

**CITY OF BIG RAPIDS EAST SIDE HOME/NEIGHBORHOOD IMPROVEMENT  
PROJECT**

**MSHDA NEIGHBORHOOD ENHANCEMENT PROGRAM**

**July 2019**

**PROGRAM GUIDELINES**

**Introduction**

It is the intent of the City of Big Rapids, through its East Side Home/Neighborhood Improvement Project, to serve the needs of low-income homeowners on the east side of the Muskegon River in the City of Big Rapids. Please see the attached area of eligibility map. The homes targeted will be owner occupied, single family homes in need of exterior repairs. Homeowners must have a combined income of 120% of the Mecosta County Median Income or below to qualify. The improvements will meet Housing Quality Standards and conform with local codes and ordinances. Improvement projects are not to exceed \$7,499 per home. It is hoped that this project will help the residents perform needed maintenance and repairs to their properties which in turn will contribute to an overall pride in the community.

The Neighborhood Improvement component of the project is to replace old playground equipment in the area's only neighborhood park - Linden Street Park, which was created in memory of Mary Pine in 1986. By doing so, we hope to create a sense of place in the east side neighborhoods.

The purpose of these guidelines is to help the perspective applicants understand the program and to outline details for applicants and contractors. It is important to note that many of the requirements to participate in this program are required by MSHDA and cannot be waived or altered.

Prospective applicants of the designated area will receive notification of the Home Improvement project via mail and will be instructed to call the City for more information on the program and the application process. The program will also be announced in the local newspaper and included on the City's web site and Face Book page. City Contacts – Paula Priebe, 231.592.4035 or Cindy Plautz, 231.592.4036.

## **HOMEOWNER IMPROVEMENT**

### **Fair Housing**

In accordance with Section 109 of Title 1 of the Housing and Community Development Act of 1974, the City of Big Rapids will not discriminate based on race, color, national origin, religion or sex. The City will also comply with those Fair Housing Laws and Presidential Executive Orders which state that there will be no discrimination based on disability, familial status and age plus other relevant Fair Housing Laws in effect at this time, for State and Federally funded programs.

### **Administration**

The City of Big Rapids has the responsibility for program administration with Program Guidelines providing the program parameters. City Contacts – Paula Priebe, 231.592.4035 or Cindy Plautz, 2331.592.4036. The City is fortunate to have the guidance of the Big Rapids Housing Commission which is experienced in housing projects.

The records kept in accordance with Program Guidelines Language for Administration/File Retention of MSHDA-Funded Housing Resource Fund Grants may include, but may not be limited to, grant agreements, payment requests, correspondence, progress reports, monitoring reports, and applications. They will be retained until issuance of the close out letter to the grantee, PLUS 3 years, then be destroyed. Files are kept confidential and will include the following:

- Application
- Self Certification Form
- Income Verification
- Verification of property tax and utility payments
- Family Composition signed by family members over 17
- Proof of Homeowners insurance
- Lead Base Paint Statement and Pre-Evaluation Disclosure of Lead Based Paint
- Applicant receipt of Fair Housing: It's Your Right pamphlet
- Initial Work Write-Up with cost estimates
- Copies of Quotes Received
- Right to Rescind and Truth in Lending Disclosure Statement
- Executed Contracts between the Contractor and Homeowner
- Equal Opportunity Clause (Executive Order 11246) if applicable
- Change Orders, if applicable
- Copy of Building Permit and final inspection, if required
- Interim Payment Requests and partial unconditional waivers from contractors, subs and material suppliers, and sworn statements
- Authorizations requiring signature by contractor, homeowner and Administrator prior to payment
- Inspections both final and interim, if applicable

- Before and after pictures
- Lead Base Paint Inspection/Compliance Certification Form and Clearance tests, if applicable
- Final Inspection Report by Administrator and Final Approval by Homeowner
- Final Payment Request/Authorization signed by Contractor, final unconditional waiver, Homeowner and Administrator and summary listing of project costs including construction costs.

## **Definitions**

**Applicant** – The owner/occupant of a single-family residence located within the designated project area with an income not to exceed 120% of the area median income.

**Code Standards** – Housing Quality Standards (HQS) and local code and ordinances must be met for the requested home improvements.

**City of Big Rapids** – The governing body with the responsibility of administering the Neighborhood Enhancement Program within the designated project area.

**Family** – One or more persons, including the applicant, related by blood, marriage, or operation of the law, who share the same single-family dwelling unit.

**Grant** – The amount of money required to do the rehab work for the income eligible homeowner. Minimum amount \$2,500. Maximum amount \$7,499.

**Household Income** – Includes the earnings of the applicant and any other adult family members who share and support the same dwelling unit. If ownership of the property rests in more than one person, the applicant is each owner and the related and non-related adults living in the home. All income from these individuals is to be considered when determining eligibility. This includes wages regularly received by applicants or family members plus pensions, disability payment, social security, child support, net income from real estate, stocks, bond, royalties, and other net business income.

**Improvements** – Eligible improvements include: rehabilitation work to generally improve the condition of the exterior of the property such as: painting, roofing, siding, porch repair, windows, doors, shutters, walk ways, steps, etc. Improvements that require lead base paint removal are not allowed.

**Owner** – One or more persons who hold legal title to the property to be improved.

**Rehabilitation Cost** – The total costs of repairs and improvements. Improvements must meet HQS, local code and ordinance standards.

**Eligible Income Limit** – Those households with incomes at or below 120% of the median income for the area.

Work Write Up – The document which is prepared after an inspection and itemizes all work to be done to the property. It also includes cost estimates.

### **Program Requirements**

General – Improvements may be made only for properties which are located in the designated project area. After improvements, properties are expected to be kept up to code and in a neat and cleanly condition.

Allowed costs – Allowed costs are those necessary to meet HQS, local code and ordinance requirements. Improvements may include roofs, siding, trim, windows, doors, walkways, porches, steps, etc. Cost may also include removal of steps, walkways, etc. Landscaping with native, perennial plants is also allowable. There is a minimum award of \$2,500 and a maximum award of \$7,499 per home/applicant.

Costs Not Allowed – New construction, finishing of additions, and/or expansions of the home. Materials, fixtures or landscaping of a type or quality which exceeds those customarily used in the locality of the project area, or those considered to be luxury items. No interior rehab. No improvements that require lead base paint removal. No acquisition of land.

### **Applicant Requirements**

Applicants must complete the application and adhere to the following program requirements:

- Applicant must complete the Self Certification Form
- The applicant must be an individual or family who own and occupy a residential single-family property.
- Total household income must not exceed 120% of area median income.
- Priority will be given to applicants with respect to code violations affecting the health, safety and welfare of the occupants.
- After selection on basis of need, applicants will be selected on a first come first serve basis.
- Applicants who are related to members of the City Commission or a City employee are not eligible.
- Applicant's mortgage, tax payments, City utilities and insurance must be current.

### **Housing Standards**

The improvements must meet Housing Quality Standards as well as all applicable state and local codes and ordinances.

The City does not guarantee any work completed by independent contractors or take responsibility for any material defects once the work is completed. The City will assist all homeowners to ensure that items under warranty are repaired or replaced by providing all contract and subcontractor information including sworn statements and building material suppliers.

## **Income Requirements**

Households with a total gross annual income less than 120% median income for the area will be considered. Income means combined gross family income, excluding the incomes of those under 18, full time students, developmentally disabled or mentally impaired, regardless of age and including incomes of all persons on the title supporting the same dwelling unit, as well as net income from real estate other than the property to be rehabilitated and other net business income. Income is adjusted for family size. Please see chart.

Grant Limits – Minimum per household is \$2,500. Maximum per household is \$7,499.

## **Determining Work to be Done**

Staff administrators will meet with the applicant to gain an understanding of the improvements to be made and will visit the site.

- A work write-up and project costs will be developed, and staff will meet again with the homeowner to discuss the options.
- Bids will be solicited from qualified contractors
- If unforeseen conditions appear after the initial write-up, improvements may be added separately based on the availability of funds.
- After approval, the home owner will sign a contract with the contractor for the work to be performed. See below for process.

## **Qualified Contractors**

A minimum of 2 quotes will be solicited from a list of qualified contractors. Contractors must be licensed and insured.

Contractors File shall include:

- Active liability insurance,
- a list of all company officers,
- a copy of their valid State Contractors License,
- verification that the contractor is not on the debarred contractors list.

Contractors providing acceptable data as requested above shall be placed on the list of approved contractors. The City will accept quotes from those on the list or those that the homeowner may want to include as long as they meet the requirements above.

## **Process**

- Contractor Quotes – Work Write ups will be solicited to qualified contractors and quotes must be submitted within 7 days. Selection of contractor will be made after quotes are reviewed for completeness. Quotes must not be over 10% of the work estimate. In the

event of no qualified quotes, the City may repeat the process. The City reserves the right to reject any contractor on the basis of their previous work performance.

- The homeowner will accept the most responsible bid and the City shall review the specifications with the applicant and the successful contractor.
- MSHDA approval will be verified.
- The total amount of the most responsible quote accepted by the applicant shall be made part of a contract to be signed by the applicant and contractor. The contract is subject to issuance of a Proceed Order by the homeowner with no work commencing prior to that date but beginning within 30 days or less of the signing.
- The contractor must satisfactorily complete the work within an appropriate number of days as stated in his contract after the issuance of the Proceed Order. If he fails, the City with the consent of the property owner, will send the contractor a letter informing him that he is in violation of the executed contract. Depending on the amount of work to be completed, he would be required to complete the work within fifteen days from the date of the letter or provide an acceptable time table for work completion. If he refuses, the City and property owner will hire a different contractor from those that submitted a quote, or it could be rebid. The second contractor will be paid first. If the first contractor's work to that point was acceptable, the first contractor will only be entitled to the difference between the contract cost and what is paid to the second contractor so as not to increase the project cost.
- Payment is made only after the work is completed in accordance with the work write up, the work has been inspected plus waivers and homeowner approval have been signed. Final payment is made within 15 days after approval of the contractor's invoice, inspection of work, homeowner approval, and final permits received, if applicable and all waivers executed.

The contractor shall be required to:

- Furnish evidence of comprehensive public liability insurance coverage protecting the owner for not less than \$1,000,000 in the event of bodily injury including death and \$100,000 in the event of property damage arising out of the work performed by the contractor and evidence of insurance of other coverage required by local law governing workman's compensation.
- Obtain and pay for all permits and licenses necessary for completion and execution of the work and labor to be performed, unless otherwise agreed upon.
- Adhere to the contract and all City and other grant agreement requirements.
- Rehabilitate home in accordance with efficiency standards where improvements are energy related.
- Perform all work in conformance with applicable codes and requirements whether or not covered by the specifications and drawings for the work.
- Keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials and equipment that have been

removed and replaced as part of the work shall belong to the contractor, unless otherwise noted.

- Not assign contract without written consent of owner with request addressed to and approved by the City.
- Guarantee the work performed for a period of one year from the date of final acceptance of all work required by the contract. Furnish the owner with all suppliers and manufacturers written guarantees and warranties covering materials and equipment furnished under the contract, upon request.
- Permit the City to inspect the rehab work.

The owner shall be required to:

- Permit the contractor to use, at no cost, existing utilities such as light, heat, power, water necessary to complete of the work.
- Permit the contractor access onto the property during the hours of 7:00 am to 6:00 pm, Monday through Saturday or as otherwise mutually agreed.
- Permit the City to inspect the rehab work.

### **Change Orders**

No changes in cost estimates, bid sheets, building contracts, or any other agreement between the participants and the contractors under the program shall be made without prior consent of the City Program Administrator.

- Changes to above documents or additional work on a housing unit being rehabilitated shall be made when deemed beneficial to the participant and compatible with the intent of the program, only after agreement with participant, contractors involved and the City. This would cover the work to be done and the total amount for the additional work to be done – only within the \$7,499 maximum.
- Any agreement for a change or additional work must be in writing, properly signed by all parties involved or properly initiated when changes in the document are made.

### **Lead Paint Risk Assessment and Inspection**

- If a home was built prior to January 1, 1978, and rehab amount exceeds \$5,000, a Lead Risk Assessment must be completed prior to performing any rehab work that may involve disturbing any possible lead-based paint. The intent of the Risk Assessment is to identify lead paint hazards that may exist at the property and the lead-based paint on any surfaces that will be disturbed by the the rehab work. If lead based paint is present, we will not fund the improvement that involves disturbing the paint.
- Under Federal lead-based paint regulations 24 CFR Part 35-125 a homeowner is required to disclose all information on lead paint hazards to anyone who may wish to purchase or rent the dwelling in the future.

### **Complaint Procedure**

Any complaint received from the borrower or contractor concerning any phase of the program shall be immediately put in writing and made part of the "Complaint File".

Complaints are reviewed with the parties and if it cannot be resolved to everyone's satisfaction it shall be presented to the Review Committee. At this meeting, when deemed necessary, all parties to the complaint shall be invited to present their complaint, either in person or in writing, to facilitate the final decision. The City shall respond in writing to the complaint within 15 working days.

Review Committee members to hear cases that cannot be resolved through the above steps are as follows: Cory Zandstra - Building Inspector, Paula Priebe - Neighborhood Services Director, Mark Sochocki – Housing Commission Director, Cindy Plautz – Program Administrator.

All parties to the complaint shall be notified of disposition as agreed by the Committee by first class United States mail or hand delivery within 15 working days after the initial complaint has been reviewed.

A summary of all facts pertinent to the complaint, including all those considered when making final decision, plus a copy of the letter with the final decision to the complainant, shall be placed in the "Complaint File" and shall become a part of the permanent record.

If the above efforts fail to resolve all outstanding issues, the services of the Dispute Resolution/Mediation Program will be required.

The group that serves this area to be contacted by the City is the Dispute Resolution Center of West Michigan Community Reconciliation Center, 678 Front Street, NW, Suite 250, Grand Rapids, MI 49504.

If issues remain, the Michigan State Housing Development Authority can be contacted by the City in writing at the address listed below.

If any complaint of a Civil Rights nature cannot be solved satisfactorily, the Michigan State Civil Rights Office should be contacted at the following address:

Michigan Department of Civil Rights  
Capital Tower Building, Ste. 800 Lansing MI 48906  
Phone: 517-335-3165 TTY: 517-241-1965 FAX: 517-241-0546

In addition to the preceding, any complaint in one of the following four areas shall be submitted in writing by the City to MSHDA for review and consideration at the following address:

- Michigan State Housing Development Authority  
735 East Michigan Avenue P.O. Box 30044  
Lansing Michigan 48909  
Phone: 517-373-8370 TTY (800) 382-4568 FAX 517-335-4797



- The City description of needs and objectives is plainly inconsistent with available facts and data.
- The activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the City.
- The application does not comply with the requirements of the regulations or other applicable law.
- The application proposes activities which are otherwise ineligible under the regulations.

#### **NEIGHBORHOOD ENHANCEMENT**

The City will collect quotes for the playground equipment to be replaced in Linden Street Park. The contract will be granted to the lowest and most responsible bidder who can supply and install the desired playground equipment (to be determined) within the \$19,000 budget. Existing playground equipment will be removed by the City. New equipment will be ADA compliant. The park improvement will be completed no later than December 16, 2019.