



**Department of Public Works
Planning Division
Housing and Community Development**

**Owner-Occupied Rehabilitation Program
Policy and Procedures Manual**

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The County of Gloucester complies with all state and federal rules and regulations and does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex in admission to, access to, or operations of its programs, services, activities or in its employment practices. In addition, Gloucester County encourages the participation of people with disabilities in its programs and activities and offers special services to all County residents 60 years of age or older. Inquiries regarding compliance may be directed to the EEO Office at (856) 384-6903 or through the County's ADA Coordinator at (856) 384-6842/New Jersey Relay Service 711

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I. PURPOSE

The basic goals of the Gloucester County Owner-Occupied Rehabilitation Program (“Program”) are:

- to bring the eligible homeowner’s dwelling into compliance with applicable locally adopted housing rehabilitation standards thereby reducing ongoing and future maintenance costs for the homeowner,
- to promote energy efficiency, and preserving affordable owner-occupied housing within the county,
- to provide safe, decent housing for qualified lower income homeowners,
- to stimulate broad interest in neighborhood preservation,
- to partner with other programs for maximum impact to achieve these goals.

The Program will assist in providing decent, safe and sanitary housing for the citizens of the County whose primary residence are in need of repair but lack the resources to make these repairs. With competing requests for the available federal assistance, it continues to be difficult to meet the needs of all citizens requiring help. As a result, the County has established a subsidy limit up to \$25,000.00. This amount may be amended at the discretion of the County based on funding availability and program policy requirements.

II. PROGRAM ADMINISTRATION

The Program is funded by federal grant funds awarded to the County of Gloucester by the U.S. Department of Housing and Urban Development (HUD) and/or the U.S. Department of Agriculture (USDA) through the Community Development Block Grant (CDBG) Program, the HOME Investment Partnership Program, and/or USDA Housing Preservation Grant (HPG).

The Gloucester County Office of Housing and Community Development (HCD) under the Planning Division of the County will administer the Program and is responsible for executing all program activities in compliance with the adopted policies, procedures, and applicable HUD regulations and is responsible for general oversight of the program, which include policy oversight and community relations issues associated with the program. All policies contained herein become effective on the date of adoption by the Gloucester County Board of Chosen Freeholders and apply to all current and future applicants.

Program funds are issued to contractors that perform specified repairs to the dwellings of eligible homeowners. The total amount of the repairs to a dwelling is secured to the property in the form of loan that is partially forgivable.

Except for special needs circumstances, in the event the rehabilitation exceeds this amount the County may deny assistance to that homeowner. Additionally the County can amend the scope of work to be undertaken. Each instance will be evaluated on a case-by-case basis.

III. PROGRAM MARKETING AND OUTREACH

The County of Gloucester will continually apply and implement a program marketing plan consistent with the following objectives:

- publicize the program to interested and potentially qualified clients,
- affirmatively market the program to minorities, persons with disabilities or other protected groups, and
- meet all State of New Jersey Fair Housing Requirements.

To insure that those citizens for whom the rehabilitation program is designed are aware of the assistance that is available the County shall provide a written brochure that summarizes the Program and the qualification criteria, periodic press releases to show the progress of the Program, interface with social service agencies that may be able to refer applicants and conduct periodic meetings with interested groups.

IV. RESPONSIBILITIES OF THE OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

The County's Planning Division through the Office of Housing and Community Development (HCD) is responsible for administering and implementing the program pursuant to Section 105(a) of the Housing and Community Development Act of 1974 (HCDA) and 24 CFR 570.202 as it pertains to eligible rehabilitation and preservation activities and Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and HUD's implementing Regulations (24 CFR Parts 8 and 100, respectively), which prohibit discrimination based on disability. The HCD is responsible for administering the program in a professional manner that ensures maximum effectiveness, and efficiency. The HCD is also responsible for the following with regard to individual rehabilitation projects:

- a) application intake, eligibility review, verification of documentation, and loan approval determination,
- b) communicating with the homeowner and contractor regarding all administrative procedures that affect completion of the work on behalf of the homeowner,
- c) making reasonable accommodation with both parties regarding scheduling of inspections,
- d) documenting project files in compliance with all applicable HUD regulations,
- e) advising the homeowner regarding code requirements and housing rehabilitation standards which may affect the prioritizing and possible exclusion of work items,
- f) clarifying with the homeowner the eligibility of certain repairs,
- g) negotiating with the contractor regarding necessary change orders and providing approval for increased loan amount and/or extension of time,
- h) following up with contractors to ensure that necessary warranty work is completed as required during the warranty period(s),
- i) payment to the contractor upon receipt of required certificate of completion, final inspection, and Lien waiver.

V. ELIGIBILITY REQUIREMENTS

Qualification of applicants is determined by HCD according to the following guidelines.

- A. Applicants for rehabilitation assistance must reside within the County and must have owned the dwelling for at least three (3) years. Applicants must certify that the home is not being offered for sale, and is their primary residence, as indicated per the County/Municipal tax records.

- B. Applicants have gross household annual incomes at or below the applicable low-income limits established by (HUD) for the jurisdiction of Gloucester County, New Jersey. The applicable low-income limits for determining program eligibility are published by HUD in the federal register and updated annually. The low income limit shall mean the cumulative gross annual income of all the persons who occupy the dwelling unit to be rehabilitated that does not exceed 80 percent of the area median income, adjusted for family size, as established by HUD. The occupant household's gross annual income (for the purpose of determining program eligibility) shall be calculated according to the HUD regulations identified in the Code of Federal Regulations.

The calculation used to determine gross annual household income shall be consistent with HUD regulations and HUD's definition of income including the sources of income that are to be included or excluded from the calculation. Income of all household residents age 18 or over, unless they are a full-time student, will be included in the total annual gross household income determination.

Gross Annual Income, includes but is not limited to child support, Social Security, pensions, income from annuities, interest income on savings, etc. The annual income limits for the County increase based on the number of persons in the household. Family size will be determined by the number of occupants living in the dwelling to be rehabilitated on a regular basis. Household residents under the age of 18 qualify as dependents of the head of household according to the HUD regulations identified in 24 CFR, Part 813.102 and are eligible for a dependent deduction. If an applicant is a full time student, the applicant will be required to provide their parents' income information so that HCD can determine if the applicant has been claimed as a dependent on their parents Federal Income Tax return.

- C. Applicants with physical disabilities who also meet the income eligibility requirements will be eligible for the removal of architectural barriers in their dwelling¹. Improvements to the dwelling to remove architectural barriers that restrict mobility and accessibility may be authorized for owner occupied households that include elderly or physically disabled persons. The necessity for such improvements shall be supported by appropriate written notification from the applicant's physician, referring social service agency, or a similar outside authority familiar with the applicant's living situation. Receipt of social security disability or supplemental security income can also be used as verification of disability. Architectural barrier removal does not include portable items such as wheelchairs, walking-aids, vehicle lifts or other portable personal assistance items. ADA compliant wheelchair ramps to provide egress in and out of the home may be provided as a \$2,500 subsidy grant. This activity will not require a lien but is subject to all other eligibility criteria.
- D. For Applicants residing in a Mobile Home, the County has established a subsidy limit at a maximum of \$5,000.00 for conditions where there is no heat² and/or running water. This activity will not require a lien but is subject to all other eligibility criteria.

¹ Mobile Homes are not eligible for general construction or ADA improvements.

² Only during the winter season as defined by regulations governing when heat must be made available to tenants and when utility companies cannot issue shut off notices.

- E. Verification or certification of income and assets will be required to determine program eligibility for all federally funded projects. The applicant and any other family member must execute a release of information form authorizing any depository or private source of income, or any federal, state or local agency, to furnish or release to HCD such information as determined to be necessary.

Certification of income and assets means the applicant certifies that all information provided is true and correct. HCD shall also require the family to submit documentation determined to be necessary if it is required for purposes of determining or auditing an applicant's eligibility to receive program assistance, for determining the applicant's or applicant's family members gross annual income. The use or disclosure of information obtained from an applicant or applicant's family member or from another source pursuant to this consent to release information form shall be limited to purposes directly connected with administration of the Program.

Assets shall include checking, savings, other bank accounts, stocks, bonds, CDs, trusts, real estate and cash held by any household member. Value of an asset shall be computed by the greater of either the current market income from the asset or the imputed value of the asset using the current passbook rate as determined by HUD.

- F. In order to be considered eligible for participation in the Program the subject property taxes and utility (water/sewer – where applicable) must be current. Property taxes must not be delinquent for any tax year unless the homeowner has entered into a written agreement with the taxing authority outlining a payment plan for delinquent taxes and is abiding to the written agreement.
- G. Standard property insurance must be maintained on the property (with coverage adequate to insure the County's lien position). If a property is located in a flood plain, flood insurance must also be maintained (with coverage adequate to insure the County's lien position).
- H. Land record searches will be obtained on all properties. Evidence of ownership of the property will be confirmed through the County Tax Assessor's office online database.
- I. The County will only accept a first or second lien position. In a case where the second lien is due to participation in a down payment assistance program to secure the initial purchase of the property, the County may accept a third lien position.
- J. Households receiving reverse mortgages will be disqualified from receiving assistance through the Program.
- K. Homes whose market value as determined by the Gloucester County Tax Assessor online database exceeds the current annual FHA 203(b) (single family, one-unit residence) limit for this area are excluded from this program.
- L. To determine the economic feasibility of the rehabilitation activity, the total amount spent on each home will not exceed 50 percent of the after rehabilitation value (ARV) of the home. After rehabilitation value will be determined by adding 25 percent of the rehabilitation loan amount (RG) to the Tax Assessor's market value (MV). $[MV + (.25 \text{ of } RG)] = ARV * 50\% > RG$.
- M. The homeowner must be current with his/her mortgage (the payments due and payable to the mortgage company may not be more than 30 days past due) in order to receive assistance under the Program.

VI. WAITING LIST MANAGEMENT

The Program waiting list will be maintained in accordance with established policies and procedures. The County will maintain a list of those applicants requesting homeowner rehabilitation who have completed their application and have provided all supporting documentation. A priority will be placed on an applicant who documents an “Emergency Repair”. At the present time, the County defines an “Emergency repair” as a unit without heat or without running water as defined in footnote 3.

Households will be placed on the list and will be selected in the order their applications are completed. Note, should a household not provide the necessary documentation within 10 days to be placed on the list, they will be allowed to re-apply at a later date. Updated information may be required to re-apply to the program.

Applicants will be selected from the waiting list in chronological order based on the date on their completed application (first in – first out) including any established preferences or priorities for providing assistance. When the application reaches the top of the waiting list, HCD will then process the applicant to verify the information provided and to confirm that the applicant meets all HUD program requirements.

If an applicant meets the eligibility criteria, the dwelling unit will be inspected to determine the scope of work to be performed to bring the dwelling up to applicable code. If insufficient funding or other resources are available to assist the applicant at the time of application, the application will be placed on the Program waiting list.

HCD will schedule the property for a physical inspection to determine the scope of work required to bring the structure into compliance with program guidelines and objectives as outlined below in Section VII “Eligible Improvements”. If the property can be rehabilitated in accordance with the requirements of Section VII and the cost of the rehabilitation does not exceed the economic feasibility, program expenditure limits and other required regulatory requirements, the application will be approved based on available funding. *An applicant’s eligibility for assistance is based on the approved policies and procedures that are in effect at the time the applicant is selected for processing from the waiting list.*

It is the responsibility of the applicant to notify the County of any changes in occupancy, household income, family composition, or any other information on the application. Notice of changed information must be submitted to the County in writing within 30-days of the effective date of the change. Upon receipt of the notice of change, HCD will record and date stamp the changes received and place the notice of changed information in the applicant’s file. An applicant must meet all applicable eligibility requirements, as described in Section V of these policies, at the time their name is selected from the waiting list. If the homeowner cannot meet the requirements for eligibility, the homeowner will be informed of the determination of ineligibility. The homeowner may appeal to HCD determination as outlined in the appeal process - Section XXV of this policy manual.

Owner-Occupied Rehabilitation Program Waiting List Management

Eligible applicants applying for assistance under the Program will be ordered on the waiting list based on date and time of the receipt of their application and any other established preference. HCD will select

applicants from the waiting list according to the date and time of receipt of application and established preferences. The preferences applicable to the Program are identified below.

- **Preference 1** – Elderly homeowners whose total income does not exceed 80 percent of the area median income, adjusted for family size, as established by HUD.
- **Preference 2** – Disabled homeowners who are applying for housing rehabilitation assistance and the removal of architectural barriers whose total income does not exceed 80 percent of the area median income, adjusted for family size, as established by HUD.

Elderly is defined as 62 years of age or older. Disabled is defined as a person who has a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423), or is determined to have a physical, mental, or emotional impairment that is expected to be of long continued and indefinite duration. This disability must substantially impede his/her ability to live independently, and be of such a nature that such ability could be improved by more suitable housing conditions. A disabled person is also defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C 6001(5)).

VII. ELIGIBLE IMPROVEMENTS AND UPGRADES

A project may be determined infeasible if the cost to complete all needed repairs exceed the respective program limits outlined below. The process to calculate the cost will be determined either from estimates determined by the HCD rehabilitation inspector and/or designee and/or from the Contractor's bid received on a project. The Program will provide up to \$25,000 for the repair of the dwelling of low-income owner-occupied households as permitted by program funding availability and policy. The Program will perform the general rehabilitation necessary to bring the structure into compliance with the local applicable written code, rehabilitation standards, and lead-based paint regulations. The Program addresses actual and incipient code violations, as well as necessary removal of architectural barriers, and weatherization, which may also be performed as part of any housing rehabilitation project authorized under this program. Weatherization improvements such as attic insulation, roofing, exterior doors, storm doors, and storm windows may be completed on all projects depending on the availability of repair funds.

Housing rehabilitation assistance may only be provided to cover the cost of rehabilitation necessary to bring the property in compliance with locally adopted, written property standards, and applicable federal, state and local codes. All conditions described in Priorities I thru IV must be addressed before Priority V (allowable, additional improvements) can be considered. Physical improvements to the dwelling will be made based on priority and funding availability and must fall in one of the following priority categories in order to be eligible.

1. Priority I- Housing Systems

- Electrical wiring, fixtures or systems
- Heating, venting and air-conditioning³
- Roofs
- Plumbing
- Removal or Replacement of attached building components (deck, porch) that were specifically cited as a code violation and hazard by the local code official
- Health and safety items

³ Air conditioning installation requires a physician's note warranting a medical need.

2. **Priority II- Architectural Barrier Removal**

- Widening of doors
- Installation of ramps
- Roll-in showers (as space permits)
- Grab bars and permanently attached physical-assist apparatus
- Air-conditioning (if medically necessary)
- Hearing-impaired smoke detection equipment
- Specialty plumbing fixtures
- Lowering of light switches
- Other permanently attached fixtures determined to be of assistance in removing architectural barriers

3. **Priority III- Incipient Code Violations** (*Deficiencies or conditions of deterioration, if left unattended, would continue to deteriorate into or contribute to a code violation.*)

- Replacement of building components (roofs, water heaters, HVAC systems) that have exceeded their life expectancy or, due to condition, is expected to fail within a two-year period from the date of inspection.
- The current edition of the HUD Residential Rehabilitation Inspection Guide, Appendix C entitled “Life Expectancy of Housing Components” shall be used as the standard to determine the life expectancy of building components for the purpose of eligibility for replacement.
- Unsafe & unused fireplaces with a deteriorated or unsafe chimney should be disassembled to below the roof line and sealed (roof will be patched over area that chimney penetrated the roof). Unsafe & used fireplaces will be repaired or an alternate exhaust system will be installed.

4. **Priority IV- Energy Efficiency Upgrades**

- weather stripping/caulking
- insulation
- storm doors
- windows and doors
- heating, venting and air-conditioning
- energy efficient water heater

5. **Priority V- Allowable, Additional Improvements**

Under no circumstance will an allowable, additional improvement take priority over a Priority I, II, III or IV repair. Allowable, additional improvements will be eliminated by a change order to remedy unforeseen code violations, emergency, mechanical, foundation, or weatherization repairs found after the initial inspection or ongoing inspections.

Allowable additional improvements include the following:

- interior and exterior paint
- refinishing or replacement of kitchen or bathroom cabinets
- countertop replacement
- tile flooring (will be used in high-traffic areas if cost-effective)
- wood flooring – if comparable in cost to vinyl or carpet

- refrigerator, stove and dishwasher
- door replacement and trim improvements

6. **Luxury Items**

The following (not all inclusive) are considered luxury items and are **NOT** allowed:

- flooring such as tile, hard wood floors, etc. that exceeds the comparable cost of vinyl or carpet
- hot tubs, whirlpool baths, steam showers
- patios or decks
- room additions
- installation of fireplaces
- window treatments other than standard grade mini-blinds
- carports or garages
- items above standard grade or in excess of approved specifications

VIII. SELECTION AND CLEARANCE OF CONTRACTORS

Selection of a contractor in the Program is the responsibility of the homeowner, with guidance from HCD staff. The County will maintain a list of pre-qualified contractors to provide services and will allow homeowners to bring in contractors to qualify for submission of proposals. The value of the contract amount will be determined by the lowest responsible quote received by the proposals submitted from the eligible contractors. The County will conduct a Request for Quotes from contractors, with offering, awards and contract execution coordinated by HCD. Contractors may not be identified on HUD's or New Jersey's list of debarred or suspended contractors and must be registered, insured (and licensed, if required) with the State of New Jersey. Rehabilitation work will be undertaken only through a written contract between the contractor and the homeowner receiving the assistance.

HCD will obtain a minimum of three (3) quotes on the planned repairs, based on the preliminary work write-up prepared by the County's inspector and/or designee. The quotes are to be returned to the Program Administrator on the specific due date. If less than three bids/quotes are received, a second attempt will be required. If all quotes received are 20% higher than the HCD inspector's work estimate, a second offering cycle will also be required. HCD staff will record the total amount of the quote and the date and time the quote was received. HCD staff will evaluate the submitted quotes to determine which quotes are eligible. Quotes are considered eligible when the following conditions are met:

1. The submitting contractor currently meets all program requirements and is not debarred or suspended from participating in the Program.
2. The contractor is not on probation or debarred.
3. The quote is received by HCD prior to the submission deadline date and time stated in the offering documents.
4. The total amount of the quote is within 20% of the total cost estimate listed on the initial work write-up prepared by the HCD Inspector and/or Designee and does not exceed the maximum dollar limits of the program.

If none of the quotes solicited is within 20% of the preliminary work write-up initially or by negotiation, the quote must be rejected and other quotes must be obtained that are within the specified cost limits. Any quotes received outside of the estimated range of housing rehabilitation will be rejected and the homeowner will be notified in writing. Contracts will not be awarded until HCD has completed its

contractor certification and the contractor has met the requirements. This exclusion may be appealed by the homeowner as stated in Section XXV- Grievance Procedures.

Contractors new to the Program will only be able to have one contract in progress at any time until they have successfully completed at least three (3) contracts. Successful completion of three contracts removes this restriction and the contractor may have more than one rehabilitation project at any given time.

When an acceptable, eligible quote has been secured and the general contractor is selected by the homeowner, the contractor is notified that they must furnish HCD with a current Certificate of Insurance, a completed Contractor Information Form, and a statement concerning the non-use of lead-based paint. Information will be verified for accuracy and completeness of the forms submitted by the contractor. If all submitted documents are in order and the contractor is not on the list of parties debarred or suspended from participation in federal procurement or non-procurement programs or if the contractor is not suspended or debarred from participation in the Program, HCD will proceed with the preparation of contract documents.

General contractors are responsible to obtain all permits that are required to perform the authorized scope of work. The contractor must comply with all the regulations governing the issuance and inspections of any work permitted. Furthermore, all general contractors and subcontractors must possess trade or other professional licenses as may be required by the State of New Jersey in order to perform such functions that are subject to licensing. Each contract between a contractor and a homeowner shall contain language denying participation to contractors who fail to perform in a satisfactory manner.

Contractors proven to provide poor service or quality of workmanship and/or who exhibit behavior that is not professional in the opinion of the County will be debarred or suspended from any future contracts with the Program. Contractors will be informed of this decision in writing with the opportunity to appeal to the HCD Program Director or his/her designee.

This section sets forth requirements and procedures with respect to contractor qualifications and construction contracts for housing rehabilitation assistance.

- A. **CONTRACTOR** – The term “Contractor” applies to the firm submitting quotes on work or receiving an award. The firm must hold a current registration with the New Jersey Division of Consumer Affairs as a General Contractor and license, as required, for specific classification (plumbing, electrical, lead based paint).
- B. **INSURANCE** – Before commencing work, the contractor shall submit to HCD a current certificate of insurance as evidence of the coverage required.
 1. The contractor shall carry or require that there be carried Workers’ Compensation Insurance for all employees and those of subcontractor engaged in work at the site in accordance with New Jersey State Workers’ Compensation Laws.
 2. The contractor shall carry or require that there be carried General Liability Insurance. The County must be named as an additional insured under the general contractor’s protective coverage. General contractors or agents participating in the Program must furnish the homeowner with a copy to the County, written notice of any change and/or cancellation of the required coverage no less than thirty (30) days before any such change is effective. Coverage must be verified by the HCD staff before contract execution.

- C. FORM OF CONTRACT – The contract documents to be executed by the homeowner and the contractor will be prepared by HCD staff after a preconstruction conference is held. At this preconstruction conference, the homeowner and contractor will agree to work condition, use of facilities and other construction related matters. Such documents must be fully executed prior to beginning the work. These contract documents shall state a specific date for commencement of the work (no earlier than the three (3) day rescission period), a schedule for anticipated completion of work, and a copy of the final work write-up. An executed copy of the contract shall be furnished to the homeowner, contractor, and HCD.

IX. INSURANCE REQUIREMENTS FOR CONTRACTORS

To execute a contract in connection with the Program, a contractor must submit to HCD staff a *Certificate(s) of Insurance on ACCORD Form 25* from a satisfactory insurer(s) stating that such general contractor carries the types and amounts of coverage required for this program, as stated in Appendix A, *Contractor Insurance Requirements*.

X. CONTRACT DOCUMENTS AND INSPECTIONS

- a. Contract documents to be executed by the homeowner and the general contractor for the specific rehabilitation work to be performed will be prepared by HCD after a preconstruction conference is held. The homeowner and the County will simultaneously execute a separate loan agreement for payment and additional mortgage documents.
- b. At the preconstruction conference, the homeowner and contractor will agree to work condition, use of facilities and other construction related matters. Such documents must be fully executed prior to beginning the rehabilitation work.
- c. These contract documents shall state a specific date for commencement of the work (a minimum of 3 days after the Right of Rescission period pursuant to the Homeowner's loan agreement with the County), a schedule for anticipated completion of work, and a copy of the contractor's quote of the rehabilitation final work write-up.
- d. An executed copy of the Rehabilitation Contract shall be furnished to the homeowner, contractor, and to be retained by HCD.
- e. Inspections will be made by HCD staff and/or its Designee while the work is in progress. The required plumbing, electrical, structural and mechanical inspections will be conducted by local code officials where permits are required while the work is in progress. The contractor (or relevant sub-contractor) will schedule all required inspections with client during repairs.
- f. Upon completion of the work, a final inspection will be conducted by HCD staff and/or its Designee and the homeowner. The general contractor's presence is recommended, but not required, at such final inspection.
- g. HCD staff and/or its Designee will not process an invoice without an executed *Certificate of Completion and Lien Waiver* until all work has been completed and approved by the homeowner. In a situation where the homeowner refuses to approve the completed work, a written complaint must be filed with HCD by the homeowner within ten (10) business days (see Section XXV). Failure to file a written complaint within the specified timeframe shall indicate acceptance of the work and the contractor will be paid in full.

Under no circumstances should any outside agreement exist between the homeowner, contractor, or any other agency during the construction period regarding repair/remodel/modification of the

home. Failure to comply with this provision will result in the termination of the contract and require immediate payback of the funds expended by the County of Gloucester. If the contractor performing other repairs/remodels/modifications is the same as selected by the homeowner for the Owner-Occupied Rehabilitation Program, then all funding due that contractor will be forfeited and the forgivable loan will be adjusted or cancelled, as required.

XI. TIME FOR COMPLETION

- a. Upon execution of the contract documents by the homeowner and the contractor, a *Notice to Proceed* (“Notice”) will be issued by the HCD.
- b. If a lien is to be filed, work may begin immediately after the expiration of the three day right of rescission period. Once the notice has been received by the contractor, work authorized by a forgivable loan award must begin within ten (10) calendar days of the specified commencement date and be completed within sixty (60) calendar days of receipt of the Notice, unless otherwise approved by the homeowner and accepted by HCD (including the allotment for time for special ordering of materials).
- c. A copy of the final work write-up will be provided to the homeowner. Prior to beginning work, the contractor must have a copy of the final work write-up signed by the homeowner and approved by HCD.
- d. The contractor must begin work within ten (10) calendar days from the date noted on the Notice. Any contractor who does not begin or complete the work within the time specified in the contract may be assessed liquidated damages of \$100.00 per day for each day they run over the established completion date unless there is an approved change order for extension of time signed by the Homeowner and HCD. This penalty shall be deducted from the final payment.
- e. Contractors must notify both the homeowner and HCD to request an extension of the completion date and state the reasons for such extension.
- f. If approved by HCD, based on an inspection of ongoing work, the newly approved completion date must be approved by the homeowner and documented in HCD’s file.
- g. Contractors will not be granted more than two time extensions, unless extraordinary circumstances (as determined by HCD) justify a further request. The HCD Program Director or his/her designee is not required to approve a time extension change order. Any extension of time will be documented by a change order. (See section XIV.)

XII. NON-USE OF LEAD BASED PAINT

The use of lead based paint is strictly prohibited in the Program. Notification concerning the dangers of lead-based paint will be distributed to the occupants of all homes to be rehabilitated, and signed documentation of the receipt of such information will be made part of the official case file. Each rehabilitation contract shall contain language prohibiting the use of lead-based paint. All exposed surfaces (walls, ceilings, floors, etc.) in all homes built prior to 1978 to be rehabilitated will be inspected for the presence of defective surfaces with previously applied lead-based paint. All defective surfaces (cracking, peeling, etc.) will be addressed during the rehabilitation process. Should lead-based paint be found, coverage, removal, or other corrective actions taken in accordance with HUD Regulation 24 CFR,

Part 35 will be conducted in a manner that avoids further diffusion of lead particles throughout the residence. A further description of relevant procedures is contained in Appendix B of this document.

XIII. GENERAL SPECIFICATIONS

Contractors performing work for the Program will adhere to the "General Specifications for Owner-Occupied Rehabilitation Programs in the County of Gloucester," contained in Appendix E of this manual. Contractors are also expected to be familiar with, and to comply with, all locally adopted, written property codes, written rehabilitation standards, bid specifications, and ordinances currently adopted. In the event a conflict is determined to exist between the General Specifications for the Owner-Occupied Rehabilitation Program and locally adopted codes, the stricter of the two shall apply.

XIV. CHANGE ORDERS

- A. No modification(s) of the contract shall be made except by written instrument, signed by the contractor, approved by the homeowner, and accepted by HCD Program Director and/or the HCD inspector or designee.
- B. Change orders may be authorized for necessary work items that were initially overlooked or which could not be determined until the course of the rehabilitation work had already begun or to add an approved Priority V item if all required Priority I thru IV items have been repaired and adequate funding is available.
- C. Change orders must be requested and approved prior to commencement of the proposed changed work in order for such costs to be reimbursable. Change orders may be authorized as follows:
 - 1. To add work necessary to correct incipient items (Priority III) that have been found defective after work is in progress, but were not anticipated at the time the contract was executed.
 - 2. To correct Priority I defects that must meet local Code requirements.
 - 3. To make required repairs and additions to the contract that would exceed program limits, an item of lesser priority on the work write-up may be deleted. Deletion of items shall be at the previous line item quote amounts, unless said items have no specific costs, in which case they shall be deleted by negotiation at prevailing rates. HCD is authorized to negotiate contract changes on behalf of the homeowner. With the exception of work required to meet local codes, written rehabilitation standards, health and safety requirements, and weatherization or mechanical deficiencies, the homeowner may determine the priority of the items on the work write-up and may approve all decisions regarding substitution of a higher priority work item for a lower priority work item.
 - 4. To add an approved Priority V item if all required Priority I – IV items have been corrected and there is adequate funding available.
 - 5. To add an approved Priority II item if all Priority I items have been corrected and the homeowner would like to deduct a Priority III thru V item in order to improve accessibility of the home.

Total change orders on any job may not exceed 20 percent of the total dollar amount of the original contract, unless approved by the Division or Department Director with the recommendation of the HCD Program Director or his/her designee. Such an approval may be granted only on the basis of the essential nature of the additional work to be performed and following verification that substitutions for lower priority work items were insufficient to reduce the overall contract cost to the funding limit.

Additional time for the completion of the scope of work is subject to the approval of all parties. Requests for additional time will be submitted by the contractor with approval from the homeowner and HCD.

XV. PAYMENT OF CONTRACTORS

Upon completion of the work, a final inspection, by the homeowner, the contractor, HCD Program Director, HCD inspector and/or designee, and/or a qualified building official or his/her designee, if required, will be conducted. Thereafter the contractor will submit an invoice for final payment less retainage to the County of Gloucester. The County will process the invoice for payment within the next County's audit deadline for the County's monthly bill list approval and will issue a check to the contractor for the full amount of the contract (plus change orders), less 10% retainage, which will be withheld for twenty (20) days. After twenty (20) days, the contractor will then submit an invoice for final payment of retainage accompanied by a *Lien Waiver Affidavit* and *Release of Lien* signed by all subcontractors involved in the project. Should the homeowner fail to approve the final inspection and refuse to sign this final certification, payment may be withheld from the contractor. However, should the homeowner fail to file a written complaint within the required ten (10) calendar day time period, specifying the work items and/or the nature of the work in question with an explanation why it was not approved, the County may not unreasonably withhold payment for work performed by contractors, where the work was performed appropriately and according to industry standards with the approval of the HCD inspector and/or designee and/or a qualified building official or his/her designee.

Partial draws will be documented and inspected as a final inspection on major systems that have been repaired. Local code officials will be required to approve completed work if it includes any "permit required" work prior to payment. Before the contractor submits the invoice for final payment less retainage, a lien release will be required for the partial draw previously paid and final payment less retainage.

XVI. WARRANTY

Upon completion of the work, the contractor shall furnish a limited one (1) year warranty on labor and materials. In instances where the living environment, lack of maintenance or damage covered by homeowners insurance during the rehabilitation of the home, the warranty coverage will not apply.

The contractor is to also provide a copy of his one-year limited warranty along with copies of all manufacturers' warranties (i.e. appliance warranties, paint warranty and carpet warranty) to the homeowner so they can access warranty assistance after the contractor's one-year limited warranty (which covers labor and materials) has expired. The homeowner is responsible to notify the contractor of any warranty claims during the contractor's one-year limited warranty.

XVII. HOMEOWNER OBLIGATION

Upon acceptance of the proposed construction work and execution of the proper paper work, HCD will place a lien against the property for the full value of the County's contribution to the project, as stated in the contract, executed by all parties. The County exercises its right to enforce an extended period of affordability beyond the HUD five year affordability period. The lien will be in full force permanently as a "forever" lien after the work is completed.

The present restriction on affordability is as follows:

The amount of the loan shall be paid in full during the initial 5 year affordability period, from the date of the recorded lien, should the property no longer remain the homeowner's principal residence, or the homeowner sell, transfer, refinance, obtain a reverse mortgage or utilize any vehicle to obtain cash against the equity of the property. The amount of the loan shall be partially forgiven 20% of the principal annually for each completed year following the initial 5 year affordability period until year 9 when 20% of the principal will remain as a "forever lien" on the property. Should the property no longer be the principal residence, change ownership through sale or transfer or refinance or utilize any vehicle to obtain cash against the equity of the property during that period of time, the applicant will reimburse the County, from the sale's proceeds for that prorated portion of the loan that has not yet been forgiven, at zero percent interest. During the term of the forgivable loan, the homeowner agrees to notify the County, in writing, within ten (10) calendar days of a change in the ownership or foreclosure of the property.

Should the property change ownership through inheritance, the heirs will be responsible for clearing the lien by making reimbursement to the County of the prorated portion, at zero percent interest, over the remainder of the affordability period. Such reimbursement procedures shall be administered at the direction of HCD Director or his/her designee.

XVIII. PROCEDURES FOR FILING LIENS – PARTIALLY FORGIVABLE LOAN PROGRAM

Upon approval of the Home Rehabilitation Construction Agreement between the homeowner and contractor, the homeowner shall execute an Owner Occupied Rehabilitation Program Homeowner Loan Agreement, Mortgage and Promissory Note with the County of Gloucester for the amount of the agreed improvements. Any change order modifying the value of the contract will require the execution of a new loan agreement, mortgage and promissory note. The Mortgage shall be due and payable according to its terms upon conditions set forth in Section XVII of the property secured by such Mortgage during the affordability period following the contract date for the program. The obligation due the County shall not bear interest and will be partially forgiven by the County on an annual basis by 20% of the principal for each completed year following completion of the initial five-year affordability period until 20% of the principal remains at which time there will be no more forgiveness.

In the event the homeowner transfers title to the property secured with a deed during the affordability period following completion of the improvements, the homeowner shall pay to the County the remaining balance of the deed. Otherwise, the County shall have the option to demand full payment of the remaining balance of such deed. Upon failure by the homeowner to pay such remaining balance, the County may proceed to exercise its right of foreclosure under the deed to secure debt.

Transfer of title to a rehabilitated property secured by a deed to secure debt and contract under this program as described in the paragraph above, to the heirs, devisees, or assigns of an homeowner shall at the option of the County be deemed to be a sale to a third party purchaser without the prior written consent of the County and subject to all rights of note acceleration and foreclosure retained in the deed to secure debt securing the lien in the favor of the County. Heirs, devisees, or assignees of the homeowner eligible for low or moderate income housing assistance from the federally funded programs through the County may request a waiver of the County's rights and powers of acceleration and foreclosure under the deed to secure debt, but the County has no obligation to grant any such waiver.

XIX. SUBORDINATION

Upon verification of program income eligibility standards, the County may consider the postponement of a Mortgage for the refinancing of a first mortgage at a lower interest rate and no additional cash out. An exception may be made for refinancing to cover medical costs or necessary emergency home improvements. Verification such as work estimates and medical documentation will be required.

Prior to subordination, a copy of the new mortgage application will be required to verify that the income level of the homeowner has not increased to such a level that they no longer meet the eligibility requirements of the original loan. All requests will be reviewed by the Program Director and approved by the County Administrator or designee prior to subordination.

XX. MULTIPLE ASSISTANCE

The County recognizes that there may be instances when a homeowner who has already been assisted through the Program may be requesting additional assistance. It is the policy of the County that repeat beneficiaries residing at the original home, cannot ask for assistance within five (5) years of the completion of the initial rehabilitation and total value of their current lien(s) cannot exceed \$15,000.00. Total lien value held against the property cannot exceed \$25,000.

It is recognized that there may be instances when emergency assistance is needed. If this is the case, the applicant will be allowed to complete an application for emergency repairs which would be limited only to no heat in winter (Sept-Mar) or no running water.

XXI. VARIANCES FROM POLICY

Variances from these policies and procedures shall only be granted by the County, under extraordinary and extenuating circumstance and, by recommendation of the Program Director and approval of the County Administrator or designee. The County will consider a variance to the existing policies that document specific hardship on the part of the homeowner or other parties involved in a project, and that granting a variance will further the goals, purposes, and effectiveness of the Program and will conform to all applicable HUD guidelines.

XXII. RIGHTS AND RESPONSIBILITIES OF THE HOMEOWNER

The homeowner is responsible for submitting true and accurate household financial and other information required to document eligibility for the program. The homeowner is also responsible for notifying the County, in writing, of any change in household composition or income within ten (10) calendar days of such change. Failure to provide updated information shall result in exclusion from the program.

The homeowner is also responsible for:

- a) selection of the contractor (in accordance with County and program procurement requirements),
- b) making reasonable accommodation to the schedules of the contractor and the County for the purposes of inspections, completion of work, etc.,
- c) participating in identifying the priority of all work items essential for bringing the structure to local code and within program parameters and policy,
- d) reviewing, executing, and understanding the contract, work write-up, and associated documents,

- e) notifying the contractor and HCD of any concerns during the construction period and during the warranty period,
- f) participating in the final inspection and executing the final inspection report,
- g) repaying the prorated share of the project cost that may not yet be forgiven under the terms of the lien, if the property is sold or no longer remains the principal residence during the affordability period after completion of work,
- h) providing proper maintenance to all installed items/components to help minimize premature failure or damage, and
- i) maintaining required insurance for the duration of the lien.

XXIII. RIGHTS AND RESPONSIBILITIES OF CONTRACTORS

The contractor is responsible for completing the work as identified in the contract and the accepted and approved quote for the work write-up within the agreed-upon timeframe and for the following:

- a) communicating with the homeowner and HCD regarding status of the work during the construction period,
- b) adhering to warranty agreements and performing warranted work within the warranty period(s),
- c) notifying HCD in writing, including justification(s) of the need for any change orders and negotiating with HCD regarding the cost of such change orders and time required to complete them,
- d) completing any items identified at the final inspection prior to execution of the Certificate of Completion,
- e) cleaning the property of work material after conclusion of work,
- f) ensuring quality of workmanship and materials in compliance with the contract,
- g) making reasonable accommodation with HCD and the homeowner regarding scheduling of inspections and completion of the work,
- h) performing all work in an acceptable and professional manner, and
- i) completing all required Priority I items prior to starting any Priority II, III, IV or V items as identified in Section VII. Eligible Improvements and Upgrades.

XXIV. SEQUENCE OF EVENTS SUMMARY

The following is a general outline of the normal sequence of events for rehabilitation assistance.

- a. A homeowner completes and submits an application and other pertinent information and supporting documentation to HCD.
- b. Upon receipt, the application will be reviewed for completeness and it will be date stamped.
- c. The homeowner is required to furnish documentation that verifies the household income and other property related information for eligibility purposes.
- d. The HCD shall maintain the Program waiting list in chronological order and by established preferences.
- e. As funding and other resources are available applicants shall be selected from the waiting list in accordance with established selection policies, notify the applicant that they have been selected and process the application for assistance.
- f. When the homeowner's application is selected from the waiting list, the HCD will verify that all the requirements for eligibility have been met.

- g. The HCD shall verify income in accordance with HUD regulations and established policy and procedures.
- h. The HCD must determine whether the property proposed for rehabilitation is located within any identified flood plain. If the property is located in a flood plain, the homeowner must provide evidence of flood insurance to HCD.
- i. The HCD Inspector and/or Designee will conduct an inspection of the property to be rehabilitated and prepares a work write-up and cost estimate.
- j. Properties that are over 50 years old may be determined to be historic and are protected in accordance with the National Historic Preservation Act of 1966. The HCD shall complete a site-specific review form for each project and submit to the NJ State Historic Preservation Office (SHPO). SHPO has 30 days to determine if the scope of the work does not include items that are on the “No Effect” checklist before construction can begin.
- k. For properties constructed prior to 1978, the inspection will include a lead risk assessment performed by a qualified lead risk assessor procured by the County.
- l. The work write-up and cost estimate will include all items necessary to bring the structure into compliance with the HCD written property standards and to applicable code; including items recommended as necessary to preserve the property’s structural integrity, weatherization and quality of living conditions, and any other items requested by the homeowner which are eligible under the HCD’s written housing rehabilitation standards and HUD guidelines and within funding availability restrictions.
- m. The HCD shall also determine if any of the violations noted on the work write up may be eligible for repair under the homeowner’s insurance policy and, if so, will notify the homeowner’s insurance agent to determine eligibility. If the violation is eligible for repair under the homeowner’s insurance policy, the HCD will notify the agent of the violation and the HCD will remove the item from the work write up.
- n. Eligible repairs must be classified under one of the priorities identified in Section VII. If the property can be rehabilitated in accordance with all current Program policies, the HCD will then inform the homeowner that they are eligible to receive assistance.
- o. The HCD shall create the necessary bid documents and issue notice of the bid documents in accordance with established competitive procurement requirements for a period not to exceed 10 calendar days. The HCD reserves the right to amend the bid documents or extend the bid deadline.
- p. The HCD requires the receipt of a minimum of three proposals (quotes) from general contractors on the planned repairs. Any amendment to the bid document and/or extension of the bid deadline must be approved by the HCD Program Director or his/her designee.
- q. The HCD will conduct the initial review of the quotes for qualification. Once qualified, the quotes are reviewed with the homeowner. Any qualified proposal may be selected by the homeowner, as long as the price quoted is within the range of twenty (20) percent above or below the cost estimate prepared by the HCD Inspector and/or designee. The HCD will verify the quote amount of the lowest responsible proposer. The homeowner will be informed if the cost is determined to be “reasonable”. The homeowner shall sign off on the selection of the lowest proposer by executing a *Proposal Acceptance Form*.
- r. The HCD encourages the acceptance of the lowest proposer, but should the timeline included in the quote package indicate a delay in the start of the rehabilitation, it may authorize the next highest responsible quote.

- s. If the homeowner decides on a contractor with a higher quote, the homeowner will be responsible for the difference in the proposal costs with the funds being held in escrow or negotiate with the selected contractor to the amount of the lowest responsible proposer.
- t. The general contractor selected by the homeowner, is notified by the HCD that they are selected to perform the work.
- u. The contractor must submit or have on file with the HCD a valid Certificate of Insurance, a completed Contractor Information Form, and a statement concerning the non-use of lead-based paint and associated certifications and licenses for specialty work where applicable.
- v. The HCD reviews the above referenced documents to insure that all program requirements have been met.
- w. The HCD prepares the contract documents for execution by the homeowner and the general contractor as well as the loan documents between the Homeowner and the County. In addition to these documents, the homeowner is required to read and review the program's policy manual including grievance procedures and signs a statement indicating acceptance and understanding of these terms and conditions.
- x. A *Notice to Proceed* is issued to the contractor, no sooner than the three day Right of Rescission period has passed, and after a preconstruction conference is held. The preconstruction conference may be held at the residence to be rehabilitated or the HCD office, and the homeowner, contractor and the HCD staff attend the preconstruction conference.
- y. At this preconstruction conference, the homeowner and contractor will agree to working conditions, use of facilities and other construction related matters, and they establish a start date for the construction.
- z. The homeowner will be required to initial each item on the final work write up and cost proposal to indicate their understanding and acknowledgement of the type of work that will be performed at their residence.
- aa. Required plumbing, electrical, and mechanical inspections are conducted by the local code official while the work is in progress.
- bb. When the contractor notifies the HCD that the work is completed, a final inspection is conducted by the homeowner and the HCD Inspector and/or Designee.
- cc. The *Final Inspection Report* is executed by the homeowner, contractor, and the HCD, after all work is completed as specified by the contract.
- dd. The contractor submits an invoice for final payment less retainage to the County and provides a warranty on labor and materials to the homeowner.
- ee. Payment less retainage is made to the contractor by the County.
- ff. The HCD will file a lien on the subject property in accordance with the contract and Section XVIII, Procedure for Filing Liens in this policy.
- gg. Twenty (20) calendar days after the final closeout, the contractor submits the invoice for final payment with retainage and signed lien waivers for final payment (of retainage), provided that neither the homeowner nor the HCD has received notice of unpaid bills from suppliers or subcontractors. Copies of the contract documents are given to the contractor with the final payment.

XXV. GRIEVANCE PROCEDURES

A. Appeal Process

Should the homeowners or contractors find themselves in a dispute they should communicate their concerns to the HCD. If these concerns cannot be negotiated or resolved successfully between the parties, either side may request an appeal with the Department Director or his/her designee who will serve as the Arbiter.

Such an appeal shall be in writing, identifying the basis for the specific complaint, the section in the contract or policies/procedures, which are perceived to be violated, and the sequence of events affecting the project to date. All relevant supporting documentation (photographs, copies of dated Certificate of Inspection, insurance information, etc.) should be attached.

The Department Director or his/her designee will respond to this complaint in writing within ten (10) business days of receiving the complainant's letter. The Department Director or his/her designee is authorized to make reasonable accommodation, as necessary, to resolve complaints within HUD guidelines and in accordance with the program goals of efficiency and effectiveness.

Upon approval of the homeowner's application for assistance, the applicant shall be given the opportunity to read the above "Rights and Responsibilities" and "Grievance Procedures" sections of this document and shall sign a statement indicating that he/she understands them. This statement shall be maintained in the official case file.

The HCD may at any time terminate or deny assistance for a homeowner for any of the following reasons:

- If any member of the household fails to sign and submit consent forms for obtaining information, such as income verifications and other release of information forms.
- If any member of the household violates any of the policies and procedures under this program.
- If the homeowner or family member commits fraud in connection with this program.
- If the homeowner or family member has engaged in or threatened abusive or violent behavior towards County and/or its Designees' personnel.
- If the house becomes damaged prior to the beginning of or during repairs due to homeowner neglect, weather damage covered by homeowner's insurance, or other similar circumstances.

1. Initial Determination to Deny Assistance

The HCD may receive information regarding grounds for denial of assistance through file review, third parties or other reliable sources. Upon receiving such information, the HCD will send a letter to the homeowner indicating the grounds for denial of program assistance or a request to provide further necessary information. This letter will include the basis for denial of assistance and inform them that they have ten (10) calendar days to contact the HCD to request an informal review or to supply the requested information. If the homeowner provides acceptable information to the HCD, the information will be placed into the homeowner's file with an explanation of the findings and the matter is closed.

If the homeowner does not respond to the letter, or furnish the requested information, then the HCD will send a final letter informing the homeowner of the closeout of the file.

2. Informal Reviews

When a homeowner requests an informal review, the following procedures will be followed:

1. The HCD will schedule and conduct an informal review at the earliest convenient time after receipt of the homeowner's written request. The HCD shall advise the homeowner of the appointed time in writing.

2. The Department Director may conduct the hearing or assign the request for an informal review to a designee serving as the hearing officer. The hearing officer may not be the person who made the decision under review, or a subordinate of this person.
3. The homeowner must be given the opportunity to present written or oral objection to the standing determination.
4. The person conducting the informal review will receive and review the homeowner's objections and will base their decision on:
 - a) Whether or not applicable policy was or would be violated
 - b) The validity of the evidence presented by the homeowner and the HCD
 - c) Unusual or extenuating circumstances that may warrant an exception to program policies

3. Notice of Decision

Upon conclusion of the informal review, the hearing officer shall have ten (10) calendar days in which to issue a Notice of Decision. The Notice of Decision shall be in writing and shall include the following:

- a) Introduction – The introduction will generally include the name of the homeowner, date, time and place of the review; name of the hearing officer; name of the Owner Occupied Rehabilitation Program Representative; and the name of the homeowner's representative, if any.
- b) Background – The background will provide a statement of the policy violated
- c) Summary of Facts – A brief summary of relevant facts presented by both parties, documents presented and the statements given by other interested parties.
- d) Final Decision – The decision of the HCD. **In no circumstance will the decision of the hearing officer violate any HUD regulatory requirement.**

XXVI. FRAUD AND PROGRAM ABUSE POLICY

The HCD considers the Owner-Occupied Rehabilitation Program as a valuable resource for needy residents. The Owner-Occupied Rehabilitation Program is not an entitlement program to homeowner recipients. The HCD shall ensure that the administration and operation of the program is in compliance with HUD regulations and this policy and that all necessary and appropriate actions are taken to safeguard the public trust.

The following procedures will be followed only after the homeowner has been allowed to exercise their rights as outlined in section XXV.

- **Investigation**

1. Upon receipt of an allegation, the HCD will determine if the allegation is a program violation and what type of documentation or verification is needed to confirm or deny the allegation.
2. The HCD will gather the necessary documentation and prepare a case file that will include the allegation, policy violated, supporting documentation and any other pertinent information including conducting an interview of the applicant/recipient, as needed.
3. If the evidence does not support the allegation, the report will represent that the investigation is closed with all appropriate documentation and reports placed in the applicant's/recipient's file indicating the outcome of the investigation.

- **Enforcement**

1. If the applicant cannot present evidence that would clear them from the allegation or, the applicant does not respond to the HCD requests for information within ten (10) calendar days from the date

of the request, the HCD will send the applicant a letter stating that their application for assistance has been denied. The letter shall include the reason for denial and the policy violated and a statement that describes their right to appeal. The applicant shall have ten calendar days to respond to the letter. Failure to respond to the letter within ten calendar days will forfeit the applicant's right to appeal.

- **Appeals**

In either type of enforcement action, a letter shall be mailed notifying the applicant/recipient of their right to appeal in cases of denial of assistance or repayment of grant funds.

1. Fraud and/or Program Abuse – Preliminary Application Phase, No Funds Expended
 - a. The applicant will be provided the right of appeal.
 - b. If the applicant is found to be guilty of fraud and/or program abuse and the decision of the hearing officer is to deny the homeowner's request for assistance, the homeowner's application will be voided and the homeowner will be ineligible for any future assistance under the Owner-Occupied Rehabilitation Program.
2. Fraud and/or Program Abuse – Construction, Work in Progress Phase – Funds Obligated and/or Expended
 - a. Any work that has not been started and is not required to complete work that is already in progress will be halted. The contractor and homeowner will be notified by the HCD, in writing, which items are authorized to be completed and which items will not be authorized for completion.
 - b. The HCD will determine the amount of funds expended and will authorize payment to the contractor once the HCD Inspector and/or Designee has inspected the work and determined the work meets rehabilitation standards.
 - c. The homeowner's presence shall be requested at the time of final inspection *but is not required*.
 - d. If the homeowner refuses to allow access to the property, the contractor shall be required to submit a statement of work completed affidavit indicating the amount of payment requested based on items identified on the accepted proposal that have been completed.
 - e. The homeowner will receive a statement indicating amount owed and will be required to pay that amount within 30 days from receipt of notice unless there was an alternative payment schedule established, and agreed upon by the HCD, during the informal review process as outlined in section XXV.
 - f. The work completed shall carry no warranty.

3. Fraud and/or Program Abuse – Work Completed and Lien Filed

In circumstances where the homeowner has received rehabilitation assistance and a lien has already been filed, the homeowner will be required to repay the amount of the lien in accordance with the following schedule unless an alternative payment schedule was established and agreed upon by the HCD during the informal review process as outlined in section XXV.

- **Repayment Schedule**

1. \$1,000 or less – recipient must repay the entire amount within 30 calendar days of notification

2. \$1,001 - \$5,000 – recipient must pay one-third down within 30 calendar days of notification and the balance must be paid in twelve equal monthly payments starting sixty calendar days after notification
3. \$5,001 - \$10,000 – recipient must pay one-third down within 30 calendar days of notification and the balance must be paid in twenty-four equal monthly payments starting sixty calendar days after notification
4. \$10,001 - \$15,000 – recipient must pay one-third down within 30 calendar days of notification and the balance must be paid in thirty-six equal monthly payments starting sixty calendar days after notification
5. \$15,001 - \$25,000 – recipient must pay one-third down within 30 calendar days of notification and the balance must be paid in forty-eight equal monthly payments starting sixty calendar days after notification

If a recipient fails to make two consecutive payments, the County may notify the recipient, in writing, of its intent to exercise its right to foreclose on the property. Notification must be by United States Postal Service Certified Mail, Return Receipt Requested, and must give the recipient the opportunity to appeal the decision to the HCD or his/her designee. The recipient shall be given ten (10) calendar days to file a written response. Failure of the recipient to respond in writing within ten (10) calendar days will forfeit the recipient's rights of appeal.

- **Referral to HUD**

The County may, at its discretion, refer a case involving fraud and/or program abuse to HUD for review and possible criminal prosecution.

Appendix A

CONTRACTOR INSURANCE REQUIREMENTS FOR OWNER-OCCUPIED REHABILITATION PROGRAM

Prior to executing contracts in connection with the Gloucester County Owner-Occupied Rehabilitation Program, a contractor must submit to the homeowner and the County's Department of Housing and Community Development (HCD) a certificate(s) of insurance from a satisfactory insurer(s) stating that it carries the following types of coverage in the minimum amounts stated.

- **Commercial General Liability Insurance**

The policy will allow for \$500,000 per occurrence for bodily injury, death, personal injury, and property damage. The policy shall include coverage for premises/operations, products and completed operations, and contractual liability. This policy shall have no standard coverage removed by exclusions.

- **Automobile Liability**

Coverage shall be provided for bodily injury and property damage for owned, hired, and non-owned vehicles with minimum limits in the amount required by State of New Jersey law.

- **Workers' Compensation and Employers' Liability**

Statutory Workers' Compensation coverage with Employers' Liability policy has limits of \$100,000 for each accident, \$500,000 policy limit for disease, when applicable.

- **Other Insurance Provisions**

1. The County of Gloucester shall be named as an additional insured on the general liability policy. These policies shall contain the appropriate additional insured endorsements signed by a person authorized by that insurer to bind coverage on its behalf.
2. Workers' Compensation and Employers' Liability Coverage: The insurer shall agree to waive all rights of subrogation against the County of Gloucester, its officials, employees, and volunteers for losses arising from the activities under this contract.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits, except after 30 days' prior written notice has been provided to the County.
4. Certificates of Insurance shall be completed on the ACCORD form only and shall be forwarded to the HCD.

Appendix B

LEAD HAZARD REDUCTION ACTIVITIES FOR HUD FUNDED HOUSING PROGRAMS

I. Purpose

The purpose of lead hazard reduction activities in the Gloucester County Owner Occupied Rehabilitation Program is to reduce or eliminate lead hazards in pre-1978 federally assisted housing units. The goals of lead reduction activities are:

- To reduce lead poisoning or the risk of lead poisoning to children and families;
- To educate families about lead poisoning prevention; and
- To provide intervention through the reduction of lead-based paint hazards in pre- 1978 units that contain lead-based paint hazards in the City's federally assisted housing programs.

II. General Requirements

Notification - The County and all sub-recipients must follow the lead notification procedures outlined below when dealing with pre-1978 housing units, regardless of the type of activity funded. Proper documentation that all required notification was given must be maintained in all project files. The notices are as follows:

- Lead Information Pamphlet and Lead Disclosure Form - occupants of the unit will receive the HUD/EPA pamphlet "Protect Your Family from Lead in Your Home" and the Lead Disclosure Form. If the unit is known to be a pre-1978 unit that contains lead-based paint or lead-based paint hazards, owners must notify tenants and prospective buyers if the owner at any time uses the unit for rental property or decides to sell the property.
- Notice of Hazard Evaluation or the Presumption of Lead-Based Paint or Hazards - unit occupants will receive notification of the results of any lead hazard evaluation or the presumption of lead-based paint or hazards within fifteen (15) days after the results has been determined.
- Notice of Reduction Activities - unit occupants will receive notification of the results of hazard reduction activities. The type of reduction activity will vary according to the level of assistance provided.
- Safe Methods of Paint Removal

The HCD will document that contractors have been informed of the permissible methods of paint removal and document safe work practices are followed. Safe work methods are required on interior surfaces larger than two square feet and on exterior surfaces larger than 20 square feet. At the very least, the program will fund the repair of any painted surface that is disturbed during our work. We may stabilize deteriorated paint, which includes the correction of moisture leaks or other obvious causes of paint deterioration. We will have clearance examination conducted following most work activities to ensure that the work has

been completed; that dust, paint chips and other debris have been satisfactorily cleaned up; and that dust lead hazards are not left behind.

The program will conduct a risk assessment to identify lead-based paint hazards, and as necessary, perform interim control measures to eliminate any hazards that are identified or, in lieu of a risk assessment, perform standard treatments throughout a unit. The type and amount of Federal assistance and rehabilitation hard costs for the unit will determine the level of lead hazard reduction we will complete.

To comply with the regulations controlling lead hazards in housing receiving federal assistance, the County will ensure the regulations implementing sections 1012 and 1013 of the Residential Lead-Based Hazard reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992 applies to all homes constructed prior to 1978 are fully adhered to.

The following requirements apply to federally funded rehabilitation:

- A. Rehabilitation where cost is between \$1,000 and \$5,000:
 - Provision of the “Protect Your Family From Lead in your Home” Pamphlet
 - Paint testing (where disturbed)
 - Repair surfaces disturbed during rehabilitation
 - Use Safe Work Practices
 - Clearance of the Work Site
 - Appropriate notices

- B. Rehabilitation where cost is between \$5,000 and \$25,000:
 - Provision of the “Protect Your Family From Lead in your Home” Pamphlet
 - Paint testing and Risk Assessment
 - Interim Controls
 - Use Safe Work Practices
 - Clearance of the Unit
 - Appropriate notices

- C. Rehabilitation where costs exceed \$25,000:
 - Provision of the “Protect Your Family From Lead in your Home” Pamphlet
 - Paint testing and Risk Assessment
 - Abatement (Interim Controls exterior)
 - Use Safe Work Practices
 - Clearance of the Unit
 - Appropriate notices

The County Lead Contractor will inspect the unit to perform a “Risk Assessment” and lead-based paint testing with an XRF machine. Those elements which require remediation will be incorporated into the work write-up/cost estimate by the HCD Inspector and/or designee.

The owner will be provided a copy of the results of this test and the required pamphlet on lead-based paint hazards.

In terms of occupant protection and temporary relocation during lead hazard reduction, if the job requires lead hazard reduction, appropriate actions typically will be taken to protect occupants from lead-based paint hazards if the unit 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:

- rehabilitation 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; and occupants are not permitted into the worksites until after clearance has been achieved.

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 the work.

If occupied units are to undergo more extensive lead hazard abatement activities, the occupant(s) must be temporarily relocated. Most often, furniture and occupant belongings can be covered and sealed with protective plastic sheeting, although storage of major furniture and removal of all small furnishings during the hazardous materials reduction work may sometimes be necessary. Owners are responsible for carefully packing all breakables; removing all clothing from closets, etc. During the abatement work, only workers trained in lead hazard reduction may enter the work site. This means that neither owners nor occupants are permitted to return to the work site during the day or at night. If an owner requires special needs to re-enter the site, this will be arranged by the Gloucester County staff.

Only when the unit has been cleaned to the federally- mandated standards and passed a clearance examination is it safe and permissible to return. The County's staff will notify the homeowner with an Authorization for Re-Occupancy. Sometimes the jobs are completed in stages, with the lead hazard reduction work occurring first and the normal renovation work following. In these cases interim dust lead clearance must be obtained prior to re-occupancy by the owners or occupants and other non-lead related rehabilitation workers. Final lead

dust clearance must be repeated following the rehabilitation work to verify that the residence is free of lead hazards. The County's program staff can provide more information.

Appendix C

CUSTOMER SATISFACTION SURVEY

1. Name: _____

2. Address: _____

3. Date Project was Completed: _____

Please rate the following items on a scale of 1 to 5, with **(1) being dissatisfied** with services received, and **(5) being very satisfied** with housing rehabilitation services received.

- Quality of Construction Workmanship 1 2 3 4 5
- Quality of Materials Used in Construction 1 2 3 4 5
- Professionalism / Courtesy of General Contractor 1 2 3 4 5
- Professionalism / Courtesy of Sub-Contractors 1 2 3 4 5
- Professionalism / Assistance Provided by Office of Housing and Community Development (HCD) 1 2 3 4 5
- Length of Time Contractor took to Complete Work 1 2 3 4 5
- Overall Satisfaction with Housing Rehab Program 1 2 3 4 5

Please describe any specific concerns or recommendations regarding the program below. Use the back of the page as necessary. Thank you for your time and input.

County of Gloucester

Planning Division/Housing and Community Development,
Owner-Occupied Rehabilitation Program
1200 N. Delsea Drive
Clayton, New Jersey 08312

Appendix D

HOMEOWNER ACKNOWLEDGEMENT

Date: _____

I, _____, (full name) owner of the property located

at _____, (address), as applicant for house rehabilitation assistance from the County of Gloucester's Owner-Occupied Rehabilitation Program, have read the County's Policies and Procedures regarding this program and have reviewed the sections entitled "Rights and Responsibilities" and "Grievance Procedures." I understand and acknowledge these policies and agree to adhere to these procedures in resolving any differences or disputes which may arise during the course of and upon completion of rehabilitation work on the above-listed property.

Signed:

Homeowner(s)