further defined as any dwelling which lacks some or all essential plumbing or in which there exists such physical conditions as to endanger the life, limb, health, property, safety or welfare of the occupants or of the public.

⇒**VERIFYING EMPLOYMENT STABILITY**: The City will verify a prospective applicant's employment records. If the current employer has employed the applicant for less than six months, or if prospects for continued employment with the current employer may be questionable, the City will verify the applicant's prospects for continued employment as applicable.

⇒**VERIFYING LIQUID ASSETS**: The City will verify the applicant's liquid assets as part of determining applicant's net worth. The liquid assets may be cash on deposit, cash on hand; cash surrender value of life insurance, proceeds from the sale of marketable securities or other assets, gifts of cash, or cash equivalents.

6.0 MINIMUM PROPERTY STANDARDS – REHABILITATION STANDARDS

All rehabilitated units must meet the minimum standards of the existing City Codes and the Property Rehabilitation Standards of the City, the HUD Section 8 Existing Minimum

Housing Quality Standard, and the Cost Effective Energy Conservation Standard. The applicable standards include the following Section 8 Housing Quality Standards (24 CFR 882.109):

6.1 Sanitary Facilities:

1. **Performance Requirement** – The dwelling unit shall include its own sanitary facilities, which are in proper operating condition, can be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.
2. **Acceptability Criteria** – A flush toilet in a separate, private room, a fixed basin with hot and cold running water, and a shower or tub with hot and cold running water shall be present in the dwelling unit, all in proper operating condition. These facilities shall utilize an approved public or private disposal system.

6.2 Food Preparation and Refuse Disposal

1. **Performance Requirement** – The dwelling unit shall contain suitable space and equipment to store, prepare, and serve foods in a sanitary manner. There shall be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).
2. **Acceptability Criteria** – The unit shall contain the following equipment in proper operating condition: cooking stove or range and a refrigerator of appropriate size for the unit, and a kitchen sink with hot and cold running water. The sink shall drain into an approved public or private system. Adequate space for the storage, preparation and serving of food shall be provided.

6.3 Space and Security

1. **Performance Requirement** – The dwelling unit shall afford the family adequate space and security.
2. **Acceptability Criteria** – The dwelling unit shall contain a living room, kitchen area, and bathroom. The dwelling unit shall contain at least one bedroom or living/sleeping room of appropriate size for each two persons. Persons of opposite sex, other than husband and wife or very young children, shall not be required to occupy the same bedroom or living/sleeping room. Exterior doors and windows accessible from outside the unit shall be lockable.

6.4 Thermal Environment

1. **Performance Requirement** – The dwelling unit shall have and be capable of maintaining a thermal environment healthy for the human body.

2. **Acceptability Criteria** – The dwelling unit shall contain safe heating and/or cooling facilities, which are in proper operating condition and can provide adequate heat and/or cooling to each room in the dwelling unit appropriate for the climate to assure a healthy living environment. Un-vented room heaters, which burn gas, oil or kerosene, are unacceptable.

6.5 Illumination and Electricity

1. **Performance Requirement** – Each room shall have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Sufficient electrical sources shall be provided to permit use of essential electrical appliances while assuring safety from fire.
2. **Acceptability Criteria** – Living and sleeping rooms shall include at least one window. A ceiling or wall type light fixture shall be present and working in the bathroom and kitchen area. At least two electric outlets one of which may be an overhead light shall be present and operable in the living area, kitchen area, and each bedroom area.

6.6 Structure and Materials

1. **Performance Requirement** – The dwelling unit shall be structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the occupants from the environment.
2. **Acceptability Criteria** – Ceilings, walls, and floors shall not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling or noticeable movement under walking stress, missing parts of other serious damage. The roof structure shall be firm and the roof shall be weather tight. The exterior wall structure and exterior wall surface shall not have any serious defects such as serious leaning, buckling, sagging, cracks or holes, loose siding, or other serious damage. The condition and equipment of interior and exterior stairways, halls, porches, walkways, etc., shall be such as not to present a danger of tripping or falling.

6.7 Interior Air Quality

1. **Performance Requirement** – The dwelling unit shall be free of pollutants in the air at levels, which threaten the health of the occupants.
2. **Acceptability Criteria** – The dwelling unit shall be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful air pollutants. Air circulation shall be adequate throughout the unit. Bathroom areas shall have at least one operable window or other adequate exhaust ventilation.

6.8 Water Supply

1. **Performance Requirement** – The water supply shall be free from contamination.

2. **Acceptability Criteria** – The unit shall be served by an approved public or private sanitary water supply.

6.9 Lead Based Paint

1. **Performance Requirement** – The purpose of this rule is to implement the provisions of section 302 of the Lead Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead based paint poisoning with respect to existing housing units for which improvements are being made using federal funds.
2. **Definitions**
 - **Applicable Surface** – All intact and non-intact interior and exterior painted surfaces of a residential structure.
 - **Chewable Surface** – All chewable protruding painted surfaces up to five feet from the floor or ground, which are readily accessible to children under seven years of age, e.g., protruding corners, windowsills and frames, doors and frames, and other protruding woodworks.
 - **Defective Paint Surface** – Paint on applicable surfaces that is cracking, scaling, chipping, peeling or loose.
 - **Elevated Blood Lead Level or EBL** – Excessive absorption of lead, that is, a confirmed concentration of lead in whole blood of 25 us/dl (micrograms of lead per deciliter of whole blood) or greater.
 - **Lead Based Paint** – A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 mg/cm².
3. **Defective Paint** – In the case of a unit, for a family, which includes a child under the age of seven (7) years, which was constructed prior to 1978, the initial inspection shall include an inspection for defective paint surfaces. If defective paint surfaces are found, treatment as required by 24 CFR 35.24(b) (2) (ii) shall be required.
4. **Chewable Surfaces** – In the case of a unit constructed prior to 1978, for a family which includes a child under the age of seven (7) years with an identified EBL condition, the initial inspection shall include a test for lead based paint on chewable surfaces. Testing shall be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency or an organization recognized by HUD. Lead content shall be tested by using an X-ray fluorescence analyzer (XRF) or other method approved by HUD. Test readings of 1 mg/cm² or higher using an XRF shall be considered positive for presence of lead based paint. Where lead based paint on chewable surfaces is identified, covering or removal of the paint surface in accordance with 24 CFR 35.24(b) (2) (ii) shall be required.

5. The presence of lead-based paint will be presumed on all units built prior to 1978. Any lead-based paint hazards or any rehabilitation work that disturbs painted surfaces in homes built prior to 1978 will be presumed to be lead-based paint and all work is required to be completed by Contractors who have been trained in safe work practices.
6. Occupants will temporarily relocate during interior rehabilitation. During the course of any interior rehabilitation that disturbs either known or presumed to be lead-based paint, all of the unit's occupants will temporarily relocate and their personal belongings will be protected from lead-based paint hazards. The Scope of Work for the project provides for the rental and storage of all of the household items at a location similar to a PODs facility. This is required for all projects undertaken by the Housing & Community Development Division.
7. In most projects that require lead hazard reduction, the City requires appropriate actions to be taken to protect occupants from lead-based paint hazards if the units will not be vacant during the rehabilitation project. In those cases, occupants may not enter the worksite during the lead hazard reduction activities. Re-entry is permitted only after such activities are completed and the unit has passed a clearance examination. Occupants of the unit do not have to be relocated if:
 - Rehab work will not disturb lead-based paint or create lead-contaminated dust;
 - Hazard reduction activities can be completed within one 8-hour daytime period and the worksite is contained to prevent safety, health or environmental hazards;
 - Exterior-only work is being performed where the windows, doors, ventilation intakes and other openings near the worksite are sealed during hazard reduction activities and cleaned afterward, allowing for a lead-free entry to be maintained;
 - Hazard reduction activities will be completed within 5 calendar days and the work area is sealed, the area within 10 feet of the containment area is cleaned each day, occupants have safe access to sleeping areas, bathroom and kitchen facilities in the same housing unit or in another convenient location;
 - And occupants are not permitted into the worksites until after clearance has been achieved.

Occupant Protection and Temporary Relocation during Lead Hazard Reduction

If occupied units are to undergo more extensive lead-hazard reduction activities, the occupants must be temporarily relocated. All occupant belongings will be removed and stored off site during the hazardous materials reduction work may sometimes be necessary. The owners are responsible

for carefully packing all breakables, removing all clothing from closets, etc. During the hazard reduction work, only workers trained in lead hazard reduction may enter the work site. This means that neither the owners nor occupants are permitted to return to the work site during the day or at night. If a participant has special needs to re-enter the site, they are required to coordinate the visit with a Construction Review Specialist. Only when the unit has been cleaned to the federally mandated standards and passed a clearance examination is it safe and permissible to return to the home. The Construction Review Specialist will notify the homeowner and present them with an Authorization for Re-Occupancy. The project may be completed in stages, with the lead hazard reduction work occurring first and the other renovation work following. In these cases, interim dust and lead clearance will be obtained prior to re-occupancy by the owners or occupants and other non-lead related rehabilitation workers. Final lead clearance will be repeated following the rehabilitation work to verify that the residence is free of lead hazards. (Note: HUD has advised that relocation of elderly occupants is not typically required, so long as complete disclosure of the nature of the work is provided and informed consent of the elderly occupant(s) is obtained before commencement of work.)

6.10 Access

1. **Performance Requirement** – The dwelling unit shall be useable and capable of being maintained without unauthorized use of other private properties, and the building shall provide an alternate means of egress in case of fire.
2. **Acceptability Criteria** – The dwelling unit shall be useable and capable of being maintained without unauthorized use of other private properties. The building shall provide an alternate means of egress in case of fire (such as fire stairs or egress through windows).

6.11 Site and Neighborhood

1. **Performance Requirement**– The site and neighborhood shall be reasonably free from disturbing noises and reverberations and other hazards to the health, safety, and general welfare of the occupants.
2. **Acceptability Criteria** – The site and neighborhood shall not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks, steps, instability, flooding, poor drainage, septic tank backups, sewage hazards or mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

6.12 Sanitary Condition

1. **Performance Requirement** – The unit and its equipment shall be in sanitary condition.
2. **Acceptability Criteria** – The unit and its equipment shall be free of vermin and rodent infestation.

6.13 Cost Effective Energy Conservation

General replacement of the interior of a building shall meet the standard for Energy Star Qualified New Homes. Other rehabilitation must meet these standards to the extent applicable to the work undertaken, e.g., replace older obsolete products and appliances with Energy Star labeled products. Water efficient toilets, showers, and faucets must be installed. The unit shall meet at least the R-19 standards (as found in HUD Regulations 24 part 39) where feasible.

6.14 Disaster Mitigation

Where relevant, the housing should be improved to mitigate the impact of earthquake, hurricane, flooding, fires, etc.

7.0 SHIP, CDBG & HOME LOAN LIMITATIONS

7.1 Loan Approval

Loans will only be granted to eligible applicants upon assurance that property taxes are current.

7.2 Covering Costs Associated With Verification

The fees associated with verifying credit, income, employment, appraisal, and title are reasonable and customary. The Agency may advance SHIP, CDBG or HOME funds to pay for these verifications, and may, at the Agency's option, be reimbursed from funds at loan settlement or use hard copies of submitted income documents to complete the income verification/certification.

7.3 Deferred Loans

All applicants who are determined to be income eligible will be eligible for a deferred loan not to exceed \$205,000 per unit. The Housing & Community Development Division will make a zero interest loan in the amount of assistance required for the rehabilitation/replacement work to the homeowner. ~~If after fifteen (15) years the home has not been sold or title has not been transferred, the loan will be forgiven and the lien removed~~ **HCD will place a ten (10)-year lien on the property for the loan amount of \$30,000 or less, and place a fifteen (15)-year lien on the property for loan amounts that exceed \$30,000.** The loan must be repaid in full if the home is sold or title to the property changes within 15 years from the date of the loan. Only the original lien amount must be repaid. There will be no interest charged on the outstanding balance. In order to ensure repayment of the loan, HCD will place a fifteen (15)-year lien on the property in the amount of the loan. The lien must be signed by the homeowner(s) (meaning each person on

the deed) and recorded before any rehabilitation work begins. Additionally, the homeowner(s) must execute a promissory note.

7.4 Repeat Applicant (Re-entry)

An applicant who has previously received assistance may re-apply for funds provided the fifteen-year anniversary of the original assistance has been reached. HCD Staff must inspect the property to ensure that conditions exist that warrant program participation. An example of necessary repairs would include but are not limited to roofing, plumbing and electrical work. Should the City determine that conditions exist that warrant participation the applicant will be required to complete an application, meet HUD prescribed income guidelines and provide all applicable documentation.

7.5 Mortgage Placement

Mortgages for Housing Rehabilitation/Replacement Program funded by CDBG, SHIP and/or HOME should be recorded in first, second or third position, to ensure that funds can be recaptured. The City will utilize the <http://broward.org/records>, www.bcpa.net, <http://bcegov.co.broward.fl.us> website to conduct a title search.

If at the time of application, a homeowner has two existing mortgages and requests a third via their participation in the Housing Rehabilitation/ Replacement Program, an analysis of equity will be conducted. The value of the property will be estimated by multiplying the City's Tax Assessor's assessed value by the equalization ratio. The resulting figure will be compared with level of principal that has been paid by the homeowner.

7.7 Discharge of Loan Obligation

Loan Discharge/Subordination

All loans become due and payable to the City of Fort Lauderdale upon transfer of title, or when the homeowners are refinancing the mortgages on their homes. The proceeds from the loan repayments shall be placed into the City of Fort Lauderdale Program Income account. When the loan is paid, the mortgage is canceled and the lien is removed from the property.

An exception to the Subordination policy will be made at the discretion of the City if a homeowner is refinancing and all of the following conditions are met: (1) the refinancing improves the homeowner's credit; (2) repayment of the City mortgage would offset the benefits of refinancing and cause undue financial hardship on the mortgagor, and (3) the sum of all loans, mortgages, and liens does **not** exceed 95% of the current appraised value of the property (appraised within one year of the refinancing date). The City will consider each request on a case-by-case basis in order to assist the homeowner in achieving a more favorable rate. The Housing & Community Development Division is authorized to administratively process requests for mortgage subordination in accordance with the policy's guidelines.

7.8 Repaid Loans

Funds received by the Division as a result of repaid loans must be deposited in the Housing Rehabilitation/Replacement's Program Income account. Funds in this account will be used to provide additional assistance to eligible applicants. The City of Fort Lauderdale Finance Department will maintain custody of this account and the funds will be expended at the discretion of the Housing & Community Development Division Manager.

8.0 PROCEDURES

The procedures involved in implementing the program policies and guidelines as described above are explained in the following step-by-step process, which will be utilized by the Housing & Community Development Division staff.

8.1 Agency Responsibilities

The ability to provide effective service delivery to participants in the Housing Rehabilitation/Replacement program is largely dependent on the program staff. The City, through the Housing & Community Development Division, shall assist the applicant by performing the following functions:

⇒ INTAKE INFO: Applicant applies during the one of the advertised open-enrollment periods. Applications are only accepted in person and on specified dates and times as advertised. During the application in-take session, the required face-to-face interview is conducted, and the HCD staff person conducting the interview verifies that all required documentation is collected and application is received for processing.

⇒ BEGIN PROCESSING: Once application is completed and all supporting documentation received, Intake Persons begins processing the application.

⇒ WRITTEN REQUEST FOR ADDITIONAL INFORMATION: As part of the process, will request additional information, if necessary, in situations where clarification or supplemental information is necessary.

⇒ VERIFICATION OF APPLICATION INFORMATION: Intake Persons sends third party verifications to all pertinent institutions and/or individuals as required by Federal and State guidelines. Information obtained in this manner is used to determine client's eligibility for assistance.

⇒ DETERMINE APPROXIMATE VALUE OF CLIENT'S HOME: Intake Persons researches the Broward County Property Appraiser's records to locate the value assigned to the property.

⇒ TITLE INFORMATION: Intake Person researches the Broward County Public Records to ensure no pertinent liens or judgments that may affect the City's mortgage are recorded against the property. If any liens or judgments are found, Intake Persons sends applicant a letter along with a copy of the lien requesting a written explanation or documentation showing the lien or judgment has been

satisfied. The Housing Programs Supervisor and/or Housing & Community Development Manager will review all lien and judgment explanations on a case-by-case basis. All approved lien explanations will be recorded in Program Flow Chart for consistency in future reviews.

⇒DETERMINE ELIGIBILITY: All information obtained from the application, supporting documentation and third-party verifications are reviewed by the Intake Person to determine applicant's eligibility or ineligibility to participate in the program. The Resident Income Certification Form is created to document the household's income.

⇒REJECTION LETTER: If client does not meet eligibility criteria, the Intake Person sends a rejection letter is sent notifying applicant of denial and the reason for the rejection.

⇒APPROVAL LETTER: If client meets the eligibility criteria, an award letter is sent by Intake Person, notifying applicant of eligibility. A copy of the award letter is provided the client at closing and a copy is retained in the Case File. The Intake Person sends an email to notify necessary staff (financial, CRS and Housing Programs Supervisor) of the approval and to request account set-up.

⇒CLOSING DOCUMENTS PREPARED: Intake Persons prepares 2 Participation Agreements, a Mortgage (use legal description from Deed), 2 Truth in Lending Disclosures, and 2 Notice of Right to Cancel to be executed by the applicant(s), Homeowner/Contractor Agreement (for pre-construction meeting), Loan Subordination information, Lead Based Paint Notification, What To Expect During Construction Form, Recording Fee Calculator (for Financial Aide), Housing Programs Checklist, Document Routing Form, Transmittal Memo and Cover sheet. The Program Maximum Dollar Amounts are used on all documents. The amount will be modified via Modification of Mortgage at project close-out to reflect actual project expenditures.

⇒REQUIRED RECISSION PERIOD: Applicants have 3 days (72 hours) after execution the Closing Documents to notify the City in writing if they have changed their mind and are no longer interested in participating in the Program. After 3 days, the Housing Program Specialist gives the Participation Agreements, Mortgage and Note, Document Routing Form, Transmittal Memo and Cover sheet to Financial Aide.

⇒PROPERTY INSPECTION: CRS schedules an appointment and visits the client's home to conduct a thorough inspection of the property. Prior to the visit, the CRS researches the City and County property records to make a desktop determination of the property conditions. Additionally, the CRS checks for outstanding Code Violations on the property. During the inspection the CRS completes an Initial Inspection Form, reviews the list of homeowner-identified needs (if available), takes pictures of the interior and exterior, takes

measurements, and documents the general conditions of the property. If the property contains illegal structures, the homeowner must agree to have the illegal additions removed and the home returned to its original, permitted condition. Under no circumstances will illegal additions be converted to legal structures under the City program.

⇒PREPARE SCOPE OF WORK AND CONSTRUCTION DOCUMENTS: The CRS prepares a Scope of Work (work write-up) detailing what construction needs to be performed. The Scope of Work Write up is prepared within 5 business days of inspection of property.

⇒REVIEW WRITE-UP WITH APPLICANT: The CRS schedules a meeting with the applicant to ensure they are completely informed of the work to be done and what to expect during construction.

⇒REVISE WRITE-UP: The CRS revises the scope of work write-up if items are discovered during the review with the applicant that needs to be addressed.

⇒PARTICIPATION AGREEMENT AND PROGRAM DOCUMENTS APPROVED BY HCD STAFF: The applicant Case File which includes, Resident Income Certification, Checklist, Participation Agreements, Mortgages, Notes, etc., are submitted to Housing Programs Supervisor and Housing & Community Development Manager for review and approval.

⇒PARTICIPATION AGREEMENT ROUTED TO CITY HALL: Participation Agreements and Mortgages are routed to the City Attorney's Office for final approval and execution.

⇒RECORD DOCUMENTS: Housing Programs Financial Aide prepares the appropriate payment and mails the Mortgage to Broward County and has them recorded in the public records.

⇒SIGNED PARTICIPATION AGREEMENT RECEIVED: When the executed Participation Agreement is received, the HPS emails the appropriate staff and CRS to indicate the project is ready to go to bid.

⇒BID DOCUMENTS FORWARDED TO HOUSING PROGRAMS SUPERVISOR FOR APPROVAL TO BID: Within 2 business days of receiving the homeowner's approval of the Scope of Work (SOW), CRS emails the electronic SOW and Bid Transmittal Form to the Housing Programs Supervisor for approval. The Housing Programs Supervisor reviews the SOW and the Construction File to ensure all areas that were identified during the inspection are addressed and that the file is complete. The Housing Programs Supervisor dates and initials the Checklist in the Construction file and forwards the electronic SOW to Housing Financial Aide for final formatting.

⇒BID DOCUMENTS PREPARED & SENT TO PROCUREMENT: The Housing Financial Aide finalizes the SOW and Bid Transmittal Form, creates an on-line Purchase Requisition via BidSync Online (BSO) and forwards the approved Bid Documents to Procurement for posting. The CRS coordinates the Mandatory Pre-Bid Conference date and time with Homeowner and includes it in the Bid Documents.

⇒MANDATORY PRE-BID CONFERENCE: Contractors interested in bidding on the project are required to attend the pre-bid conference. During the Pre-Bid Conference the CRS conducts a walk-thru of the items to be addressed and answers Contractor's questions and concerns about the project. If there are any changes required in the project, the CRS creates an Addendum to the original Scope of Work and forwards it to Procurement for. Procurement advertises the addendum via Bid Sync.

⇒BID OPENING: Procurement receives all bids up to the deadline. After the bids are opened and tabulated Procurement notifies the CRS via email and forwards electronic copies of the Bid Tabulations and Award Recommendation.

⇒CRS REVIEW OF BID DOCUMENTS AND AWARD RECOMMENATION: Upon receipt of the Bid Tabulations from Purchasing, the CRS reviews and makes an award recommendation within 2 business days of receipt. The lowest, most responsible and responsive bidder is selected. CRS makes an award recommendation and forwards the original, signed award recommendation, evidence of a search of the EPLS website, and the entire Construction File to the Housing Programs Supervisor for approval.

⇒HOUSING PROGRAMS SUPERVISOR APROVAL OF BID RECOMMENDATION: The Housing Programs Supervisor reviews the Bid Award Recommendation, back-up documentation and Construction File prior to approval. If all supporting documents are present and the file is organized, the Housing Programs Supervisor signs the Bid Award Recommendation, initials the File Checklist and forwards the Bid Documents to the Housing Financial Aide for processing. The Construction File is returned to the CRS.

⇒SUBMITTAL OF REQUIRED CONTRACTOR INSURANCES, ETC.

The Housing Financial Aide contacts the Contractor by telephone and via email to notify them of the award. The Housing Financial Aide sends an email to the Contractor detailing the required documentation (insurances, copies, back-up, etc.) that is required for the project. The Contractor is notified that they have five (5) business days to submit the documents to HCD.

If the documents are not received within five (5) business days, the award is withdrawn, the contractor is notified in writing and the project is awarded to the next highest bidder. The next highest Contractor is then contacted the Housing Financial Aide to obtain the required the documentation

⇒AWARD OF PROJECT TO CONTRACTOR

Upon receipt of the required Contractor documentation, the Housing Financial Aide revises the Purchase Requisition in BSO to reflect the awarded Contractor's information, scans and attaches the appropriate documentation (approved Bid Award Recommendation, EPLS.gov search, and all required documents) and forwards the requisition through the electronic approval process. The Financial File is updated with all Bid Information.

⇒COORDINATION OF HOMEOWNER/CONTRACTOR MEETING: Once the appropriate information (insurance documentation, EPLS.gov search, Bid Recommendation) has been forwarded to Procurement for processing, the Housing Financial Aide sends an email to the Housing Program Specialist, Housing Programs Supervisor and CRS confirming that all appropriate Contractor documentation has been received and requests that the Homeowner/Contractor meeting be coordinated. The Intake Person contacts the awarded Contractor and Homeowner and coordinates the Mandatory Homeowner/Contractor Meeting with the Contractor, Homeowner, CRS and Housing Programs Supervisor. The Intake Person prepares the Homeowner/Contractor Agreement, Notice To Proceed and MBE/WBE Forms.

⇒HOMEOWNER/CONTRACTOR MEETING (ISSUANCE OF NOTICE TO PROCEED): The Homeowner, Contractor, Construction Review Specialist and Intake Person are required to attend the meeting. During this meeting the Construction Review Specialist reviews the Scope of Work, the Homeowner/Contractor Agreement is executed, the Homeowner signs the appropriate Building Permit Applications and Notice of Commencement. The Contractor completes the MBE/WBE Form for the project. The Original Notice to Proceed is issued only after contract execution and presented to the Contractor and copy is provided to the Homeowner.

Following the meeting, Intake Person provides a copy of the Notice To Proceed to the Construction Review Specialist and Housing Financial Aide.

⇒PRE-CONSTRUCTION CONFERENCE: The CRS coordinates and conducts a Mandatory in-home pre-construction conference with the homeowner and Contractor. The Pre-Construction Form is completed and signed by the Construction Review Specialist, Contractor, and Homeowner and submitted to the Housing Programs Supervisor for approval.

⇒CONSTRUCTION BEGINS: Once the contractor obtains all necessary permits, the CRS notifies the applicant of the need to relocate (if necessary). Applicants are encouraged to stay with family or friends.

⇒CONTRACTOR PAYMENT REQUESTS: Contractors are limited to three (3) payment requests during the course of a project. Payment requests are processed at work completion of approximately 30%, 35% and the Final Payment request. The City will "hold back" or retain 10% of requested payment. Upon

successful completion of the project, the retainage will be released along with the Final Payment. Contractors must submit an original invoice/payment request to the Housing & Community Development Division. The payment request will be date stamped by City Staff and given to the appropriate CRS. Upon receipt, the CRS will perform a site inspection; take pictures (with captions and dates). The CRS will prepare a Payment Analysis Form and Pay Request. The payment request is required to be signed by the Homeowner, Contractor and CRS. The signed Pay Request, Payment Analysis Form and Contractor Invoice are submitted to the Housing Programs Supervisor along with the Construction File document the progress of the project. The Housing Programs Supervisor Reviews the payment request and Construction File. If all documentation is in order, the Housing Programs Supervisor signs and dates the Payment Request Form and dates and initials the Checklist. The Construction File is returned to the CRS and the Payment Request is forwarded to the Housing Financial Aide for processing.

⇒PROCESSING OF CONTRACTOR PAYMENTS: Upon receipt of the approved Payment Request, the Housing Financial Aide verifies the payment, verifies the funds in the City's financial system (FAMIS) and submits the documents to the Financial Administrative Assistant for funds approval. Upon approval by the Financial Administrative Assistant, the Housing Financial Aide scans the Payment Request and supporting documents (Payment Analysis, Invoice, etc.,). An electronic Partial Payment Request is created in BSO and the payment document is attached. The Payment Request is routed through the electronic approval process (Housing Programs Supervisor, Grants Accountant, Housing Programs Supervisor, Finance/Accounts Payable Department) for approval. Once a check is issued, it is forwarded to the Housing Financial Aide who makes a copy of the check and contacts the Contractor for pick-up. The Construction Review Specialist and/or the Housing Programs Supervisor are the only staff persons who are able to sign the copy of the check to authorize the release of the payment to the Contractor. The Contractor is required to sign and date the copy to document receipt of the check. A signed copy of the check is retained in the Financial File.

⇒CHANGE ORDERS: The CRS prepares Change Orders, if necessary, and obtains necessary signatures of homeowners, Contractor and Housing Programs Supervisor. The Change Orders are initiated in the field by the homeowner, Contractor, and Construction Review Specialist. The Change Order is used to amend the original contract. There shall be no changes made in the contracted work to be performed without the prior expressed, written approval of the City. The procedures for obtaining approval on such changes shall be by written request for Change Orders. These official requests for change orders are required to be explicit and must be jointly submitted by the homeowner and the Contractor involved (bearing both signatures). Any and all variations in the contract must be documented in this manner, including those, which do not require changes in dollar amount. It shall not be the policy of the City to execute or approve Change Orders after the fact. Any Contractor who makes changes to

for performs work outside of Scope of Work without written City approval risks the possibility of not being compensated for the work performed in addition to being held to the original contract.

⇒CHANGE ORDERS APPROVALS: Change Orders may be approved where financial conditions allow for cases in which repairs to bring the unit to program standards were not included in the original specifications, or for unexpected repairs brought to attention during the construction process. All Change Orders must include a description of the work to be performed and the item-by-item cost. The Change Order is used to amend the original rehabilitation contract, and to handle unexpected additions or deletions to the contract, which will raise or lower the cost and/or amend the work to be performed. Since Change Orders may change the cost of the contract, any modifications or combination of modifications that exceed ten percent (10%) of the contract amount may, at the City's option, be publicly bid or price quotations may be obtained from a minimum of three (3) vendors in order to insure that a fair and competitive price is obtained. Prior to approval of the Change Order, the Construction Review Specialist, by site visit, written report and clearly marked pictures (with captions and dates), will document the requested Change Order and provide recommendation regarding requested Change Order. For approval to be given, it must be signed by the homeowner, Contractor, Construction Review Specialist, and the Housing Programs Supervisor. The Change Order and Construction file must be submitted to the Housing Programs Supervisor for approval. Upon approval the Change Order request forwarded to the Financial Aide who in turn repeats the Purchase Requisition process to increase the allocation for the project.

⇒CONSTRUCTION COMPLETED: The CRS will inspect the construction throughout the process until completion, instructing the Contractor to make corrections to the work as needed. A minimum of two (2) inspections per week must be performed by the CRS. Each site visit/inspection must be documented in the Construction File via Inspection Notes and clearly marked pictures (with captions and dates). Work performed by the Contractor must pass all Building Department inspections.

⇒PUNCH LIST CORRECTIONS: Only if applicable, and at the final stages of the project, the CRS conducts an inspection and prepares a Punch List of items that need to be addressed. The Contractor Is required to correct the items on the Punch list prior to the Final Inspection. If during the Final Inspection all punch list items have not been addressed, the CRS prepares another Punch List and allows the Contractor to correct the deficiencies. Once the deficiencies are corrected, the CRS schedules the Final Inspection.

⇒FINAL INSPECTION; CERTIFICATE OF OCCUPANCY & WARRANTIES: CRS conducts a Final Inspection of the property with the Homeowner and Contractor. The CRS documents the completion of the project via pictures (with captions and dates). The CRS must take the Scope of Work to the site and

compare the work done against the Scope. If all work indicated in the Scope of Work is complete, the CRS has the Homeowner sign the Final Inspection/Certificate of Completion Form. The Contractor signs the Warranty and Release of Lien documents. All warranties and the stamped permit indicating all work has been inspected and approved by the Building Department are provided to the Homeowner and the CRS.

⇒FINAL PAYMENT REQUEST: The Contractor submits an original invoice to HCD for final payment. HCD staff or CRS date stamps the invoice and forwards to the appropriate CRS. Within two (2) business days of receipt, the CRS prepares Final Payment Request Form and Final Payment Analysis. The Homeowner, Contractor and CRS sign the Payment Request. The Payment Request, pictures of the project, warranties, Releases of Lien, Final Inspection Form, etc. and the Construction File are submitted to the Housing Programs Supervisor for approval. Once approved the documents are forwarded to the Financial Aide for payment. Prior to receipt of the Final Payment all Contractors are required to submit a completed Section 3 Report for the project.

⇒PREPARE MODIFICATION OF MORTGAGE: Upon completion of the project, The Intake Person prepares a Modification of Mortgage and Note to reflect the actual project expenditures. The Homeowner is contacted to come to the office to sign the Modification of Mortgage.

⇒RECORD MODIFICATION: Financial Aide prepares a Vouchers Payable Payment Request for the recording fees for the Modification of Mortgage and Note. The Vouchers Payable is submitted to the Housing Programs Supervisor for approval. It is then forwarded to the Financial Administrative Assistant, Grants Accountant and Housing Programs Manager for approval. The documents are forwarded to the Finance Department for final approval and the check is returned to the Housing Financial Aide. The Housing Financial Aide coordinates with the Construction Review Specialist to hand-deliver the Modification of Mortgage and Note to Broward County for recording in the public records. The original Modification of Mortgage and Note are retained in the Case File.

8.2 Record Keeping

⇒Accurate files and records are to be maintained on each applicant by the City. All documentation pertinent to the applicant shall be included. Maximum confidentiality of the property owner's personal data shall be maintained.

⇒Period of record retention: All files must be retained for the most recent five (5) years beyond the closeout date of the Annual CDBG/SHIP/HOME funds in which the funds were provided (24 CFR Part 92.508(5)(c)).

⇒Written agreements must be retained for five years after the agreement terminates (24 CFR Part 92.508(5)(c)(4)).

⇒ A separate file shall be maintained on Contractors. All files and records shall be opened for inspection as to qualifications, contracting procedures, inspections of work and payment.

9.0 ELIGIBILITY REQUIREMENTS

9.1 Ownership Requirements

⇒ To be eligible for a rehabilitation/replacement loan, the applicant must own and occupy as a principal residence the residential unit, which is to be rehabilitated. Ownership must be verified as part of the eligibility determination.

⇒ Spousal Signature: All spouses must sign the mortgage, regardless of whether or not the spouse is a co-owner or resides in the home.

⇒ Co-Owners who do not reside in residence: If a co-owner of a home is permanently removed from the household, his/her income will not be counted toward household income as long as the applicant can provide documentation that the co-owner does not live in the household. All co-owners, however, must sign the Substantial Housing Rehabilitation/Replacement Program Mortgage.

⇒ Owners participating in this program are required to repay the balance of the loan amounts immediately upon the sale, transfer or lease of the property rehabilitated during the term of the loan. Annual certifications of continued ownership and occupancy are required of the homeowner. Loans made under this program shall be secured by a mortgage and promissory note recorded against the property.

9.2 Income Requirements

⇒ Any regular income by any family member or person who resides in the dwelling unit of the applicant and/or is owner of the property will be counted as gross household income. Savings and verification of income shall be obtained from applicant's employers, welfare, retirement, federal income tax returns, and employment W-2's, check stubs, social security agencies, as well as banks and other financial institutions as necessary. The applicant is required to produce copy of most recent Federal tax returns, as well as other documents as may be requested, with submission of the application.

9.3 Hazard Insurance

⇒ The homeowner is required to maintain hazard insurance on the property throughout the life of the loan. A copy of the insurance certificate from the insurance company, naming the City as an insured on the policy, shall be used to document the requirement and retained the rehabilitation case file. The homeowner shall be counseled prior to application approval of this requirement, and where practicable, the initial may be provided as part of the loan benefits.

⇒ Hazard insurance must cover the after-rehabilitation value of the property, and the City must be named as a Mortgage Holder on the policy.

9.4 Flood Insurance

⇒ If the property is located in a flood hazard area, the homeowner is required to secure and maintain a policy of flood insurance on the dwelling unit throughout the term of the loan. In such cases, all rehabilitation construction shall comply with appropriate FIA and related executive orders.

⇒ Flood insurance must cover the after-rehabilitation value of the property, and the City must be named as an insured on the policy.

10.0 UNDERWRITING PROCEDURES

10.1 Selection Procedures

Homeowner Inquires

⇒ Applications are only available during open-application periods. The Open Application Cycle is advertised in the local newspaper and provides details regarding the application packet availability (dates, times and locations where applications are available) and dates and time to submit application and required documents.

⇒ The Housing & Community Development Division receives applications only on previous advertised application In-Take dates and times. Applications are received on a on a first-come, first-qualified, first-served basis and are given a number by HCD staff to indicate the order in which the application was received.

⇒ After each application has been received, it is processed in the order it was received during the in-take session(s). The Intake Person shall place the applicant's name on a selection list. Applicants shall be selected in order from the list for subsequent processing and loan award.

⇒ Applicants shall be processed on a first ready, first qualified, first served basis relative to submission of and receipt of a complete application and all required documentation (verification of ownership, income, etc.). Applications not approved within twelve (12) months of initial submission shall be updated as determined necessary by the agency prior to final approval.

⇒ The final approval of loan recipients shall be authorized by the Housing Programs Supervisor or the Housing & Community Development Manager, is subject to the policies outlined in this program, and subject to Commission authorization to execute required agreements.

10.2 Ineligibility

1. Ineligible improvements include, but may not be limited to, additions requested to increase the square footage of the house, swimming pools, window air conditioner units (unless structurally necessary), clothes washers, clothes dryers, dishwashers, microwaves, non-essential items, luxury items, etc.

2. In the event that an applicant is determined to be ineligible for a rehabilitation loan, the applicant shall be notified in writing of the disposition of the application.

10.3 Withdrawal of Application

1. The applicant may withdraw the application for any reasons whatsoever prior to execution of the loan agreements. In such event, a memo to the file shall be prepared to document the withdrawal and show the date of notice and the effective date of that withdrawal. The file shall be officially **CLOSED**.
2. The homeowner shall be liable to the Contractor for any work performed after cancellation (material cost or percent of completion), unless otherwise agreed to by the City. The owner shall repay funds already spent under the terms of the loan repayment schedule.

10.4 Nondiscrimination and Equal Opportunity

Each applicant applying for assistance under this program shall receive equal consideration regardless of race, creed, sex, national origin, family size, marital status, and handicap conditions.

10.5 Repeat Applicant (Re-entry)

An applicant who has previously received assistance may re-apply for funds in the event an emergency situation exists, provided the fifteen-year anniversary of the original assistance has been reached. The Division must inspect the property to ensure that an emergent condition exists. An example of emergency repairs would include but not be limited to roofing, plumbing and electrical work. Should the City determine that an emergent situation exists the applicant would be required to complete an application, meet HUD prescribed income guidelines and provide all applicable documentation.

10.6 Environmental Review

Office staff will complete the applicable Environmental Review(ER) if HOME, or CDBG Funds are being used. The ER must be completed by the CRS before funds will be completed to the Project.

The completed work write-up along with the requisite photographs will be sent to the State Office of Florida Heritage (FLDEP) for Section 106 Historic Review and to the Fort Lauderdale Historic Preservation Commission (HPC) prior to seeking contractors' proposals.

In addition, the State Historical Preservation Office will review any homes over 50 years old outside designated Historic Districts. Following the 106 reviews and the

issuance of a Certificate of Appropriateness by the HPC, the work write-up may be revised to reflect any historic rehabilitation recommendations.

10.7 Promotion

Efforts to make the public aware of the existence of the City of Fort Lauderdale's Substantial Housing Rehabilitation/Replacement Program will consist of the following: periodic display ads in local newspapers, such as the local print media; and flyers. Program fliers will be periodically distributed and targeted for neighborhoods of noticeable rehabilitation need. Typical program promotion will be two fold, the main thrust of which is to increase homeowner consciousness relative to program availability. Secondly, program promotion will be utilized to attract qualified Contractors and particularly, contractors residing within the City of Fort Lauderdale, and/or women and minority owned businesses.

10.8 Fraud Policy

Housing & Community Development Office will request guidance from the City Attorney's Office on any questions or evidence regarding possible misrepresentation of facts by applicants.

10.9 Subordination Requests

The City of Fort Lauderdale's current policy allows for subordination of its Housing Assistance Program mortgage if the new mortgage will provide benefits, such as lowering the interest rate and/or housing payment that is sufficient to offset the cost of refinancing. The client may not consolidate debts or receive any "Cash Out" in the transaction. In general, the City will require that its original mortgage position be maintained and that taxes and insurance payments be escrowed. This policy is subject to change based on foreclosure statistics and additional information from Florida Housing Finance Corporation and/or Florida Housing Coalition.

11.0 REPLACEMENT HOME PROCEDURES

11.1 Demolition

The Construction Review Specialist will prepare demolition specifications, which will be included in the Replacement Housing Construction specification package that is sent to potential bidding Contractors. Upon successful award the project, the Contractor will request a demolition order from the Planning Building and Zoning Department. The Contractor shall be responsible for protecting, and/or replacing, any utility meter, existing fencing, and trees. A tree removal permit and/or fees may be required for necessary removal of tree(s) that are on the State of Florida protected list or are protected by city ordinance. The Contractor shall remove all related demolition debris from the premises prior to release of final payment. Ordinarily, a demolition payment request will precede construction

of the new house. However, in the event that the lot size will accommodate the new construction without the necessity of first demolishing the existing structure, payment will be requested after demolition which will occur at the end of the new house construction period, in order for the homeowner to remain there until completion.

This phase of the Substantial Housing Replacement/Rehabilitation Program shall comply with the following procedures:

Construction Review Specialist shall inspect the existing property and provide recommended construction specifications based on the lot and family size. After approval by the Housing Programs Supervisor, the homeowner will review the new housing specifications with the Construction Staff.

The bid process for a Replacement House is the same procedures as required for all Rehabilitation Projects. The bid will be based on a turnkey price, which will include demolition, permits, surveys, waste hookup, water/electric meter/hookups if applicable, compliance with all code or ordinance requirements from the City that may be required, (i.e., site plan, sealed architectural drawings), and the cost of the newly constructed unit. Temporary utility hookups during the construction period are the responsibility of the Contractor.

11.2 Moving and Storage

The Construction Review Specialist will include a line item in the Scope of Work that requires the Contractors to provide for the storage of the homeowner's household's household goods during the project. The owner will be advised to discard obsolete items prior to moving. If the Homeowner is required to relocate they are responsible for their own temporary living accommodations during the Rehabilitation Process.

12.0 BID REQUIREMENTS

12.1 Work Specifications and Bids

1. The final work write-up (Scope of Work) prepared by the City's CRS shall be basis for the specifications to solicit bids from Contractors. Contractor bids must include all items on the work write-up. Each work item, including alternates, shall be priced out in the bid. Failure to include a price for a work item shall mean the Contractor, at no cost to the homeowner or the City, will perform that particular work item.

2. Each specification in the construction document shall be written so that it provides a clear understanding of the nature and scope of the work to be

performed. Each specification shall show the nature and location of the work and quality and type of material required. References to manufacturer's brand name may be used to identify the quality of the material or equipment required, only substitutes as approved the Housing & Community Development Division are acceptable. The CRS is required to incorporate Green Building and Energy Star appliances and fixtures into all Scope of Work write-ups.

3. Approved Contractors are automatically notified via an electronic message from BidSync of all bidding opportunities. Bid packages are electronically obtained from the City's contracted on-line bidding system, BidSync, which handles the bidding process. The bid process includes the following steps:

- a. Electronic publication of notice to approved Contractors regarding availability of project for bidding.
- b. Interested contractors secure bid packets on-line.
- c. Contractor's attendance at a Mandatory Pre-Bid Meeting to inspect property condition in order to prepare cost proposals.
- d. Contractors provide on-line bids via BidSync to the City's Procurement Department not later than the time and date specified in the bid documents.
- e. Bids shall be reviewed and tabulated with contract award recommended to the most responsive and responsible low bidder within the guidelines of the Housing Replacement/Rehabilitation Policies and Procedures.
- f. In the event of a tie bid, preference shall be given as follows:
 - Section 3 Certified Business Concern
 - Business address located within Fort Lauderdale business, and
 - Evaluation of past performance with program.
- g. The Contractor must certify his bid for ninety- (90) days and must be willing to perform the job, at the bid price, upon receipt of a Notice to Proceed issued within the ninety- (90) day period. Any contractor who fails to honor his bid will be temporarily denied the right to participate in the City's Housing Rehabilitation/Replacement Program for six months for the first occurrence and one year for the second occurrence. If there is a third instance, the Contractor shall be permanently removed from the program.
- h. If a bid other than the low bid is selected, a statement of the reason for selecting other than the low bid will be maintained in the applicant's file.

- i. The agency shall have the option of disallowing bids, which vary from the original work write-up and cost estimate by 10% or more.
3. Prospective Contractors shall be provided a copy of the work write-up and rehabilitation specifications, supplemental program documents and Housing Rehabilitation/Replacement Program Policies and Procedures. Contractors are responsible for reading all program information carefully and are fully responsible for compliance with all local, State and Federal program policies and procedures.

12.2 Construction

1. The Contractor will be issued a Notice to Proceed by the Housing & Community Development Division upon execution of the Homeowner/Contractor Agreement. No work is to begin prior to receipt of the Notice to Proceed. Prior to issuance of the Notice, the Contractor is required to provide HCD with evidence of adequate insurance and apply for all building permits as may be necessary and required (electrical, plumbing, heating, mechanical, construction, etc.) by the City's Building Department, Broward County Building Department and other agency related to obtaining the required permits and approval for the project. Construction must begin within ten (10) days of the issuance of the appropriate Building Permit. Permits are to include the appropriate project valuation amounts and copies presented to HCD or may be obtained from the City's on-line Building Permit System. Permits are to be visibly posted at the job site.
2. The Contractor is responsible for obtaining inspection(s) from the City's Building Department for all items requiring such inspections and providing certificates of acceptance inspection(s) from the Department as required by City and State regulations.
3. Failure to comply with Program rules may result in termination of the contract at the decision of the City and the homeowner.
4. No rehabilitation work shall be initiated without the necessary approvals (i.e., contract documents, permits, Notice to Proceed).
5. All Contractors performing work are required to be licensed in accordance with City, County and State regulations.
6. The Contractor shall obtain and present evidence of liability insurance, and workman's compensation insurance coverage, if required, in amounts acceptable to City's Risk Manager and as documented by the Housing and Community Development Division prior to being issued a Notice to Proceed.

13.0 CONTRACTOR ELIGIBILITY

13.1 Solicitation

1. General solicitation shall be placed in area newspapers in an effort to recruit Contractors for participation in the program. Program staff must first certify all Contractors participating in the Housing Rehabilitation/Replacement Program. Certification consists of a review of the Contractor's past performance with the Better Business Bureau and references from parties for whom the contractor has worked. A business credit review is required in an effort to determine the financial capacity of the Contractor. Contractors must show and maintain the financial capacity to carry at least one (1) project. All Contractors and company representatives are checked in the EPLS.gov website to confirm they have not been debarred from participation in federal programs.
2. Interested Contractors must complete a Contractor's Qualifications form. Any eligible Contractor must provide his/her Contractor's identification number prior to being certified or approved for participation in the Program.
3. Contractors receiving certification shall remain probationary until such time that Contractor satisfactorily completes one (1) project under the Program. During this period, Contractors will be eligible to bid and perform work on only one (1) project. Should the Contractor's performance during the probationary period be unsatisfactory, the Contractor shall be removed from the program.
4. Satisfactory performance is evaluated on the Contractor's ability to:
 - a. Perform quality work
 - b. Complete work on time
 - c. Organize and coordinate construction tradesmen
 - d. Communicate well with others
 - e. Operate a business satisfactorily
 - f. Keep appointments with homeowners
 - g. Make him/herself available for inspections, meetings, etc.
 - h. Follow-up on complaints
 - i. Negotiate timely resolution of disagreements
 - j. Respect of homeowners property
 - k. Be honest in business practices
 - l. Financially meet his obligations
 - m. Conduct him or herself in a professional and respectable manner at all times
5. Contractors who are furnished with bid information and do not respond for five consecutive announcements shall be dropped from the Contractor List and will be required to reapply for future program consideration.

14.0 CONTRACTING AND CONSTRUCTION MANAGEMENT

14.1 Construction Contract

1. The contracts for rehabilitation/replacement will be executed between the Homeowner and the Contractor.

- a. Rehabilitation projects shall be completed within fifty (50) working days from the issuance of the Building Permit.
 - b. Replacement House projects shall be completed within one hundred and twenty (120) working days from the issuance of the Building Permit
2. Any time extensions must be made in writing prior to the initial completion date and may only be approved in writing by the Construction Review Specialist and Housing Programs Supervisor.
3. The Construction Review Specialist will make regular inspections (at least two (2) per week per case) and, upon request for payment, make a special inspection. During inspection, the Construction Review Specialist will:
 - a. Walk through the house with the homeowner and observe the improvements that have been completed. The Contractor will be present during this walk through whenever possible.
 - b. Check to see that the work completed corresponds to the Scope of Work write-up.
 - c. Record the work line items completed that will be used as the basis for determining the appropriate payment based on the line item cost estimate on contractor cost proposal.
 - d. Sign the payment request as appropriate.
 - e. Provide a written inspection report along with pictures (with captions and dates)
 - f. Obtain the necessary Warranties and Releases of Lien if this is final inspection.

14.2 Payment to Contractor

1. Payments are not automatic in nature and shall be made only after inspection of the work items reveals that work was performed satisfactorily and is accepted. Contractors shall utilize the form provided by HCD in requesting payments. Contractors will be paid for work items satisfactorily completed. Pay requests shall be reviewed against previous payments to assure that duplicate payments are not provided. The contractor shall provide a notarized Partial Release of Lien with each pay request and prior to release of funds to the Contractor. A 10% retainer shall be withheld from each payment until all work is satisfactorily completed and all subcontractors/suppliers/material men/laborers have provided partial and/or final release of liens. A maximum of three (3) payment requests will be processed for each project. Requests for payment will be considered in increments of not less than 1/3 of contract amounts (at 30% completion, 35% completion and the Final Payment).
2. Prior to final payment, the Construction Review Specialist will inspect the unit to determine that all items on the work write-up and any Change Orders have all been completed and are in compliance. If the CRS

- determines that all work has been finished properly, a Final Inspection Form showing homeowner's acceptance shall be executed.
3. The Financial Aide will process the Request for Payment by comparing the request amount to the draw schedule, checking the homeowner's signature, and verifying receipt of all Waiver of Liens. The public records will be searched for perfected liens before proceeding to process Final payment. The Financial Aide will then sign the request if properly executed and finalize pay request for submittal to the Housing Program Supervisor for review and final recommendation.
 4. The Program Supervisor will recommend check request with the following approved supportive documentation, as described below:
 - a. Partial Waiver of Lien-Subcontractor Form; and/or
 - b. Final Release of Lien-Subcontractors, Material men and Laborers Form;
 - c. Evidence of appropriate inspection(s) by the Building Department and CRS.
 5. Checks will only be issued in the name of the primary Contractor.
 6. Final acceptance of the work by the homeowner will be by executing Final Inspection/Certificate of Completion. Retainage may be released after satisfactory completion of all work and the contractor provides notarized final release of liens from all subcontractors, suppliers, material men, and laborers.

14.3 Contractor Termination

1. If the Contractor fails to honor any of the terms of the contract, causes unreasonable delay, or otherwise does not perform as required, he shall be placed in default of contract and, also automatically be placed in suspended program participation status. Under such circumstances, a new Contractor shall be engaged to complete the remaining work from the existing contract. All pending payment to the defaulting contractor shall be withheld and used as necessary to complete the construction work. Any contractor placed in default may also be barred from further participation in the program. The Contractor and all affected parties shall be notified, in writing, of this default and the corrective action to be taken. The City and/or the homeowner may take legal action for specific performance or to recover additional funds expended against the defaulting Contractor.
2. Any Contractor may be suspended from program participation for a limited period of time pending an investigation to determine if there is cause to debar pursuant to a complaint registered by the homeowner and filed with the City, State, or with HUD. During the period of suspension, the Contractor will not be allowed to submit a bid or be awarded any new contracts. The City shall make every effort to conclude the necessary investigation and/or resolve the complaint; findings of sufficient gravity will automatically result in an appropriate disbarment action.

3. The program shall maintain a Contractor Ineligibility List, which shall contain the names, addresses, and applicable period of ineligibility for contractors debarred from program participation. Contractors may be debarred for reasons including, but limited to the following:
 - a. Willful violation of the conditions of the program participation,
 - b. Willful violation of contract performance relative to work specifications and completion date,
 - c. An established record of failure to perform or of unsatisfactory performance.
 - d. Any other reason of such serious compelling nature affecting the contractor's responsibility of which indicates a lack of business integrity or honesty.
 - e. Refusal to honor warranties.
 - f. Failure to perform work in a workmanlike manner.
 - g. Failure to complete a contract or failure to make every attempt to fulfill the contractual obligations.
 - h. Failure to adhere to an established time schedule for work completion.
 - i. Failure to honor a bid.
 - j. Failure to maintain a professional working relationship with the client and City Program.
 - k. Failure to comply with all the requirements of the Rehabilitation Contract and related documents.
 - l. Discrimination against, or denial of employment to, any individual in the performance of any rehabilitation contract on the grounds of race, color, national origin, age, sex, handicap, belief or political affiliation, in violation of Title V and VII of the Civil Rights Act (42 USC 2000d) and the Age Discrimination in Employment Act (29 USC 794).
 - m. Collusion between the homeowner, contractor or other party involving kickback or other mutual effort to fix a bid in violation of the Copeland Anti-Kickback Act (18 USC 874 as supplemented by 29 CFR Part 3).
4. The existence of any of the causes set forth above does not necessarily require that a Contractor be excluded from program participation. In each instance, whether the offense or failure, or inadequacy of performance is of a criminal, fraudulent, or other serious nature, the decision to debar shall be made within the discretion of the program and shall be rendered in the best interest of the program and the City. Likewise, all mitigating factors may be considered.
5. The decision to debar a contractor shall be determined by the Housing & Community Development Division Manager or designee based upon the investigation and recommendation of program staff. A criminal or fraudulent conviction record shall be sufficient to justify disbarment action.

This decision shall be submitted to HUD to recommend that the contractor be temporarily denied the right to participate in other HUD programs and in other localities.

6. The period of disbarment shall be determined consistent with the gravity of offense, failure or inadequacy of performance, but shall not exceed five years in length.
7. Any Contractor placed in default, is suspended or debarred from program participation, and shall be notified in writing by electronic mail, regular US mail, registered or certified mail, return receipt requested.

14.4 Contract Warranties

1. In general, warranty of work is as follows:
 - a. One-year warranty for materials provided and workmanship of contractor and his assignors as indicated in the approved specifications.
 - b. Five-year warranty of workmanship for roof covering by contractor in accordance with manufacturer's recommendation for installation of asphalt tab shingle.
 - c. Contractor shall provide to homeowner the manufacturer warranties for all appliances, fans, mechanical equipment, water heater, etc., and said items shall be covered by a period of warranty by the individual manufacturer.

15.0 ACCEPTANCE AND CLOSEOUT PROCEDURES

15.1 Case File Closing Process

⇒ Upon completion of the replacement or rehabilitation work and receipt of the Contractor's invoice containing his certification of satisfactory completion of all the work in accordance with the contract and his warranty, HCD shall arrange for inspection of the completed work.

⇒ Following the contractor's final payment, the replacement or rehabilitation mortgage documents are filed and recorded with the Broward County Public Records Division. Once recorded, the original documents are returned to HCD, where they are filed in the Case File.

⇒ In closing out the rehabilitation file, the homeowner shall be provided copies of the final papers, the disposition of the file marked **COMPLETE** or **CASE CLOSED** and the file closed and retained intact for auditing purposes.

⇒ The Intake Person will review all files and combine the Case, Financial and Construction Files. The Housing Programs Supervisor shall review each file prior to close out ensure that all necessary documentation is in place.

⇒ Period of record retention: All files must be retained for the most recent five (5) years beyond the closeout date of the Annual SHIP/HOME/CDBG funds in which the funds were provided (24 CFR Part 92.508(5)(c)).

⇒Written agreements must be retained for five years after the agreement terminates (24 CFR Part 92.508(5)(c)(4)).

⇒Homeowners in need of counseling and/or training in order to maintain their properties will be provided such. The Program Supervisor will assure the provision of counseling as needed and prepare a program of maintenance training for the homeowner.

16.0 DISPUTE RESOLUTION

1. All grievances related to the Replacement/Rehabilitation program shall be initially referred to the Housing Programs Supervisor, with documentation and recommendations of actions necessary to resolve the grievance, if appropriate. Every effort shall be made to resolve grievances as soon as they become known. If a Homeowner or Contractor is not satisfied with the initial response taken to resolve the grievance, the homeowner and/or Contractor must submit a written description of the grievance to the Housing & Community Development Division Manager or designee who will respond in writing within ten (10) working days.
2. If a grievance related to post-construction work deficiencies is received, the Housing Program Supervisor will address the grievance within ten (10) working days using the following procedures:
 - a. Identify and document the particulars of the grievance.
 - b. Assess if the deficiency is due to negligence of the Contractor.
 - c. Determine status of warranty.
 - d. Document the Housing & Community Development's assessment to both Homeowner and Contractor; if warranted, take corrective action that will resolve the dispute.
3. If the dispute is determined to be valid and the Contractor has not addressed the dispute in a reasonable period of time, the Contractor shall be suspended from program participation pending corrective action.
4. Corrective repair work may be initiated by the Housing Programs Supervisor if any emergency or extremely hazardous conditions exist or if the Contractor fails to show good faith at correcting the problem within the time limit provided to him.
5. If the dispute is not valid, the Homeowner will be so notified in writing. Homeowners are to be encouraged to contact the Contractor directly in an attempt to resolve construction concerns prior to contacting the Housing & Community Development Division.
6. If a grievance related to program policies or procedures is received, the Housing Programs Supervisor or designee will respond in writing. The

response will explain applicable policy when necessary and specify corrective action if any is required.

7. Under the terms of the Construction Agreement, the City has the authority to decide all questions relative to the interpretation of any contract documents and fulfillment of the construction contract as to the character, quality, amount and value of any work done and materials furnished under the contract. City decisions regarding all claims, questions and disputes shall be final. If either party contests the City finding, they will have thirty-(30) days to file a grievance with the appropriate court. Non-compliance will invoke the City's final decision.

17.0 Equal Opportunity

The Contractor shall take affirmative action to ensure that employees and applicants for employment are treated without regard to their race, color, religion, sex, national origin, age, or disability. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor also agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth provisions of this non-discrimination clause.

In all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, or disability.

The contractor shall comply with the provisions of Federal Executive Order 11246 of 1965 as amended by Federal Executive Order 11375 of 1967 and the Equal Employment Opportunity Act of 1972. The contractor may be requested to furnish information and reports requested by The Program or the U.S. Department of Housing and Urban Development to ascertain compliance with such rules, regulations or requests, or with this non-discrimination clause.

17.1 Conflict of Interest

In order to avoid personal conflict of interest in awarding contracts or making purchases of property or service under this program:

1. No contract or procurement will be made with any organization in which any person in an administrative capacity may benefit unless specifically authorized by the Board of Directors in conformity with applicable federal, state and local laws.
2. No contract or procurement will be made to any organization in which

an immediate family member of a person in an administrative capacity with our program may benefit unless authorized in writing to do so by the Board of Directors.

3. No employee or board official shall solicit or accept gratuities, favors or anything of monetary value from contractors, providers or potential sub-contractors.

18.0 Office Visits

Office hours are generally 8:00 a.m. to 5:00 p.m. Monday through Friday.

19.0 Conclusion

If the procedures described in this manual are followed, the City of Fort Lauderdale's Housing Rehabilitation/Replacement Program should operate smoothly and effectively. Where it is found that a new procedure will eliminate a recurring problem, that procedure may be incorporated into the program operation. In addition, this manual will be periodically revised to reflect changes in local; State and federal policies and regulations relative to State Initiatives Housing Program (SHIP), Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME Program) funded Housing Rehabilitation/Replacement Programs.