

WASHTENAW URBAN COUNTY EXECUTIVE COMMITTEE MEETING
Wednesday, May 3, 2021 - 2:00pm – 3:30pm
Location: Virtual Meeting using Zoom (details below)

Pursuant to Washtenaw County Board of Commissioners Resolution #21-050, this Committee will meet remotely, and the public participate by joining via:
<https://washtenawcounty.zoom.us/j/95432757442?pwd=c0sxNFdSZDh5NnVlNlI0RnErL0pxUT09> or by calling 1.312.626.6799, using Webinar ID: 954 3275 7442. These Instructions are also posted on the OCED calendar [here](#).

A link to Urban County Executive Committee roster with members' contact information is available [here](#).

- I. **Roll Call** - Each member state name and physical location (I.e. City or Township)¹
- II. **Public Comment**
- III. **Announcements**
- IV. **Minutes**
 - A. 4-7-21 Meeting Minutes – Review & Approval (**ACTION**)
- V. **General Administration**
 - A. County Health Officer's COVID-19 Update (Jimena Loveluck, WCHD)
 - B. Update on Process for Receiving CARES Act Funding (Tara Cohen, OCED)
 - C. Public Hearing: Proposed Substantial Amendment to 2019 Action Plan for Washtenaw Urban County
 - Formal acceptance of CDBG-CV Round 3 Grant funds, I.e. CARES Act funding
 - D. Approval of Substantial Amendment to 2019 Action Plan (**ACTION**) (Tara Cohen, OCED)
 - E. Summary of Revisions to FY 2021-22 Draft Annual Action Plan (Tara Cohen, OCED)
 - F. Approval of FY2021-22 Annual Action Plan (**ACTION**) (Tara Cohen, OCED)
 - G. Approval of Updates to Housing Program Guidelines – (**ACTION**) (Sharde Crutchfield, OCED)
 - H. Update on COVID Emergency Rental Assistance (CERA) Program (Teresa Gillotti, OCED)
 - I. General Updates
 - 1) Minor updates to Summary of Planned Activity Tables (2015/16/17/18/20)
 - 2) Local Project Updates
 - 3) Community Announcements/updates (All)
- VI. **Adjournment**

Next Meeting: Wed., June 2, 2021, 2:00 – 3:30pm, Location: Remote via Zoom

¹[MCL 15.263 Sec.3](#) guideline also applies under the BOC Local State of Emergency: *For each member of the public body attending the meeting remotely, a public announcement at the outset of the meeting by that member, to be included in the meeting minutes, that the member is in fact attending the meeting remotely. If the member is attending the meeting remotely for a purpose other than for military duty, the member's announcement must further identify specifically the member's physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely.*

WASHTENAW URBAN COUNTY EXECUTIVE COMMITTEE MEETING

Wednesday, April 7, 2021 - 2:00pm – 3:30pm

Location: Virtual Meeting using Zoom

Members in Attendance:

Supervisor Diane O’Connell (Ann Arbor Township); Councilperson Elizabeth Nelson (City of Ann Arbor); Joe Meyers (Director of Economic Development, City of Ypsilanti); Supervisor Ken Schwartz (Superior Township); Mike Greene (Assistant City Manager, City of Saline); Trustee Sandie Schulze (Sylvan Township); Supervisor Will Hathaway (Scio Township).

Joined late/Not present for Roll Call: Michelle Aniol (City of Dexter) joined around 2:15pm; Jessica West (Pittsfield Township) joined around 3:20pm. Michael Radzik (Office of Community Standards Director, Ypsilanti Township) joined around 2:15pm but tech issues made it impossible for him to be seen on screen or to announce his presence.

Communities Absent: Augusta Township; Bridgewater Township; Dexter Township; Lima Township; Manchester Township; Northfield Township; Salem Township; Saline Township; Webster Township; York Township.

Facilitator: Commissioner Sue Shink

OCED Staff Present: Sharde Crutchfield; Tara Cohen; Teresa Gillotti

Guests: Amy Krieg and Chris Brown (Habitat for Humanity of Huron Valley); County Health Officer Jimena Loveluck (Washtenaw County Health Department); Lamar Weir (Office of Congresswoman Debbie Dingell); Brandyn Walker & Wendy Carty-Saxon (Avalon Housing).

Meeting called to order: 2:08 PM

Pursuant to [MCL 15.263 Sec.3](#), Chair Shink took roll call during which each member stated their name and physical location (I.e. City or Township, Washtenaw County, State of Michigan).

I. Public Comment

- Chris Brown of Habitat for Humanity stated that his organization has serious concerns about some of OCED’s proposed revisions to the Housing Program Guidelines. He noted that Habitat plans to submit written feedback to OCED and the UCEC.
- Lamar Weir introduced himself from Congresswoman Dingell’s office, noting that he is in attendance to listen for important updates.

II. Announcements

- A.** Introductions – Each member state name and physical location (I.e. City or Township): *See above under roll call at the outset of meeting.*

III. Minutes

- A.** 3-3-21 Meeting Minutes – Review & Approval **(ACTION)**

Moved by Meyers. Support by O’Connell.

Ayes – 7; Nays – 0; **Motion carried unanimously.**

IV. General Administration

A. County Health Officer's COVID-19 Update (Jimena Loveluck, WCHD)

Jimena Loveluck presented slides on COVID 19 and the status of vaccinations in Washtenaw County. Please see slides [here in the updated April 7th meeting packet](#) (slides start on page 10).

B. Fair Housing Training (Pam Kisch, Fair Housing Center of Southeast & Mid Michigan)

Cohen introduced Pam Kisch, the Executive Director of Fair Housing Center of Southeast & Mid Michigan, explaining that the UCEC is fortunate to have Pam provide this group annual training on fair housing to meet one of the goals outlined in the Urban County's 2017 Assessment of Fair Housing Plan *to provide ongoing education and advocacy around fair housing*. Kisch provided a 30 minute training; the slides can be found [here in the updated April 7th meeting packet](#) (slides start on page 16).

C. Summary of FY 2021-22 Draft Annual Action Plan (Tara Cohen, OCED)

Cohen shared the FY2021-22 entitlement allocations as communicated by HUD on February 28, 2021, referencing the table included in the meeting packet that shows a comparison to the previous grant amounts by program. She noted that Washtenaw Urban County will be receiving a slight increase in CDBG funds, whereas HOME and ESG funds will decrease slightly. Cohen reviewed a simplified version of the table of activities reflecting proposed uses of the 2021 CDBG funds, followed by an update on the HOME and ESG funding. More details can be found in the [meeting packet](#) on pages 2-4.

D. Schedule of Public Hearings on the FY 2021-22 Draft Annual Action Plan (Tara Cohen, OCED)

Cohen stated that today is the first of 3 public hearings to solicit input on the Draft Action Plan, with additional hearings to occur April 8th at 6:30pm at Ann Arbor HHSAB meeting, and April 21st at 6:45pm at the County Board of Commissioners meeting, with all meetings being held remotely via Zoom.

E. Public Hearing: Draft 2021-22 Action Plan for Washtenaw Urban County

Commissioner Shink opened the public hearing at 3:18 PM.

Wendy Carty-Saxon of Avalon Housing provided comment to say thank you to the UCEC for its ongoing support of Avalon and for its consideration for Avalon's projects included in the draft 2021 Action Plan to receive HOME funds. Shink closed the hearing at 3:20 PM.

F. Housing Program Guidelines Updates – **(DISCUSSION ONLY)** (Sharde Crutchfield, OCED)

OCED's Housing & Infrastructure Manager Sharde Crutchfield presented briefly on proposed changes to the Housing Program Guidelines (a policy guiding document to preserve, maintain, and expand housing stock for lower income owner-occupied households at or below 80% of the Washtenaw County AMI.) Her slides can be found in the [updated meeting packet](#) starting on page 36. She also referenced the complete red-lined Housing Program Guidelines document included in the meeting packet.

G. OCED Program Updates/Status of COVID-19 Response (Teresa Gillotti, OCED)

- 1) CDBG-CV Round 3 Funding – *Note: Due to time constraints, this items was not discussed.*
- 2) Update on COVID Emergency Rental Assistance (CERA) Program

OCED Director Teresa Gillotti announced that the portal is expected to become available for submitting rental assistance applications later in the week. She noted that the CERA program will include assistance with arrearages going all the way back to March 2020.

On a related note, she mentioned that the Centers for Disease Control's moratorium on evictions has been extended through the end of June 2021 (from March 31, 2021).

H. General Updates

1) Community Announcements/updates (All) - None.

V. Adjournment

Aniol moved to adjourn. Support from Schulze.

Motion carried unanimously.

Adjourned: 3:40 PM

Next Meeting: Wed., May 5, 2021, 2:00 – 3:30pm, Location: Remote via Zoom

WASHTENAW URBAN COUNTY EXECUTIVE COMMITTEE (UCEC) MEETING Wednesday, May 3, 2021 2:00pm- 3:30pm
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AGENDA SUMMARY

County Health Officer's COVID-19 Update (Jimena Loveluck, Washtenaw County Health Department)

Washtenaw County's Health Officer, Jimena Loveluck, will provide a brief update on the state of COVID-19 and vaccination rollout in Washtenaw County.

Update on Process for Receiving CARES Act Funding (Tara Cohen, OCED)

As noted in previous UCEC meetings, HUD has awarded the Washtenaw Urban County with CARES Act Funding under four (4) separate allocations: two rounds of ESG-CV funding, and two rounds of CDBG-CV funding. In order to receive the second CDBG-CV allocation of \$1,608,347, both HUD and our [Citizen Participation Plan](#) require us to submit a *substantial amendment* to HUD for our 2019 Annual Action Plan. As a reminder, all the CDBG and ESG CARES Act funds are being added into the 2019 Action Plan for the purpose of efficiently tracking receipt and expenditure of all such funds under a single plan year, as directed by HUD. The *substantial amendment* process for adding CDBG-CV funds entails citizen participation, namely a public comment period of not less than 5 days and a public hearing. A public notice was published in Ann Arbor News and MLive.com on April 15, 2021 asking the public to view the draft substantial amendment as posted on the OCED website since April 16th, and announcing today's public hearing along with a 20-day comment period from April 16 – May 5. The notice also went on OCED's Facebook page and was sent via email to the UCEC and Urban County Interested Parties listservs on April 16. A copy of the notice – along with the substantial amendment draft - is included in your meeting packet. At this time, these particular CDBG-CV funds (referred to in the updated 2019 Planned Activities Table as *CDBG-CV Round 3*, based on HUD having allocated the funds under their 3rd tranche of CDBG-CV awards) remain in the broad category of *COVID-19 Response & Recovery Activities*. When specific programming needs are identified for these funds, OCED will update the UCEC.

Public Hearing: Proposed Substantial Amendment to FY2019-20 Annual Action Plan

In addition to the 20-day comment period noticed on April 16th, this hearing is being held to obtain citizen input on the proposed substantial amendment to the FY2019-20 Annual Action Plan for the inclusion of \$1,608,347 in CDBG-CV funding (Community Development Block Grant funds awarded by U.S. Department of Housing and Urban Development through the federal CARES Act). Funds will be utilized for programming tied to COVID-19 response and recovery in the Washtenaw Urban County.

This hearing invites participation and/or written comments on the proposed amendment from any person having an interest, or their duly appointed representative, in the following Urban County jurisdictions: City of Ann Arbor, City of Dexter, City of Saline, City of Ypsilanti, Ann Arbor Township, Augusta Township, Bridgewater Township, Dexter Township, Lima Township, Manchester Township, Northfield Township, Pittsfield Township, Salem Township, Saline Township, Scio Township, Superior Township, Sylvan Township, Webster Township, York Township, and Ypsilanti Township.

Approval of Substantial Amendment to FY2019-20 Annual Action Plan (ACTION) (Tara Cohen, OCED)

Staff requests that the UCEC approve the substantial amendment to the 2019-20 Action Plan as proposed, so that the County will be able to receive the second allocation of CDBG-CV in the amount of \$1,608,347 for disbursement when specific programming of funds have been identified. Draft language for a motion is as follows:

Motion: The UCEC approves the proposed substantial amendment to the Fiscal Year 2019-20 Action Plan as written for submission to HUD. Submission to HUD will be followed by the execution of a grant agreement with HUD for the \$1,608,347 in Round 3 CDBG-CV funds for subsequent COVID-19 response and recovery activities.

Summary of Revisions to FY2021-22 Draft Annual Action Plan (Tara Cohen, OCED)

An overview of the CDBG, HOME, and ESG activities included in the FY2021-22 Draft Annual Action Plan was provided at the April 7th UCEC meeting. The final version of the 2021 Summary of Planned Activities Table is included in your packet (the only change was to Superior Township's project details, corresponding with AP-38 Projects Summary below). Content revisions to the Draft Plan made since the April 7th meeting and included in the April 26th version posted on the [OCED website](#), are listed below.

AP-05 Executive Summary

1. Non-Housing Community Needs Assessment Survey Data: Summary charts were added for all close-ended survey questions, showing a summary of the responses from the 581 residents who participated in this year's online survey in English, Spanish, and Korean.
2. The one comment we received during the public hearings was added (from Wendy Carty-Saxon, Avalon Housing on April 7th).

AP-10 Consultation

1. Narrative was updated to incorporate input from Continuum of Care's Coordinated Entry Oversight & Evaluation Committee members from their April 12, 2021 meeting.

AP-38 Projects Summary

1. Project Summary Table (*Table 9*) was updated to reflect Superior Township's two projects and specified allocations for each, as follows:
 - **Superior Township Community Park ADA-Compliant Sidewalk Installation:** Superior Township will improve the accessibility of Community Park by constructing a sidewalk connecting the parking area to play structure area. \$22,000
 - **Superior Township MacArthur Blvd Pedestrian Crosswalk:** Superior Township will construct new pedestrian crosswalk in the MacArthur Blvd/Harris Road area – exact location TBD. \$13,456

AP-65 Homeless and Other Special Needs Activities

1. Narrative was updated to incorporate input from Continuum of Care's Coordinated Entry Oversight & Evaluation Committee members from their April 12, 2021 meeting.

Appendices

1. The majority of the appendices were added to the Action Plan document. Please note a few of the required appendices are not currently available but will be inserted prior to submission to HUD on or before June 11th.
2. Of note, the appendices now include the data from the Non-Housing Community Needs Assessment Survey (581 respondents), specifically all responses to the open-ended questions and the summary charts for the close-ended questions.
3. Summary of Planned Activities (Appendix I) was updated to reflect the finalized Superior Township projects as noted under AP-38 Project Summary above.

Approval of FY2021-22 Annual Action Plan (ACTION) (Tara Cohen, OCED)

The remaining steps through to submission of the FY2021-22 Action Plan are as follows:

- May 5, 2021: UCEC to approve Final Action Plan (with caveat outlined in the draft motion language – see below)
- June 2, 2021: Board of Commissioners to approve 2021-22 Action Plan for submission to HUD
- June 11, 2021: Final Action Plan due to HUD

Motion: The Urban County Executive Committee approves the 2021 Annual Action Plan as presented – with the ability for staff to make final adjustments as needed – and recommends that the Washtenaw County Board of Commissioners follow suit in adopting the Plan at their meeting on June 2, 2021.

Approval of Updates to Housing Program Guidelines (ACTION) (Sharde Crutchfield, OCED)

OCED has been in the process of reviewing the Urban County's Housing Program Guidelines, with a primary focus on updating the homebuyer underwriting standards. Last month, Housing & Infrastructure Manager Sharde Crutchfield highlighted proposed changes to the Guidelines and shared a redlined copy—and will continue to update us today. Attached is a copy of Habitat for Humanity's response letter to the proposed Housing Program Guidelines. Additionally, Director Gillotti has responded to further explain HUD and OCED guidelines.

General Updates (Tara Cohen, OCED)

Minor Updates to Summary of Planned Activity Tables (2016/16/17/18/20)

Copies of the Summary of Planned Activity Tables from the Annual Action Plans 2015, 2016, 2017, 2018, and 2020 are included in your meeting packet. Each of these tables has been revised slightly to reflect re-programming of CDBG allocations within 4 of the Urban County's local units, namely: City of Ypsilanti, Pittsfield Township, Superior Township, and Ypsilanti Township. These revisions are made by OCED staff periodically in order to share a more accurate picture of how specific CDBG allocations have been utilized as local project needs shift, for example a project initially slated for CDBG is no longer feasible, or bids for a CDBG project come in much higher/lower than expected, et cetera. Specific changes are noted in each table.

Local Project Updates (in picture form!)



*Schooner Cove Bus Shelter Project (S. Huron River Drive @ Schooner Cove Blvd, Ypsilanti Township)
CDBG 2016/17/19/20 allocations*



*Northfield Community Center Overflow Parking Lot Project (9101 Main Street, Whitmore Lake)
2019 CDBG Priority Project*



*Ypsilanti Township Community Center Flooring Project (2025 E. Clark Road, Ypsilanti Township)
2019 CDBG Priority Project (supplemented by 2017 and 2019 CDBG allocations)*

Additional Information

If you have any questions on any of the information included in this summary, or would like additional information, please contact Tara Cohen at (734) 544-3056 or cohent@washtenaw.org.



COVID-19 Updates Washtenaw County

Washtenaw County Health Department
May 5, 2021



1

Current Case Trends

Reported cases, deaths and other trends by county
This table is sorted by places with the most cases per 100,000 residents in the last seven days. Charts show change in daily averages and are each on their own scale. Select a table header to sort by another metric.

Recent trends All time Search counties

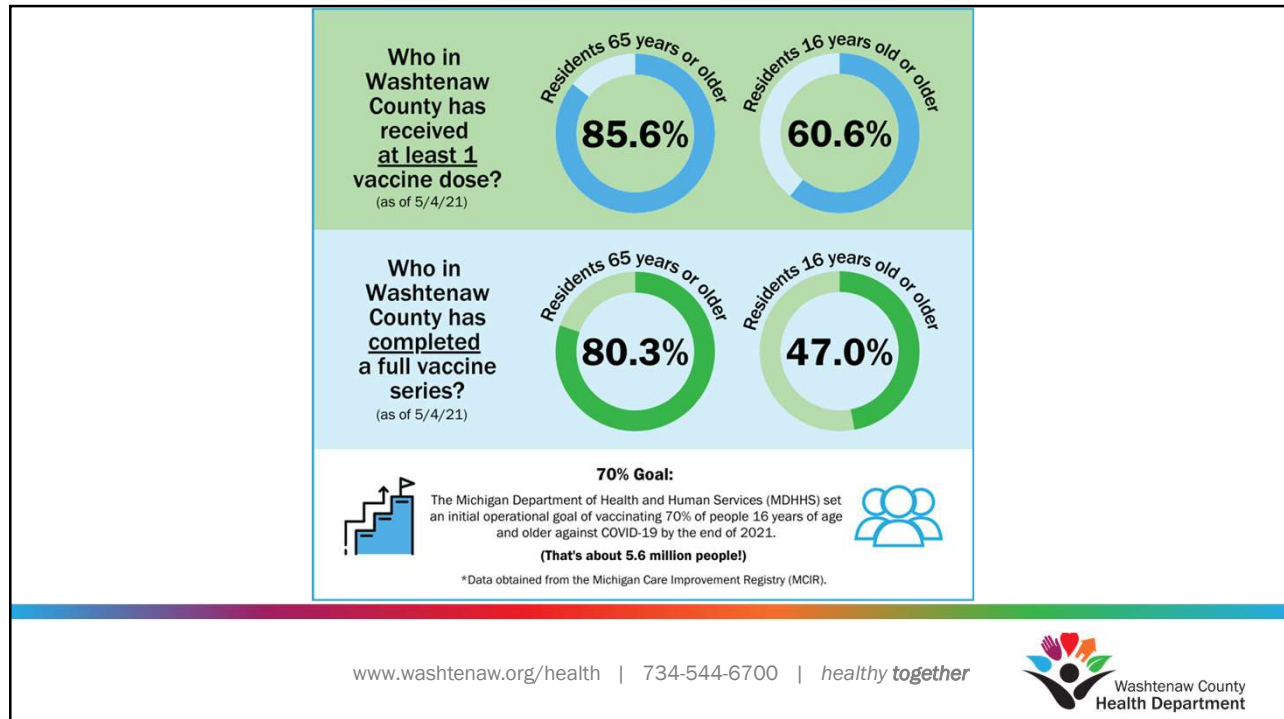
Cases	Hospitalizations	Deaths	Vaccinated	CASES DAILY AVG.	PER 100,000	14-DAY CHANGE
Michigan				3,594	36	-48%
Ontonagon ›				<1	6	-77%
Gogebic ›				1	7	-42%
Crawford ›				1	8	-80%
Leelanau ›				3	14	-59%
Houghton ›				5	14	-29%
Grand Traverse ›				14	15	-68%
Manistee ›				4	17	-67%
Menominee ›				4	17	-27%
Chippewa ›				7	18	-46%
Washtenaw ›				65	18	-61%

- 3.2% positivity rate
- 126.5 cases per million
- 10th lowest case rate per 100,000 in Michigan
- Region is still at highest risk level on MI Safe Start map

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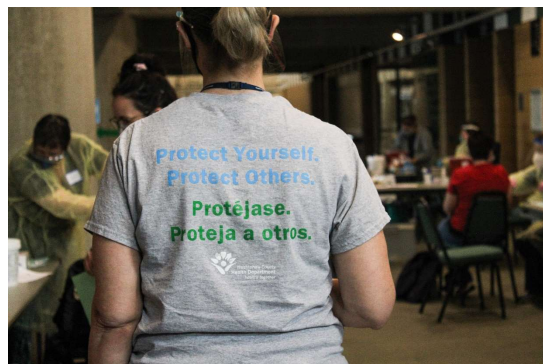
2



3

WCHD Vaccination Strategy

- Mass vaccination
 - No cost transportation
 - Self-scheduling and walk-ups
- Nurse on the Run
 - Vulnerable, less mobile settings or individuals
- Targeted pop-up clinics
 - Self-scheduling and walk-ups
 - More than one type of vaccine



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WCHD Vaccination Strategy

- Deploy vaccination teams to workplaces, neighborhoods, and community events
- Guided by vaccination data at census tract level
- Targeted outreach by CHWs and Vaccine Ambassadors

MDHHS Spread the
NOT COVID

Here's your big shot to make a difference.

GET YOUR COVID-19 VACCINE TODAY.

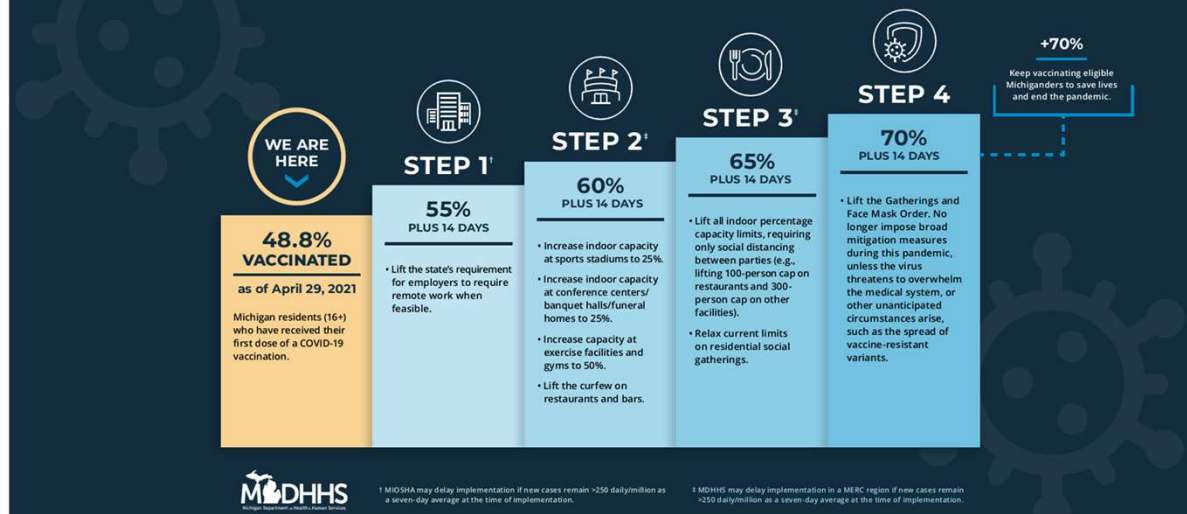


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5

MI Vacc to Normal Challenge



6



Choosing Safer Activities



	Outdoor gathering over 100 people		Outdoor gathering under 100 people
	Outdoor contact sports		Outdoor non-contact sports
	Outdoor wedding over 100 people		Outdoor wedding under 100 people
	Outdoor spectators of a sporting event with over 100 people		Outdoor spectators of a sporting event with under 100 people
	Outdoor fair or festival		Outdoor graduation party under 100 people
	Non-vaccinated person at an indoor residential gathering		Fully vaccinated person at an indoor residential gathering

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Where To Find COVID-19 Updates

- www.washtenaw.org/covid19vaccine
- [Facebook](#), [Twitter](#), [Instagram](#), [NextDoor](#) (@wcpublichealth)
- Regular COVID-19 Vaccine Video Updates
 - Available in [English](#) and [Spanish](#)
- COVID-19 update email list
 - Sign up here: www.bit.ly/WCHD555
- Contact L-wchdcontact@washtenaw.org or 734-544-6700

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Additional COVID-19 Vaccine Resources

- [Vaccine Providers in Washtenaw County](#)
- [Vaccine Data: Who has been vaccinated in Washtenaw County?](#)
- [WCHD Vaccine Distribution and Strategy](#)
- [Michigan COVID-19 Vaccination Interim Prioritization Guidance](#)
- [Michigan COVID-19 Vaccines Frequently Asked Questions](#)
- [Michigan COVID-19 Vaccine Dashboard](#)
- [Michigan COVID-19 Vaccine Website](#)

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April 16, 2021

To: All interested parties

From: Washtenaw County Office of Community and Economic Development

Teresa Gillotti, Director (gillottitm@washtenaw.org)

Morghan Williams Boydston, Human Services Manager (williamsm@washtenaw.org)

Tara Cohen, CDBG Management Analyst (cohent@washtenaw.org)

Re: Draft Amendment to 2019 Annual Action Plan to include additional COVID-19 response funding from Federal CARES Act

In response to the COVID-19 national emergency, the Federal Government provided additional support to communities through the CARES Act. A portion of that funding flows through Housing and Urban Development (HUD) and reaches communities like ours through formula allocations including Community Development Block Grant (CDBG) and Emergency Solutions Grants (ESG). This funding is distributed through the Washtenaw Urban County, which currently has 20 member jurisdictions, out of 28 in Washtenaw County (see below). The total CDBG and ESG CARES Act allocations to the Washtenaw Urban County as of April 16, 2021 are:

Grant Type	Grant 1	Grant 2	Total
CDBG-CV	\$ 1,267,964	\$ 1,608,347	\$ 2,876,311
ESG-CV	\$ 643,403	\$ 1,794,203	\$ 2,437,606

CDBG-CV is funding available for eligible activities that serve low-moderate income communities, low-moderate income clientele and/or Urgent Needs related to COVID response. These activities must either be new, or an expansion of current activities. They cannot replace existing activities or replace other funding for existing activities or services.

ESG-CV funding is provided to assist those experiencing or at risk of experiencing homelessness to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The initial CDBG-CV and ESG-CV grants ("Grant 1") in the above table were approved through a Substantial Amendment to the Washtenaw Urban County 2019 Action Plan in April/May 2020 (approved by the Urban County Executive Committee on April 28, 2020 and the Washtenaw County Board of Commissioners on May 6, 2020).

The 2019 Action Plan was amended for a second time in September 2020 to include the second ESG-CV grant ("Grant 2"), with more specific proposed uses of funds approved by the Urban County Executive Committee on November 18, 2020.

The current amendment reflects the 3rd substantial amendment to the 2019 Action Plan; this amendment specifically includes the second CDBG-CV grant ("Grant 2") in the amount of \$1,608,347. All CDBG-CV grant funds are to be utilized for activities that prevent, prepare for, and respond to COVID-19. Specific uses of funds have not yet been designated. These funds will likely be used in coordination with upcoming American Recovery Act funds to assist with outstanding and eligible needs to respond to COVID-19.

CDBG-CV Round 3

Funds were announced in late September. Staff recommends not committing them until 2021 to assess needs including ongoing housing needs, needs for other public/human services, and/or support for small business.

COVID response activities		Eligible activities include small businesses grants; human services support; affordable housing acquisition; et cetera	Expected to be committed by Summer/Fall 2021
Administration		Up to 20% eligible	
Total:	\$1,608,347		

Community need and proposed activities

The federal, state and local response to COVID-19 over the past year has been to implement physical separation as well as a series of Emergency Orders including Governor Whitmer's "Stay Home, Stay Safe" order to shelter in place. The orders were put in place to ensure public health and flattening of the curve of the Coronavirus's spread. As has occurred nation-wide, businesses have closed or cut back considerably, resulting in the largest number of unemployment filings in our nation's history. While there have been corresponding eviction moratoriums at the state and federal level, there is concern about how residents will be able to cover back rent and/or mortgage payments once those moratoria are lifted, even with federal stimulus support. The recommended uses of CDBG-CV and ESG-CV are complementary, and primarily focused on stabilizing housing for individuals who have it, as well as finding permanent housing solutions for those who are housing insecure and/or experiencing homelessness. OCED is looking to engage the Corporation for Supportive Housing (CSH) to assist with supporting implementation of housing and homelessness programming in close coordination with community and non-profit partners.

The first CDBG-CV grant and first and second ESG-CV grants have been allocated as follows to date:

CDBG-CV (Grant 1)

Activity /Category	Amount	Detail	Status
Rent/mortgage/utility assistance to low-moderate income residents	\$507,186	Recent rule change now allows for a maximum of 6 months of funding to households at or below 80% AMI.	An RFP for mortgage foreclosure services will be released in Spring/Summer of 2021 for a portion of the funds.
Homelessness response activities	\$253,592	These funds were coupled with RFI/RFP funding round– more detail in the ESG-CV info below.	Funds contracted
Expanded Shelter related to COVID-19 response	\$253,593	Contract with Shelter Association of Washtenaw County to support their staffing and supply costs for expanded staffing at shelter.	Funds spent on expanded shelter in Spring/Summer of 2020.

Administration	\$253,593	Maximum 20% - OCED staff is responsible for meeting HUD requirements for all funded activities, contract management and monitoring.	Funds in use.
Total:	\$1,267,964		

ESG-CV Funds

Originally these funds were listed in the 2019 Action plan as a broad bucket of funds related to homelessness response activities. Since then, there have been multiple funding rounds as the grants were released. More details on grantees and awards are provided in the table below. Please note this includes both ESG-CV grants, as well as CDBG-CV funds dedicated to homelessness work. The Continuum of Care Board and related committees have supported the identification of need and gaps in the homelessness system of care.

Homelessness Prevention (including direct financial assistance to clients and legal services)	\$367,753	Direct assistance funding filled the gap when the Eviction Diversion Program (EDP) wrapped up in January 2021, and prior to start of COVID Emergency Rental Assistance (CERA). Funding for Legal Services and HAWC providing additional capacity as part of EDP program.	Funds contracted
Rapid Re-Housing Case Management & Rental Assistance - Avalon, SOS, and Ozone House	\$460,514	Funds case management and rental assistance for 50 placements. Currently focused on placing those who were in expanded shelter at the hotel.	Funds contracted
Shelter	\$315,173		Funds contracted
HMIS	\$113,607	OCED staff are responsible for meeting HUD requirements for all funded activities, contract management, and monitoring.	Funds in use

The October 2020 funding round was committed to gaps in homelessness system service provision:		As noted, the funding round occurred in October 2020 with approvals from Urban County and the Continuum of Care Board in November. Resulting services began in early 2021.	Funds Contracted and in use.
• Eviction Prevention Program (Court Liaison Year 2 & Diversion)	\$189,318		
• Hotel/Motel Vouchers for Winter Shelter for Families and Individuals	\$352,774		
• Housing Choice Voucher Retention & Family Rapid Rehousing	\$500,000		
• Rapid Re-Housing (RRH)	\$484,300		

Expansion (individuals)			
• Youth-specific Services (Prevention, Diversion, and Rapid Re-Housing)	\$211,943		
Administration	\$115,446	OCED is utilizing less than 5% of funding for admin to share administrative funds with partner agencies.	Funds in use.
Total ESG-CV Rounds 1 & 2 and CDBG-CV for homelessness	\$3,110,828		

Process and Approval Timelines

The regulatory process for HUD funding is extensive. To move the approval process along, HUD is allowing for a series of waivers including reductions to the public comment period (from 30-day minimum to a 5-day minimum), among other concerns. The timeline for soliciting feedback as well as the approval process is noted below:

- Public comment period will begin on April 16, 2021 and end on May 5, 2021.
- Urban County Executive Committee will hold a public hearing as part of its regular monthly UCEC meeting on **Wednesday, May 5, 2021 at 2:00 PM**. This meeting will be held remotely on Zoom.
Participate via Zoom:
<https://washtenawcounty.zoom.us/j/95432757442?pwd=c0sxNFdSZDh5NnVLNlI0RnErL0pxUT09>,
Passcode: 829766. Or participate via Phone: dial 1 (312) 626 6799, webinar ID: 954 3275 7442,
Passcode: 829766. These meeting details can also be found on the OCED event calendar:
www.washtenawcounty.org/oced
- Urban County Executive Committee will vote on the substantial amendment at the Wednesday, May 5th meeting
- In the coming months, when specific uses and/or awards of Round 3 CDBG-CV funds have been determined, both the Washtenaw Urban County and the Washtenaw County Board of Commissioners will be asked to approve those specific uses.

Response to public comment and updates to the amendment

Comments and feedback will be reviewed regularly during the public comment period and prior to approval by the Urban County Executive Committee.

Urban County jurisdictions are: City of Ann Arbor, City of Dexter, City of Saline, City of Ypsilanti, Ann Arbor Township, Augusta Township, Bridgewater Township, Dexter Township, Lima Township, Manchester Township, Northfield Township, Pittsfield Township, Salem Township, Saline Township, Scio Township, Superior Township, Sylvan Township, Webster Township, York Township, and Ypsilanti Township.

Washtenaw Urban County 2019-20 Summary of Planned Activities - *Approved by UCEC 4.28.29 & 11.10.20*

Rev. 4.14.21

Final 2019-20 Allocations & CARES Act funds	
CDBG-CV (COVID CARES Act) - Round 1	\$1,267,964
CDBG-CV (COVID CARES Act) - Round 3	\$1,608,347
ESG-CV (COVID CARES Act) - Round 1	\$643,403
ESG-CV (COVID CARES Act) - Round 2	\$1,794,203
Community Development Block Grant (CDBG)	\$2,123,502
HOME Investment Partnership Program (HOME)	\$1,264,807
Emergency Solutions Grant (ESG)	\$178,973
TOTAL	\$8,881,199

Blue = Funds newly added to 4/28/20 Substantial Amendment Activities Table

Red = Changes to 4/28/20 Substantial Amendment Activities Table

Purple = minor administrative updates made 12/29/20

Green = Funds proposed for Substantial Amendment, anticipated approval by UCEC 5/5/21

Project	Activity	Agency	CDBG-CV	ESG-CV	CDBG	HOME	HOME Program Income	HOME 2018-19 Carry over	ESG	Goal Outcome Indicator	Quantity	Measure
CDBG-CV Round 1 - Administration	CDBG-CV Administration	OCED - Urban County wide	\$ 253,593							TBD	TBD	TBD
CDBG-CV Round 1 - Public Services	Rent/mortgage/utility assistance to low-moderate income residents	OCED and community partners, Urban County wide	\$ 507,185							TBD	TBD	TBD
CDBG-CV Round 1 - Public Services	Expanded Shelter related to COVID-19 response	Shelter Association of Washtenaw County for Residential and Non-Residential Programs	\$ 253,593							TBD	TBD	TBD
CDBG-CV Round 1 - Public Services	Homelessness Response	Funding round available to Homelessness Service Providers	\$ 253,593							TBD	TBD	TBD
CDBG-CV Round 3	Activities to Prevent, Prepare for, and Respond to COVID-19	OCED and community partners, Urban County wide	\$ 1,608,347							TBD	TBD	TBD
ESG-CV Round 1 Administration	ESG-CV Administration	OCED - Urban County wide		\$ 25,736						TBD	TBD	TBD
ESG-CV Round 1 Activities	Shelter expansion, diversion and eviction prevention, rapid rehousing and housing support services	OCED and community partners, Urban County wide		\$ 617,667						TBD	TBD	TBD
ESG-CV Round 2 Administration	ESG-CV Administration	OCED - Urban County wide		\$ 89,710						TBD	TBD	TBD
ESG-CV Round 2 Activities	Shelter expansion, diversion and eviction prevention, rapid rehousing and housing support services	OCED and community partners, Urban County wide		\$ 1,704,493						TBD	TBD	TBD
CDBG Admin	CDBG Administration	OCED - Urban County wide			\$424,700					Other	1	Other
Public Facilities & Infrastructure	Priority Project - Ypsilanti Township Community Center Floor Tiles	Ypsilanti Township/Superior Township			\$61,898 (+ \$60,643 regular CDBG)					Public Facilities & Infrastructure Improvements	7545	Persons Assisted
Public Facilities & Infrastructure	DESIGN/RFP ASSISTANCE for Ypsilanti Township Community Center Floor Tiles	Ypsilanti Township			\$6,000					Public Facilities & Infrastructure Improvements		
Public Facilities & Infrastructure	Schooner Cove - Bus Shelter/Sidewalk Linkages	Ypsilanti Township			\$46,614					Public Facilities & Infrastructure Improvements	1359	Persons Assisted
Public Facilities & Infrastructure	Priority Project - Northfield Township Community Center Improvements	Northfield Township			\$91,286					Public Facilities & Infrastructure Improvements	744	Persons Assisted
Public Facilities & Infrastructure	LED Street Lighting*	Augusta Township			\$8,733					Public Facilities & Infrastructure Improvements	4540	Persons Assisted
Public Facilities & Infrastructure	ADA Curb Cuts	City of Ypsilanti			\$50,000					Public Facilities & Infrastructure Improvements	2867	Persons Assisted
Public Facilities & Infrastructure	Park Improvements	City of Ypsilanti			\$21,660					Public Facilities & Infrastructure Improvements	TBD	Persons Assisted
Public Facilities & Infrastructure	Senior Center Roof replacement	Pittsfield Township			\$70,403					Public Facilities & Infrastructure Improvements	1579	Persons Assisted
Public Facilities & Infrastructure	Fireman's Park Playground Improvements	Superior Township			\$29,784					Public Facilities & Infrastructure Improvements	450	Households Assisted
Public Facilities & Infrastructure	Road Improvements - Cary Drive	Ypsilanti Township			~~\$136,780~~ \$23,523					Public Facilities & Infrastructure Improvements	2376	Persons Assisted
TBD	CDBG Program income spent in R/ECAPs - <i>details pending community engagement process</i>	City of Ypsilanti and Ypsilanti Township			\$99,364					TBD	TBD	TBD
Affordable Housing	HQS improvements - MAP (multiple sites)	MAP (City of Ann Arbor)			\$87,193					Rental rehabilitation	TBD	Units
Affordable Housing	HQS & Lead improvements - Avalon (Broadway)	Avalon Housing (City of Ann Arbor)			\$70,000					Rental rehabilitation	TBD	Units
Homeownership Assistance	Voucher-to-Homeownership Assistance Pilot	OCED - Urban County wide			\$105,000					Homeownership Assistance for low/mod income housing benefit	8	Households Assisted
CDBG Single Family Rehab	Single Family Rehabilitation (SFR)	OCED - Urban County wide			\$340,129					Homeowner Housing Rehabilitated	60	Household Housing Unit
CDBG Single Family Rehabilitation Service Delivery	Single Family Rehabilitation Service Delivery	OCED - Urban County wide			\$127,410					Homeowner Housing Rehabilitated	60	Household Housing Unit
CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Peace Neighborhood Center (City of Ann Arbor)			\$88,500					Public Service activities for low/mod income housing benefit	70	Persons Assisted
CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Community Action Network (City of Ann Arbor)			\$91,500					Public Service activities for low/mod income housing benefit	180	Persons Assisted
CDBG Public Services	Coordinated Funding - Interfaith Hospitality Network of Washtenaw County	Interfaith Hospitality Network of Washtenaw County			\$123,315					Tenant-based rental assistance / Rapid Rehousing	130	Persons Assisted
CDBG Public Services	Coordinated Funding - SafeHouse Center	SafeHouse Center			\$90,801					Emergency housing/Transitional Housing/Homeless Outreach	300	Persons Assisted
CDBG Public Services	Coordinated Funding - Shelter Association of Washtenaw County Residential and Non-Residential Programs	Shelter Association of Washtenaw County Residential and Non-Residential Programs			\$51,414					Homeless Prevention	1,025	Persons Assisted
CDBG Public Services	Coordinated Funding - SOS Family Shelter	SOS Family Shelter			\$28,745					Emergency housing/Transitional Housing/Homeless Outreach	100	Persons Assisted
CDBG Public Services	Coordinated Funding - Unified-HIV Health and Beyond: Mobile Health Program	Unified-HIV Health and Beyond			\$24,250					Homeless Prevention	1,000	Persons Assisted
Home Administration	HOME Administration	OCED				\$126,480				Other	1	Other
HOME Homeownership program	Habitat for Humanity of Huron Valley Acquisition Development Resale (ADR) Program	Habitat for Humanity of Huron Valley				\$437,958	\$12,042.70			Homeowner Housing Rehabilitated	10	Household Housing Unit
HOME CHDO Reserve (15%)	Dan Hoey Acquisition & New Construction	Avalon Housing				\$157,328		\$132,672		New Units Constructed	22	Household Housing Unit
HOME CHDO Reserve (15%)	108/110 Glendale Rehabilitation	Avalon Housing				\$310,000				Rental units rehabilitated	2	Household Housing Unit
HOME CHDO Operating Costs (5%)	HOME CHDO Operating	Avalon Housing				\$63,240				Other	1	Other
Reserved for 2020 Affordable Housing RFP	TBD	TBD				\$169,801				TBD	TBD	TBD
HESG19 Washtenaw County	Homeless Prevention, Shelter & Rapid Re-Housing	<i>Awarded to nonprofit service providers through Funding Review Team (FRT) process in Summer 2019</i>							\$167,340	Tenant-based rental assistance / Rapid Rehousing	TBD	TBD
HESG19 Washtenaw County	ESG Administration								\$11,633	Homelessness Prevention	1	Other

*Subject to demonstrating 51% Low-Mod Income households in target area(s) by way of a HUD-approved household income survey.

Rev. 4.14.21

NOTICE OF PUBLIC COMMENT PERIOD & PUBLIC HEARING
**Public Comment Period & Public Hearing for Substantial Amendment to the 2019 Washtenaw
Urban County Annual Action Plan**

Pursuant to U.S. Department of Housing & Urban Development regulations, notice is hereby given by the Washtenaw County Office of Community and Economic Development (OCED) that one (1) public hearing will be held to solicit citizen input on a substantial amendment to the 2019 Annual Action Plan. The 2019 Annual Action Plan identifies the specific projects and programs that the County intended to implement with Community Development Block Grant Program (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grants Program (ESG) funding during the period of July 1, 2019 – June 30, 2020. The purpose of this amendment is to incorporate a second round of Community Development Block Grant funds (CDBG-CV) allocated through the CARES Act. The first CDBG-CV allocation was in the amount of \$1,267,964 and the second allocation was \$1,608,347 for a total CDBG-CV allocation of \$2,876,311. All CDBG-CV funds are used for activities that prevent, prepare for, and respond to Coronavirus.

A public hearing and a 20-day public comment period are being held to obtain citizen input on the proposed substantial amendment to the 2019 Annual Action Plan. Following a public hearing, Urban County Executive Committee members will be asked to approve the proposed amendment to the 2019 Action Plan. This approval process is condensed to expedite disbursement of funds for the County's local COVID-19 response efforts.

Beginning on April 16, 2021, residents and interested parties can obtain the proposed amendment by contacting Tara Cohen at (734) 544-3056 or cohent@washtenaw.org or by downloading from www.washtenaw.org/urbancounty (click on *Urban County Plans & Reports*).

This hearing invites participation and/or written comments on the proposed amendment from any person having an interest, or their duly appointed representative, in the following Urban County jurisdictions: City of Ann Arbor, City of Dexter, City of Saline, City of Ypsilanti, Ann Arbor Township, Augusta Township, Bridgewater Township, Dexter Township, Lima Township, Manchester Township, Northfield Township, Pittsfield Township, Salem Township, Saline Township, Scio Township, Superior Township, Sylvan Township, Webster Township, York Township, and Ypsilanti Township.
The public hearing will be held as follows:

Wednesday, May 5, 2021 at 2:00PM

Urban County Executive Committee Meeting (Remote by Zoom)

Participate via Zoom:

<https://washtenawcounty.zoom.us/j/95432757442?pwd=c0sxNFdSZDh5NnVlNlI0RnErL0pxUT09>, Passcode: 829766. Or participate via Phone: dial 1 (312) 626 6799, webinar ID: 954 3275 7442, Passcode: 829766. These meeting details can also be found on the OCED event calendar: www.washtenawcounty.org/oced

A public comment period for the draft plan will begin on April 16, 2021 and end on May 5, 2021. If you would like to submit comments or request additional information, contact Tara Cohen at cohent@washtenaw.org or (734) 544-3056.

Teresa Gillotti, Director
Office of Community and Economic Development

Please note that closed captions will be enabled in Zoom. The County of Washtenaw will provide the necessary auxiliary aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon seven (7) days' notice to the County of Washtenaw. Individuals with disabilities requiring auxiliary aids or services should contact the County of Washtenaw by calling the following: Phone (734) 222.6850, TDD (734) 994.1733.

<i>Actual 2021-22 Allocations</i>	
Community Development Block Grant (CDBG)	\$2,196,208
HOME Investment Partnership Program (HOME)	\$1,258,791
Emergency Solutions Grant (ESG)	\$183,820
TOTAL	\$3,638,819

Project	Activity	Agency	CDBG	HOME	HOME Program Income	HOME 2020-21 Carry over	ESG	Goal Outcome Indicator	Quantity	Measure
CDBG Admin	CDBG Administration	OCED - Urban County wide	\$439,242					Other	1	Other
Public Facilities & Infrastructure	Russell Street Paving/Stormwater Improvements (adjacent AAHC property - Maple Meadows)	City of Ann Arbor	\$245,184					Public Facilities & Infrastructure Improvements	40	Households Assisted
Public Facilities & Infrastructure	ADA Curb Cuts	City of Dexter	\$9,210					Public Facilities & Infrastructure Improvements	700	Households Assisted
Public Facilities & Infrastructure	Solar Roof Project	City of Ypsilanti	\$40,201					Homeowner Housing Rehabilitated	100	Households Assisted
Public Facilities & Infrastructure	ADA Curb Cuts	City of Ypsilanti	\$50,000					Public Facilities & Infrastructure Improvements	2000	Households Assisted
Public Facilities & Infrastructure	NE Pittsfield Green Corridors Phase I - Design/Engineering/Construction	Pittsfield Township	\$81,484					Public Facilities & Infrastructure Improvements	9,318	Persons Assisted
Public Facilities & Infrastructure	Cherrywood Lane Group Home - Siding installation	Washtenaw County Community Mental Health (Scio Township)	\$16,000					Public Facilities & Infrastructure Improvements	6	Persons Assisted
Public Facilities & Infrastructure	Community Park ADA-Compliant Sidewalk Installation	Superior Township	\$22,000					Public Facilities & Infrastructure Improvements	200	Households Assisted
Public Facilities & Infrastructure	MacArthur Blvd Pedestrian Crosswalk	Superior Township	\$13,456					Public Facilities & Infrastructure Improvements	450	Households Assisted
Public Facilities & Infrastructure	Washtenaw Ave Sidewalk Infill Phase 2 - Design/Engineering/Construction	Ypsilanti Township	\$165,275					Public Facilities & Infrastructure Improvements	4,000	Persons Assisted
TBD	CDBG Program income spent in R/ECAPs - details pending community engagement process	City of Ypsilanti and Ypsilanti Township	\$105,509					TBD	TBD	TBD
CDBG Home Improvement Programs	Single Family Rehab/Home Improvement Programs	OCED - Urban County wide	\$464,726					Homeowner Housing Rehabilitated	50	Household Housing Unit
CDBG Home Improvement Programs - Service Delivery	Single Family Rehab/Home Improvement Programs - Service Delivery	OCED - Urban County wide	\$140,000					Homeowner Housing Rehabilitated	45	Household Housing Unit
CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Peace Neighborhood Center (City of Ann Arbor)	\$88,500					Public Service activities for low/mod income housing benefit	70	Persons Assisted
CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Community Action Network (City of Ann Arbor)	\$91,500					Public Service activities for low/mod income housing benefit	180	Persons Assisted
CDBG Public Services	Human Services Funding - Interfaith Hospitality Network of Washtenaw County	Interfaith Hospitality Network of Washtenaw County	\$118,595					Tenant-based rental assistance / Rapid Rehousing	130	Persons Assisted
CDBG Public Services	Human Services Funding - SafeHouse Center	SafeHouse Center	\$95,535					Emergency housing/Transitional Housing/Homeless Outreach	300	Persons Assisted
CDBG Public Services	Human Services Funding - Shelter Association of Washtenaw County Residential and Non-Residential Programs	Shelter Association of Washtenaw County Residential and Non-Residential Programs	\$52,709					Homeless Prevention	1,025	Persons Assisted
CDBG Public Services	Human Services Funding - SOS Family Shelter	SOS Family Shelter	\$36,237					Emergency housing/Transitional Housing/Homeless Outreach	100	Persons Assisted
CDBG Public Services	Human Services Funding - Unified-HIV Health and Beyond: Mobile Health Program	Unified-HIV Health and Beyond	\$26,354					Homeless Prevention	1,000	Persons Assisted
Home Administration	HOME Administration	OCED		\$125,879				Other	1	Other
HOME Rental Development	Hickory Way Apartments Phase II New Construction (Ann Arbor)	Avalon Housing		\$147,208	\$42,503	\$10,289			36	Household Housing Unit
HOME Rental Development	Hickory Way Apartments Phase III Acquisition/New Construction (Ann Arbor)	Avalon Housing		\$197,765					14	
HOME CHDO Reserve (15%)	Veridian at County Farm North Acquisition/New Construction (Ann Arbor)	Avalon Housing		\$725,000				New Units Constructed	50	Household Housing Unit
HOME CHDO Operating Costs (5%)	HOME CHDO Operating	Avalon Housing		\$62,939				Other	1	Other
HESG21 Washtenaw County	Homeless Prevention, Shelter & Rapid Re-Housing	Awarded to nonprofit service providers through Funding Review Team (FRT) process in Summer 2021					\$174,459	Tenant-based rental assistance / Rapid Rehousing	TBD	TBD
HESG21 Washtenaw County	ESG Administration						\$9,361	Homelessness Prevention	1	Other



To: Urban County Executive Committee

From: Teresa Gillotti, Director

Date: April 30, 2021

Re: Context regarding proposed changes to Homebuyer Underwriting Standards in Housing Program Guidelines, including response to Habitat for Humanity letter dated April 9, 2021

Background

The Housing market has shifted considerably in the last 10 years. In our work with various homebuyer programs through the Urban County, we found ourselves in 2010 responding to the housing crisis, using Neighborhood Stabilization Program (NSP) funds to demolish abandoned and condemned properties and to acquire and rehab properties that had been walked away from, in so doing stabilizing communities and providing homeownership opportunities to low- and moderate-income buyers with partners like Habitat for Humanity and Community Housing Alternatives. At that time, there was a large number of properties in need of purchase and rehab, and we were happy to work with our partners to use NSP and HOME Investment Partnerships Program (HOME) funds to fill in appraisal gaps, as houses, that may have been donated or purchased cheaply, required significant investment, and sold for less than the cost of the property and improvements.

The market began to shift by 2014 (at least), when we learned from partners that houses cost more to acquire, and there was less available stock to purchase. Great news in one sense, as there were fewer abandoned properties or those left in limbo by mortgage companies who were not aware that they owned properties in neighborhoods. Rather, we watched the available housing stock grow smaller and prices start to inch up.

Fast forward to our current housing situation, and we see that housing prices have dramatically increased throughout the county. Neighborhoods that were considered “affordable” or a “good buy” are few and far between, and houses are selling for values higher than pre-recession highs.

Over the course of the last 4 to 5 years, the changes in the market have impacted the HOME Homebuyer program. Acquisition costs are higher, and in some cases construction costs have been higher. However, the appraisals and sale prices have also been higher, reducing the appraisal gap that had been common in 2010-2014.

On the programmatic side, OCED staff began noticing these changes, and was trying to determine the best way to address them, noting that HUD regulations allow for HOME funds to be utilized only in cases where there is a financial gap or need, for the homebuyer to purchase the house, and also for the developer who takes on the cost of acquisition and rehab, and ultimately resale to a low-moderate income buyer.

OCED staff had become concerned that buyers and developers may have been over subsidized, and has been working with Habitat for Humanity over the past year to review the Homebuyer Program process, and to make changes that would ensure HOME funds are being spent in accordance with U.S. Department of Housing and Urban Development (HUD) regulations. To that effect, the County had brought in consulting support from TDA Consulting to review several years' worth of projects and files, to help OCED (as the HUD grantee) identify any compliance issues, and to support our team with changes that would make the program more compliant, while simultaneously making program administration easier and more transparent for both the County and Habitat for Humanity. OCED and TDA Consulting had engaged Habitat in those conversations, and until recently, had met regularly to review some of the issues, and talk through proposed changes. Many of Habitat's concerns had been discussed, and changes were made to the proposed revisions to the Guidelines, to make accommodations as warranted.

We absolutely value Habitat for Humanity's long-standing partnership with the County and would like to continue the relationship. However, OCED and the County's responsibility as HUD grantee is to ensure that funds are being used according to HUD regulations, and to avoid exposing OCED, the County, or Habitat for Humanity to unnecessary risk, while also providing opportunities to support low- and moderate-income homebuyers. Recommended changes to the Guidelines are intended to balance creating opportunities for homebuyers with regulatory compliance to ensure proper, transparent use of HOME funds.

As Habitat for Humanity has brought up additional concerns, I will provide some context/responses to those below. I also want to note that we do consider the Guidelines to be a living document. The last full review was in 2014 with additional changes adopted by the UCEC in 2019. We are planning additional changes to rental standards later this year and can also continue to adjust within the homebuyer section of the Guidelines as we implement recent changes and respond to ongoing shifts in the marketplace.

Developer and Construction Subsidy: OCED has been working with Habitat on this over the last few months. Both parties are concerned that due to Habitat's unique position, the developer fee was inadequate to meet their costs. We are still working with Habitat on assessing which costs are applicable, eligible, and have clear documentation, in order to formalize any changes. In general, we have discussed more flexibility on the relative mix of development versus buyer subsidy within established maximum project investment limits along with a potential increase in the allowable developer fee. These changes have not been finalized, so the developer fee remains \$7,500 out of a maximum per unit subsidy of \$45,000. That amount was added to the draft version of the Housing Program Guidelines to provide clarity. It is important to note that all costs have to be documented, submitted, and verified for each individual project and may not exceed the actual gap in the project after accounting for other sources of funding, including sales proceeds.

Buyer Eligibility Changes: OCED is proposing a change to the calculation of household income, utilizing the Part 5 method as opposed the previously used 1040 method. We have found over the last year that the process for determining eligibility has been challenging, as the 1040 method requires a great deal of understanding of the tax system to determine what is eligible and what is not (in an ever-changing environment). This has resulted in technical errors in the calculation process, but fortunately none were material enough to affect a buyer's eligibility. We also note that even if implemented properly, the 1040 method has never focused on net, after tax, income but has excluded non-taxable income from the calculation used to determine eligibility.

The proposed Part 5 method (used for Housing Choice Vouchers) is more clear-cut. The primary difference is that “income” includes child support and social security received. In practice, both the County and Habitat have been adding such sources back in when calculating a potential buyer’s payment ability. We also have not identified any specific file in which use of the Part 5 definition would have changed the eligibility determination for an assisted household. So outside of a potential outlier we do not expect this to impact buyer eligibility, but it should improve consistency and documentation and therefore compliance with HUD’s administrative expectations.

Changes proposed for buyers in the 30-40% AMI range, are intended to support buyers being successful in making their annual mortgage payments. Habitat has frequently indicated the need to consider the household budget in review of eligibility, and in this case, considering one of the largest monthly payments (housing), we are looking to make sure any resulting mortgage is in line with current housing costs to not put buyers in a position to potentially default on a new mortgage. We appreciate the example noted by Habitat for individuals in alternative living arrangements and will make sure to keep that in mind as we implement the new process.

Change to How Much Assistance Buyers Receive: To a large degree, staff sees many of the changes related to housing and debt ratios as clarifying the County’s existing intent. The changes streamline the ratio analysis (versus maintaining different ratios for different income levels) and more clearly communicate the notion that all buyers should initially be expected to make the same relative contribution to their monthly payment with adjustments downward (necessitating increased subsidy) limited to that need, based on uniformly objective and quantifiable reasons.

We deliberately chose not to explicitly include certain fixed monthly expenses in the ratio analysis. While we recognize Habitat’s concern about the potential impact of medical costs or childcare on some households, we are concerned about the Fair Housing implications of treating applicants differently based on disability and familial status respectively. Additionally, these expenses can be particularly difficult to document and project in a consistent fashion across applicants, creating not only additional administrative burden but more opportunities for disparate treatment. For those reasons we have not explicitly provided for fixed monthly expenses. The policy updates do, however, deliberately reduce the “base” expectation to a housing ratio of 28% which is still below the more typical 30-33% target used by other Participating Jurisdictions of the HOME Investment Partnerships Program (HOME Program) like OCED.

As for maintaining three months of reserves, we have noted in some cases with recent borrowers that the limited reserves (just one month) have not always been clearly provided, and, as a result, put some potential homebuyers in a difficult position if there were to be a need for a home repair, car repair or purchase, or other significant expense. While best practice is three months, we will reduce the number to two months reserves and monitor this for homebuyers over the next year.

Lien: We appreciate the comments about the duration of the lien term and agree that it should be shortened. We have updated the draft guidelines to change the lien term to the minimums for the HOME Program. Most liens would be 5 years, but when \$15,000 in down payment assistance is used, it would be 10 years.



Habitat for Humanity of Huron Valley
works to enrich Washtenaw County through a legacy of
affordable homeownership for low-income families.

April 9, 2021

Sue Shink
Washtenaw County Board of Commissioners
Urban County Executive Committee Chair
Via email to shinks@washtenaw.org

Dear Ms. Shink:

Habitat for Humanity of Huron Valley offers homeownership opportunities to buyers who live or work in Washtenaw County, who otherwise would not generally qualify for conventional market mortgages. In the last 5 years, 68% of Habitat's purchasers were persons of color and 59% were families with minor children.¹ For most of the last twelve years, Habitat has concentrated its work on renovating existing structures and bringing them up to exceedingly high energy and quality standards. The majority of these homes are in the 48197 and 48198 zip codes. This approach is environmentally sound, as it uses existing structures, and is a benefit to the community as it often improves a blighted house in the neighborhood and therefore improves neighboring home values.

A majority of Habitat's homes receive funding through the HOME program through what OCED's Housing Program Guidelines call the Acquisition, Development and Resale program. This program provides funding from the HOME program for Habitat's construction costs and for its developer work. As a component of this program, buyers receive up to \$15,000 of Habitat's HOME funding for direct to the buyer down payment assistance. The Housing Program Guidelines for the homeownership program were last updated in 2014. For the last ten years, Habitat is the only entity that receives HOME funding for low to moderate income homeownership in the County. Habitat and Habitat's buyers have successfully participated in this program since that time.

As we stated during the public comment period at the April Urban County Executive Committee meeting, Habitat has deep concerns with several changes that OCED staff is proposing to the Housing Program Guidelines. Habitat would like to provide information to the UCEC regarding some of OCED's proposed changes to the homeownership program, so each member can make an informed decision when OCED finalizes these guidelines and asks for your vote on the changes. Habitat and OCED have been discussing the update to the Housing Program Guidelines for some time. Habitat and OCED have looked carefully at HUD's requirements for the HOME program and the ideas presented by Habitat in this letter comply with HUD's requirements, while continuing the positive outcomes for buyers through the HOME program and Habitat.

Developer and Construction Subsidy

The proposed Housing Program Guidelines contains information and calculations which are not in line with where our discussions currently stand. Habitat and OCED have, in the last 6 months, taken a look at how Habitat's unusual position, as both the general contractor and developer, would fit into the

¹ From July 1, 2015 to the present.



requirements of HUD, would provide the appropriate amount of funding, and would not be an administrative burden for either party. Because there are many varying requirements and with the knowledge that these changes will be in place for many years to come, any proposed changes require close scrutiny.

Requirements for Assistance to Buyers

The direct to the buyer assistance comes to the buyer in the form of up to \$15,000 in down payment assistance, which reduces the buyer's mortgage and the buyer's monthly mortgage payment. The proposed Housing Program Guidelines provides policies to determine whether a buyer may purchase a HOME-funded property and the policies create a calculation for how OCED staff will determine how much assistance the buyer will receive to reduce their mortgage once the buyer is determined to be eligible to participate in the program.

Buyer Eligibility Changes

OCED proposes additional scrutiny for buyers with 30% to 40% of AMI to qualify to participate in the HOME program. Buyers in this income bracket will have to show that their mortgage payment is not greater than 110% of their current rent. This is a new requirement without a rational basis, as Habitat and OCED have successfully served families in the 30% to 40% of AMI for many years without this scrutiny. If a buyer was unable to find affordable rental housing, which is difficult to find in Washtenaw County, and were living in an alternative arrangement, then the buyer would not be qualified for this program.

Additionally, OCED is changing the way it will calculate household income to determine program eligibility. Habitat and its other partners that provide down payment assistance to buyers, including OCED in the past, calculate a buyers' income for eligibility using after-tax to determine whether the buyer is between 30% and 80% of AMI. By changing the income calculation to gross income (called Section 5 in the proposed Housing Program Guidelines), Habitat will have to exclude applicants for this program when their income is not between 30% and 80% of AMI under a gross income and after-tax calculation.

Changes to How Much Assistance Buyers Receive

To determine how much assistance the buyer should receive, OCED looks at the buyer's monthly mortgage payment and the amount of debt (car payments, student loans, credit cards, etc.) that the buyer pays on a monthly basis, compared to the buyer's gross monthly income. OCED's down payment assistance helps to lower the first mortgage down so that the monthly mortgage payment is affordable to that buyer. Under the current version of the Housing Program Guidelines, OCED considers the buyer's budget and necessary living expenses as well as the buyer's monthly debt obligations to determine an affordable housing payment for that buyer.

In the proposed version of the Housing Program Guidelines, OCED staff will no longer consider the buyer's budget and necessary living expenses to lower the buyer's front end ratio. Under the proposed version, OCED will reduce the monthly mortgage payment of all buyers by up to 2% of their gross monthly income. OCED will provide additional down payment assistance to reduce a buyer's monthly mortgage payment by 4% more, only if a buyer has higher monthly debt obligation. This is using HOME funding to subsidize or reduce a buyer's mortgage if they have more debt. Excluding fixed monthly expenses from consideration will mean that families with minor children or individuals with greater monthly medical expenses, that have higher fixed monthly expenses with less room in their budget to take on debt (credit cards and car



payments) are in greater need of an affordable monthly housing payment, will not receive as much HOME funding as a single or dual-income family with no minor children with greater debt.

In the past, OCED required that buyers have a savings of at least one month's mortgage payment, which resulted in many successful homeowners. OCED is now requiring that buyers have at least three months of mortgage payments in their savings account. Habitat works with very reputable local banks who offer below market fixed interest rate mortgage products to our buyers and who take on the most risk with loans of over \$100,000. These banks use conventional underwriting standards with a flexible credit score and none of these banks require a 3 month reserve.

Lien for Down Payment Assistance on Buyer's Homes

The changes that OCED has proposed, including changes that Habitat agrees with, will likely reduce the amount of HOME funding buyers receive. For each buyer, OCED requires a lien on the property that will only be paid if the buyer no longer occupies the house as its principal residence or sells the property. Currently the lien is for 20 years, but HUD only requires a 5 year lien for assistance to the buyer up to \$15,000. Because buyers will now receive less down payment, sometimes as little as \$1,000, it seems inappropriate for a buyer to have a 20-year lien.

Conclusion

Habitat would like to thank you for taking the time to learn about our program and how Washtenaw County can continue to offer homeownership opportunities for low to moderate income individuals within the requirements of HUD. Attached is our most recent annual report and a history of the programs we have been able to provide to residents of Washtenaw County. We are proud of the fact that our local Habitat serves more families than any other Habitat organization in the state and we are ranked in the top ten of Habitats of our size in the country. Our commitment to the development and sustainability of low to moderate income homeownership units in Washtenaw County is proven. We hope to be able to continue to partner with the Urban County in the months and years ahead as we recover from the economic and health turmoil of the pandemic.

Habitat, in partnership with OCED, has successfully provided over 100 homeownership opportunities in Washtenaw County. We are concerned that some of the proposed changes will make unnecessary barriers to low to moderate income buyers who would be successful homeowners and would like more time to continue our discussions with OCED before UCEC votes on the updated Housing Program Guidelines. Please contact me if you have any questions or need additional information.

Sincerely,



Amy Krieg
Attorney and Compliance Officer
734-882-2016
akrieg@h4h.org

CC: Teresa Gillotti, Sharde Crutchfield, and Tara Cohen



www.h4h.org

2805 S. Industrial Hwy., Ste. 100
Ann Arbor, MI 48104

734-677-1558





Endurance

Under one roof.



2020 Annual Report



Under one roof.

This phrase meant so much more in 2020. As we experienced an unprecedented year, we all found home to be our safe haven as it became a school, an office, a gym, a place to endure, adapt, and persevere... all under one roof! We stayed safe, sheltered, and healthy.

Habitat for Humanity of Huron Valley continues to endure, adjusting our practices and procedures during COVID-19 to provide the safest environments while still serving our community. As housing prices increase, people's salaries remain the same; broadening the gap for affordable homeownership. We continue to adjust to the changing housing market and economic climate to efficiently and effectively fulfill our mission. The board of directors and staff of Habitat for Humanity of Huron Valley thank you for your support, your hours of dedication, and your continued belief in our mission.

Without your support, we cannot provide the programs that help hundreds every year. Habitat for Humanity of Huron Valley continues to build stronger communities and affordable homes in Washtenaw County through our programs and in partnerships with families and community members. Our volunteers, donors, and advocates help Habitat homeowners build a better life for themselves, for their families, and for our community.

This year Habitat for Humanity of Huron Valley is delighted to report that we served and assisted 1,018 homeowners through our programs. On behalf of the Habitat Board of Directors and Staff, I am proud to share the annual report for Fiscal Year 2020.

Our volunteers, supporters, and homeowners are the backbone of Habitat. Together we continue to make a lasting impact in Washtenaw County. Thank you for making our work possible as we bring people together, like few others to build homes, communities, and hope...[under one roof](#).

In partnership,


Sarah Stanton
Chief Executive Officer



"This program has and will continue to make a huge difference in our lives. Not only is Habitat teaching me both financial and practical skills to make me self-sufficient as a homeowner, but they are helping to ensure that the home I move into is already safe, energy efficient, and affordable."

This opportunity from Habitat is helping me create a stable home environment for my son. I want, more than anything, a space that my son and I can call our own. One that we can grow into and, if necessary, make changes to, so that our home is exactly what we want and need it to be.

This program isn't giving me a house. It's helping me overcome barriers in my situation that have prevented me from being able to do things the 'traditional' way. It's teaching me new skills. It's helping to create a community. It's helping me to change my life and my circumstances."

- Amy Schoenherr
Habitat homeowner

Home Ownership Program

Our Home Ownership Program sells newly renovated, energy-efficient homes to local individuals and families with low incomes using an affordable mortgage.

In fiscal year 2020, we sold **7** homes to **7** hardworking families in Washtenaw County even as we had to halt building, volunteer groups, and the closing processes for several weeks. We remain committed to closing on as many houses as possible above all challenges.



The Schoenherr family closed on their home December of 2019!

Habitat Homeowners

- Earn 30%-80% of area median income
- Invest 250 hours of sweat equity per adult
- Save & make \$1,000 down payment
- Take classes in home maintenance, finance and budgeting, legal workshops, and how to sustain homeownership

**Click here
to learn more**



Home Improvement Program

Our Home Improvement Program provides critical repairs, weatherization, and energy efficiency upgrades and improvements for local low-income homeowners.

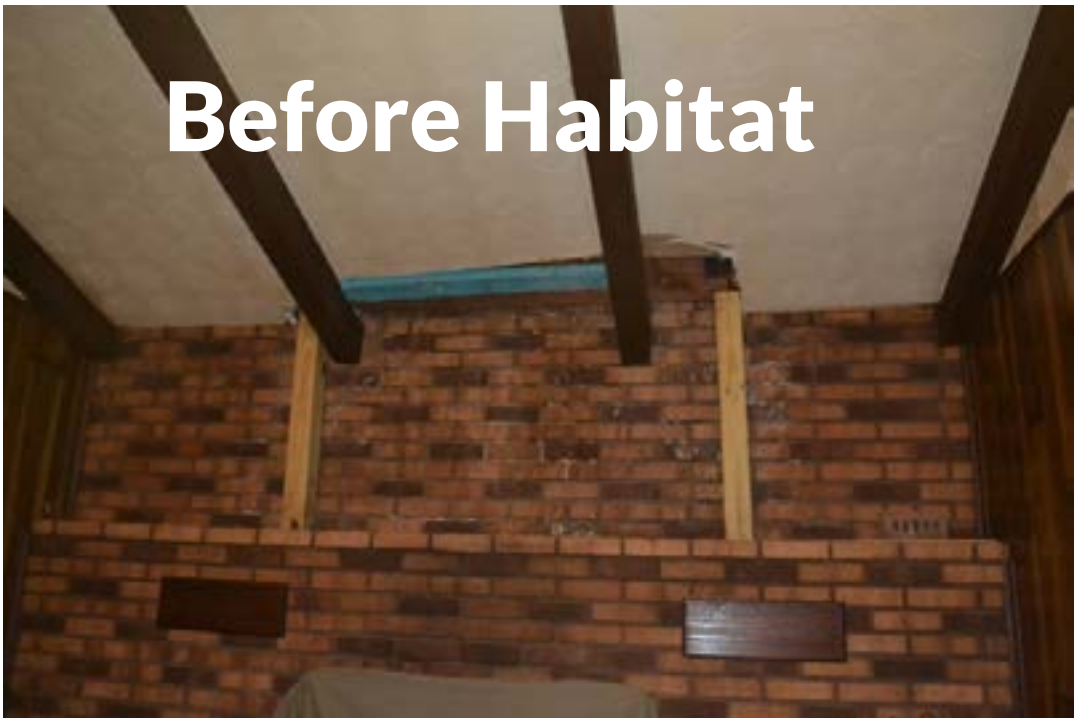
545 homeowners were served and assisted in FY 20 through home improvements, even though we had to pause most of our Home Improvement Programs for several weeks.

Home Improvement Programs include:

- Critical Home Repair for Veterans
- Critical Repair and Weatherization for homeowners
- Furnace Test & Tune and replacement Program
- Refrigerator Replacement
- Exterior Home Improvement
- LED Light Bulb Replacement Program
- Aging in Place

**Click here
to learn more**

Before Habitat



After Habitat



Critical Home Repair Program

One of our Home Improvement Programs is Critical Home Repair. This program helps homeowners with critical repairs and energy savings based on the idea that everyone deserves a safe, and affordable place to live. The above roof replacement is one example of the help we were able to provide.

Debbie & Tom have been married for seventeen years and lived in their home for fifteen of those years. The roof on their house has been a constant problem for many years. It leaked into their living room and damaged the drywall above their fireplace. They've had a tarp over the outside for quite a long time. Now, with their new roof, they no longer worry about the water coming into their home and feel safe and comfortable.

"Thank you Habitat for Humanity of Huron Valley for making our home a warm and safe place to live," said Debbie.

Habitat Education Program Home Buyers Pre-Purchase Class



Habitat Education Program

All our coaching and classes are offered free of charge to residents. We understand that many financial goals may be, but are not limited to, homeownership.

Our education program offers free group classes in homebuyer education, money management, and one-on-one sessions with a HUD-certified housing counselor. Our Habitat Education services set up homeowners for successful futures; free of high rent/mortgage payments. They are then able to diversify their savings and begin to build wealth for themselves and future generations.

388 households participated in Habitat's Education Program in FY 20. All classes and one-on-one counseling moved online. Our program works to address the critical needs due to rising unemployment and unpredictable income that many of our community members are experiencing.

HEP One-On-One Counseling:

- Prepare to be a homebuyer
- Create a detailed action plan
- Increase savings
- Decrease debt
- Improve credit

Group Education Classes:

- Money Management
- Home Buyers Pre-Purchase
- Home Maintenance

**Click here
to learn more**



As of 2019 **40%** of households could not pay for a \$400 emergency without borrowing - let alone withstand several months of a broad economic slowdown



Community Development Program

Habitat partners with residents and community partners in three Ypsilanti Township neighborhoods – Gault Village, West Willow, and Sugarbrook – to guide a long-term participatory neighborhood planning process. This strategic investment, combined with our Home Ownership Program renovations and Home Improvement Program projects, further stabilizes these communities.

We engaged with **2,209** residents and community partners in FY 20. When COVID-19 struck, we responded to the emergency needs of residents in our partner neighborhoods. We stocked food, household items, and COVID-19 resources, in addition to our normal Community Development activities.



Free food pantry



Activities Directly Support Neighborhood Priorities Identified by Residents

- Pre-COVID social events such as picnics, ice cream socials, and holiday gatherings
- Neighborhood beautification including exterior home improvements, leaf raking, community clean-up days, and dumpster days
- Youth engagement including family movie nights, youth councils, and trunk or treat
- COVID-19 emergency response needs such as free food pantries, food and cleaning supply distribution, and mental health outreach
- Neighborhood amenities such as Little Free Libraries, tool lending library, park improvements, and vacant land discussions

[Click here to learn more](#)



In July, volunteers partnered to build a mobile farm stand with We the People Opportunity Farm to share food with Sugarbrook neighbors!



Let's be friends

CHECK IN
TAG US &
LIKE US



@H4HHuronValley | #IAmHabitat

 **H4H.ORG**

Energy Efficiency

Habitat is a good steward of the environment. We focus on energy efficiency in everything that we do. From our highly energy efficient renovations to our refrigerator replacement program to the ReStore, *we concentrate on making a difference for our families, the community, and the environment.*

Through our focused and thoughtful renovation process we were able to reduce energy costs by about **\$800** annually in each Habitat home we sold.

The impact of our 2020 house renovations (compared to new construction) saved more than **294** metric tons of greenhouse gases. In addition, the environmental impact of all of our home improvement programs in 2020 was equivalent to eliminating nearly **4.9 million** passenger vehicle miles and our ReStore operations diverted around **770** tons of waste from landfills.



The ReStore is a retail store operated by Habitat for Humanity of Huron Valley. The ReStore is a place for the public to shop for discounted merchandise, donate used items, and volunteer their time to support Habitat for Humanity. Over 85% of what the ReStore sells comes from donations from residents and businesses in the community. Donations help divert items from the landfill and provides low-cost merchandise to the public. 100% of ReStore net revenue is invested back into our programs to help more families.

Sales from the ReStore provided funds to renovate homes in Washtenaw County!

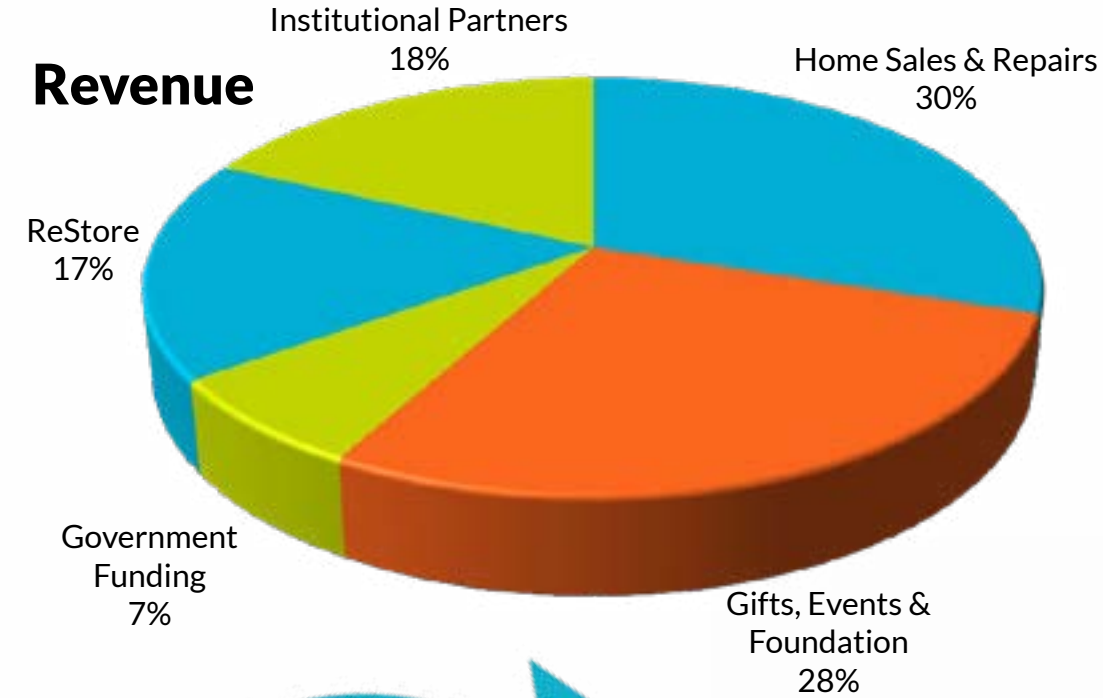
Visit the ReStore website to learn how to donate, shop, or volunteer: www.annarborrestore.org or call 734-276-0599.

Follow us on Facebook where we update pictures of our inventory regularly! Visit: www.facebook.com/h4h.restore

**Click here
to learn more**

Revenue & Expenses

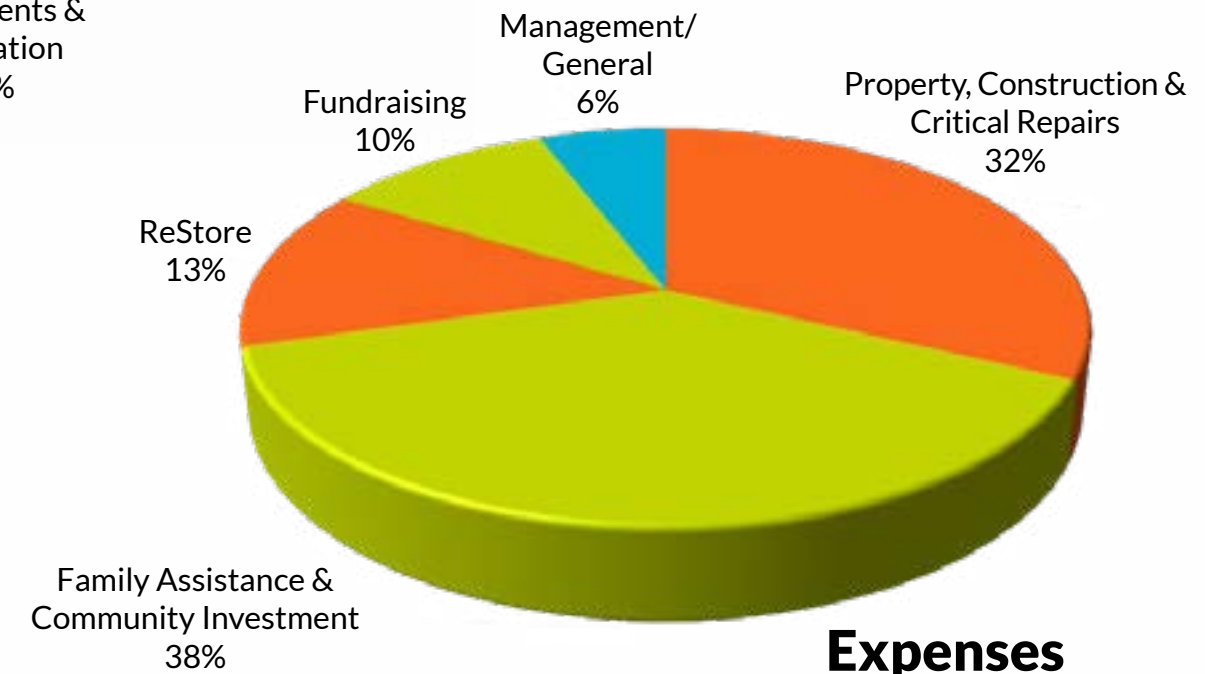
Revenue



Habitat for Humanity of Huron Valley's revenue for Fiscal Year 2020 was approximately \$5.07 million.

This number reflects the COVID-19 effects of a halt in building, smaller volunteer groups, fewer home sales, a pause in ReStore sales, and a halt in revenue generating program services.

Habitat is proud to receive a broad base of support from our community.



Expenses

Fiscal Year 2020

(July 1, 2019 - June 30, 2020)

Families Served & Assisted

through our programs including home renovations, critical home repairs, weatherizations, furnace replacements, new energy-efficient refrigerators, test and tune-ups to their furnace, exterior home improvements, one-on-one financial coaching, financial education classes, and home maintenance workshops

1,018

4,137

Enthusiastic Volunteers

donated their time at our build sites, in various community projects & events, in the ReStore, and in our office until we had to adapt policies and procedures for COVID-19 safety

Mortgage & Note Payment Principal Reinvested
in our programs to serve even more families

\$712,579

\$671

Average Monthly

mortgage, insurance, and tax payment of a Habitat for Humanity of Huron Valley homeowner



**Tahne English closed
on her home in
November, 2019**

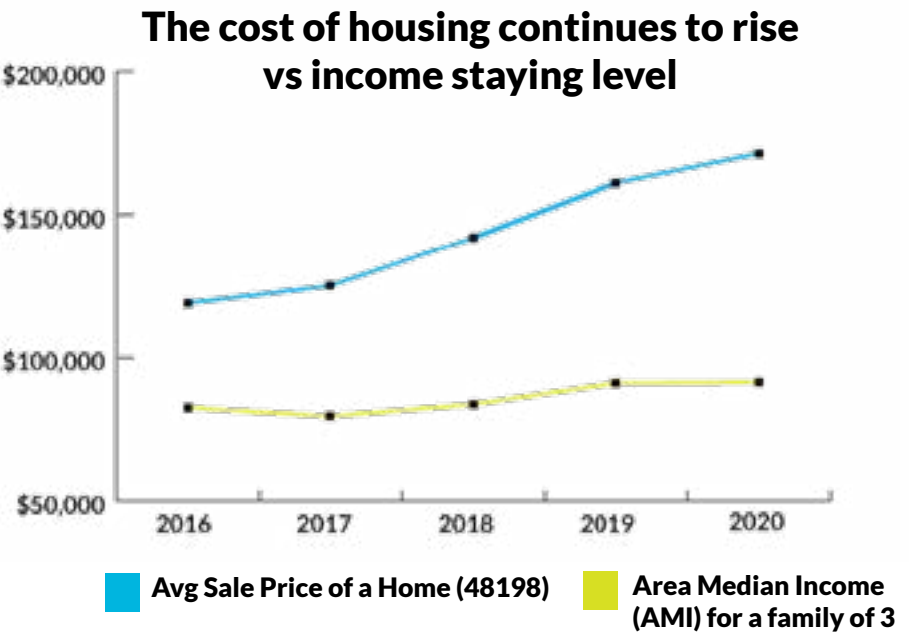
“Ever since I was a little girl I have always wanted to be a homeowner and this dream is becoming a reality through Habitat for Humanity. With a home I have always wanted a safe place for my friends and family to commune. I would describe the Habitat for Humanity Home Ownership Program as hard and rewarding because the knowledge and help they give you cannot be found anywhere else.”

- Tahne English
Habitat homeowner

Adapting Processes to Endure

We constantly review our policies, practices, and programs to best utilize resources to fulfill our mission. Since the coronavirus pandemic began we are evaluating what we can provide to address the needs of our community. The following information illustrates the growing challenges Habitat, and those we serve, continue to face. The equity from homeownership is important to build wealth for a stable future for homeowners and future generations. There are many barriers that prevent people from building savings, equity, and achieving homeownership. The coronavirus has only added to these barriers.

With the housing market changing, and base salaries remaining stagnant we have to continue to adapt our programs and practices to most efficiently address the need while, enduring to serve more in the future.

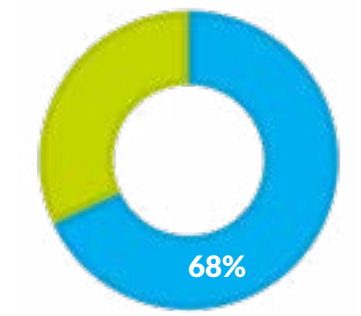
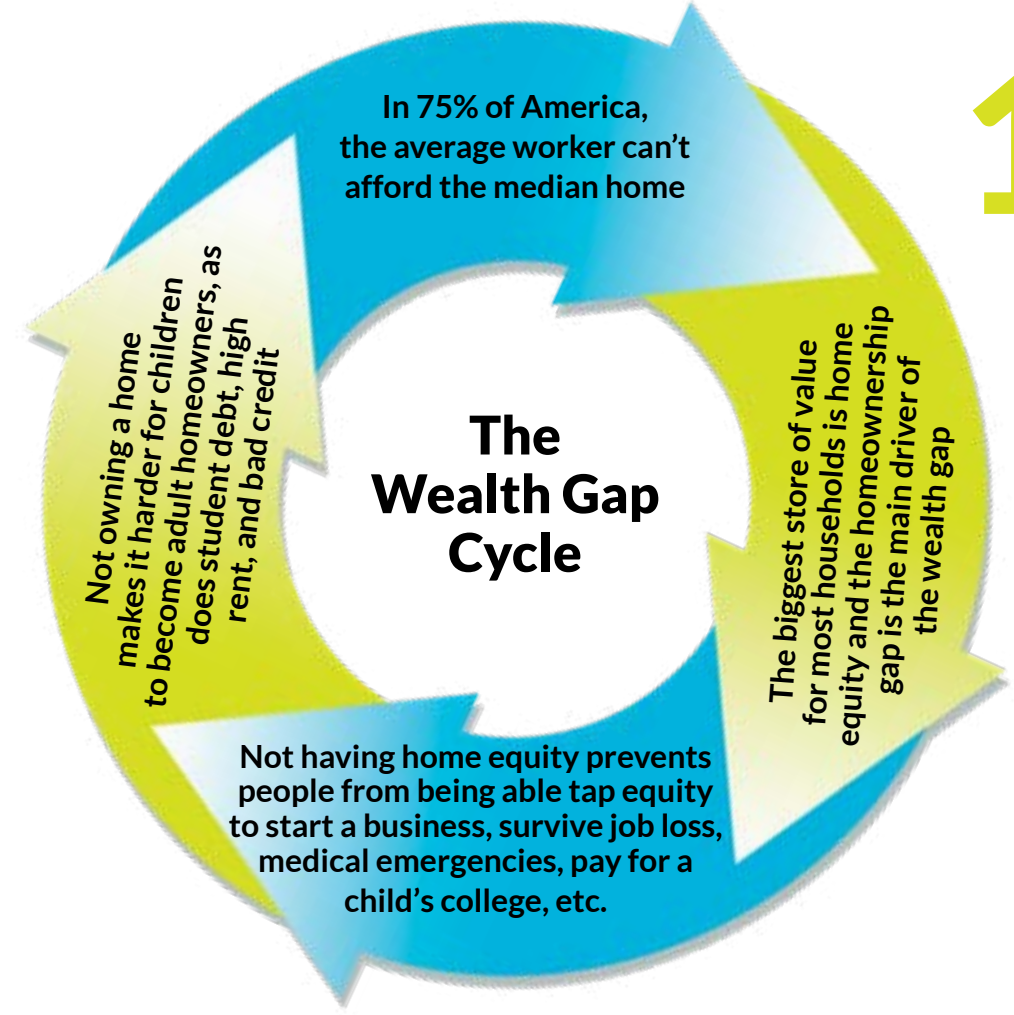


44% of our homebuyers earn 30-40% of AMI; that's a range of \$27,240-\$36,560 (or far below the the green line)

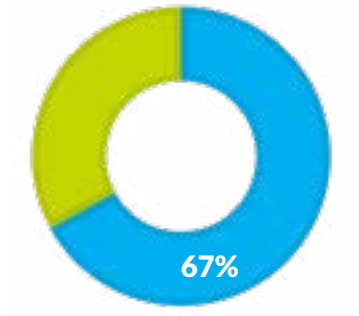
\$39,800 For a family of three, lower-income households are those making less than \$39,800 per year

2/3 PEW's American Trend Panel defines lower-income as two-thirds of the median annual family income

- More and more, through private funding, Habitat makes housing a reality by helping with down-payment assistance, providing affordable homes, and more energy-efficient homes that decrease utility bills
- Our financial programs set up homeowners for successful futures; free of high rent/mortgage payments. They are then able to diversify their savings and begin to build wealth for themselves and future generations
- Our Home Improvement Programs provide critical repairs to keep people in their homes. These repairs are affordable so homeowners do not have to take out loans or resort to other financial means to cover the costs. Our energy efficient replacement programs decrease utility bills



68% of our Habitat homebuyers are people of color

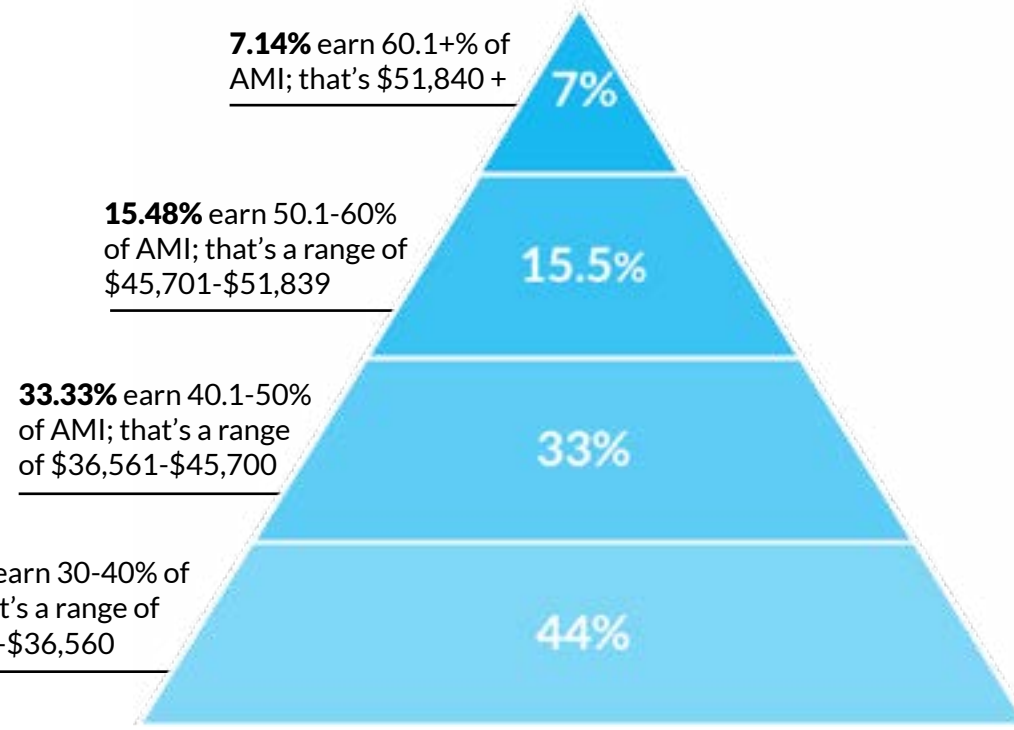


67% of our Habitat homebuyers are single female head of household

1 in 8 households spend half or more of their income on housing in Michigan

2x Our average application meeting signup doubled, going from 20/month to 40/month

Income level breakdown of our homebuyers, over the past 5 years, based on a \$91,400 Area Median Income (AMI) for a family of three



“ I want to take a moment to express my gratitude to all of those who donated financial assistance during these uncertain times. The Mortgage Relief Funds helped my family get through these trying times. I am truly grateful. ”

- Habitat Homeowner & Mortgage Relief Fund participant

Stay Home Stay Housed

Mortgage Relief Fund

One way Habitat responded to the effects of COVID-19 was by creating the Mortgage Relief Program to keep people in their homes.

23+ have been helped through this program so far

The ability of many of our homeowners to make their mortgage payments has been negatively impacted as their incomes have decreased due to layoffs, reduced hours, and the need to stay home to care for children who are not in school. The mortgage relief funds are used to help our homeowners stay current on their mortgages.

The funds from homeowner mortgage payments are reinvested in our Home Ownership Program, so keeping current on these payments helps us continue to build homes for future deserving families.

Mortgage relief funds are made available to current Habitat homeowners who have met the program criteria and fully completed an application.

More than twenty three famlies have been assisted through this program. The funds help cover their mortgages for two months. Each homeowner must show a financial hardship related to COVID-19 and must meet with a financial counselor for a budget review.



“ I am working and I was denied unemployment. I did not receive any payment for about a month and half, and I was so worried about my mortgage payment. It is really saving my life, and I appreciate your help. ”

- Habitat Homeowner & Mortgage Relief Fund participant

Energy Grants & Public Partners



In-Kind gifts of construction materials and services

- 6 Insulation Services
- American Appliance Heating & Cooling
- Colonial Heating and Cooling
- Delux Rental Inc.
- Design Cabinetry
- DOW DuPont
- DUCTZ
- Go To Roofing

- Google
- Habitat for Humanity of Michigan
- Integrity Home Inspections
- Jim Jackson
- Lochinvar
- Michigan Certified Appraisal
- Pro-Energy
- Renaissance Roofing

- Scott-Systems, Inc.
- Square-D
- Stanley Infrastructure
- Two Men and a Truck Ann Arbor
- Valspar
- Wegman Electric
- Whirlpool
- Yale

A Better World

Habitat for Humanity of Huron Valley's impact goes beyond Washtenaw County. For every home we renovate, we sponsor one in either Guatemala or Haiti. To date, we have sent more than **\$825,950** to build homes and help more than **206** families abroad.

But that's not all. Every February we send a team to Guatemala to make a difference and to do our part to eliminate poverty housing. In 2020, a group of volunteers made the journey to the beautiful mountain city of Quetzaltenango to help build homes and smokeless stoves for three families. To learn more about our international work, [click the link below.](#)



[Click here to learn more](#)

Community & Corporate Partners

Fiscal Year 2020 (July 1, 2019 - June 30, 2020)

\$40,000+



Good News Group



John and Renee Stanton Family Fund



\$20,000 - \$39,999

Ann Arbor Area Community Foundation



The Friedman Family Fund

House of Faith

J.F. Ervin Foundation

Martin Family Foundation



\$10,000 - \$19,999

The Buhr Foundation
Citi

Detter Family Foundation
Flagstar Foundation

PNC
University of Michigan Greek Life
Wells Fargo Foundation

\$5,000 - \$9,999

Ann Arbor Rotary Foundation
Chemical Bank
Community Foundation for Southeast Michigan
Domino's

Flagstar Bank
HDR
House That Beer Built
ITC

Level One Bank
State Farm Insurance
University of Michigan Physician Assistants
Zingerman's Community of Businesses

The Simmons Family closed on their home in November, 2019

"I am very ecstatic to become a homeowner through Habitat for Humanity of Huron Valley and the blessing that it is. This opportunity is not just about me achieving my dream of becoming a homeowner but bringing a sense of greater stability to my family."

- Michele Simmons
Habitat homeowner



Supporters

Under one roof.

Thank you to these financial donors who gave between January 1, 2020 and December 31, 2020

\$50,000+
DTE
The Home Depot Foundation
J. Ferrantino Charitable Foundation
MASCO Corporation
John and Renee Stanton Family Fund
Edward N. & Della L. Thome Memorial Foundation, Bank of America, N.A.,Trustee

\$20,000-\$49,999
Adient Foundation
Bank of America Foundation
First Nation Group, LLC
Friedman Family Fund
The J.F. Ervin Foundation
James A. and Faith Knight Foundation
NSK Americas, Inc.
Old National Bank
Thrivent Financial
The Harry A. and Margaret D. Towsley Foundation
Toyota Motor North America - Research and Development
United Way of Washtenaw County

\$10,000-\$19,999
Ann Arbor Area Community Foundation
Donald R. and Joanne L. Bowles
The Buhr Foundation
Citi
The Detter Family Foundation
First Presbyterian Church of Ann Arbor
First United Methodist Church
Guala Giving Fund
John and Suzanne Malloure
The PNC Foundation
TCF National Bank
Wells Fargo Foundation

\$5,000-\$9,999
Ann Arbor Rotary Foundation
Anna Botsford Bach Fund for Seniors
Comerica Charitable Foundation
Community Foundation for Southeast Michigan
Dexter United Methodist Church
Domino's
Flagstar Bank
ITC Holdings Corp.

Margaret A. Leary
Level One Bank
J. Michael and Renee L. Losh Fund
The George and Amy Monroe Foundation
Don and Gale Redding
The Edward F. Redies Foundation
State Farm Insurance
Jack and Carolyn Wallace
Lelahni Wessinger
West Side United Methodist Church

\$1,000-\$4,999
Altruic Advisors
Andersen Corporate
Robert and Anne Andrus
Ann Arbor Area Board of Realtors
Ann Arbor Carpets, Inc.
Ann Arbor Christian Reformed Church
William and Meredith Armstrong
B. Nektar
Pradeep Balakrishnan
Bank of Ann Arbor
Cheryl Barget

Barr Engineering Co.
Barton Malow
Barton Malow Foundation
Margaret Bayless and Fred Hall
Mark Benfer and Lorriane Recker-Benfer
Joy Berent
Bethel A.M.E. Church
Bui Family Foundation
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Andrea Chomistek
Juanita and Jesse Christian
Cisco
Todd and Colleen Clark
Constellation, an Exelon Company
Claib Cook
CoStaff Services, LLC
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Delux Drapery & Shade
Dixboro United Methodist Church
Steve and Judy Dobson
Robert and Connie Dunlap
Jane E. Dutton
Dynamic Edge, Inc.
Daniel and Ashley Elliston-Cowher
First Baptist Church of Ann Arbor
First Baptist Church of Ypsilanti
First Presbyterian Church of Saline
First Unitarian Universalist Congregation of
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Forward Design Build Remodel
Marcia and Alan Garrison
Grace Ann Arbor Church
Graham R. Putnam Family Foundation
Ron Greiner

Joseph Gurkey
Habitat for Humanity at the University of
Michigan
Brock and Emily Hastie
Larry Hastie
Home Point Financial
Deanna Hynansky
Daniel Jahn
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Richard and Elizabeth Jarzembowski
Johnson & Johnson Matching Gifts Program
Kessler Consulting
KeyBank
Donald Kinder and Janet Weiss
Herbert and Linda Klimach
James and Karen Kulp
Ken and Maria Laberteaux
Anna Larsson
John J. Lloyd
Lowe's
Richard Lundy
Fran Lyman
Martin Family Foundation
Mathematica Policy Research
Steve and Debra Megison
Stanley and Robin Mendenhall
Fred and Laurie Metzger
Steve and Maureen Meyer
Michigan Commercial Realty LLC
Jenny Mrozinski
Rachel and Bryant Murray
Ruthann Nichols
Edward and Mary Osborne
Ruth and Frank Parker
Preferred Title Agency
Diane and William Price
Pro Face by Schneider Electric
Martin Reineman

Retirement Income Solutions
Katherine and Guy Rich
Rotary Club of Ann Arbor North Foundation
Simmons Foundation
Sandra and Dick Simon
SKF USA, Inc.
Rachel Soeken
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Steven and Cynthia Spencer
Chris Sprague
St. Nicholas Greek Orthodox Church
Sarah Stanton
Janet Starr Family
Jim and Elizabeth Sweetnam
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Tegrit
Edward Thierbach
Ron and Laura Thomas
The Thomas L. Thomas Family Foundation Fund
Laura and Steve Town
Trinity Health
UHY LLP
University of Michigan Credit Union
Beatrice and Joel Van Winkle
Scott and Gail Weber
Westminster Presbyterian Church of
Ann Arbor
Michael Williams and Tracey Roy
Diane M. Willis
Zingerman's Training, Inc.
Zingerman's Coffee Company, LLC
Zingerman's Mail Order
Zingerman's Service Network
Zion Lutheran Church

\$500-\$999

Absolute Title, Inc.
Casey Alford
Ann Arbor Smiles Dental Group
Joel D. Bailey
Baldwin Capital Management
Karen Bantel and Steve Geiringer
Jack Barenfanger
Linda and Charles Borgsdorf
Lauren Brandt
Jenna Brubaker
Gary and Shelley Bruder
Susan and Paul Campbell
Jean Carlberg and Bunyan Bryant
Benjamin Carlisle
Chelsea Church of the Nazarene
Cherry Hill United Methodist Church
Michael Claramitaro
Colonial Heating and Cooling
David Cummins
Hal and Ann Davis
Phil and Sandy Deming
Anne and Sean Donevan
DTE Power & Renewable Team
Nancy and Frank Dugas
Marilyn Edington
Tony and Barbara Eichmuller
Latania Fair and Lawrence Siden
Susan and Darrell Featheringill
First United Methodist Church of Ypsilanti
Carol Flannagan
Esther Floyd
Frankenmuth Insurance Foundation
Ann and Bill Furtwangler
Germaine Gebhard
Tim Geiss
David and Maureen Ginsburg
The Gordon-White Charitable Fund
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Erich Jensen
Margaret and Steven Jensen
Barry and Leslie Johnson
Deborah May Johnson
Kent and Mary Johnson
Linda and Mark Johnson
Linda and Robert Johnson
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Jeff and Colleen Krieg
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Law Firm of Erane C. Washington-Kendrick
George Laws
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Manchester United Methodist Church
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Jeanne McLaughlin
Alan and Ruth Menge
Karen Metz
Dan Murphy

Timothy Neiman and Casey Cornwell
Virginia Simson Nelson
Ken Nisbet
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Sue Oumedian
Julia Owens
Derek and Rebecca Peterson
Pfizer Foundation
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Pat and Tony Werderitsch
Judith Wojnowski
Chuck and Patti Yonka
Joel Curt Zell and Christine Curran
Gloria Zimet

\$250-\$499
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Michael and Suzan Alexander
Almark Foods
Jennifer Bacarella
Dave and Terri Benedict
Kristen Bodley
David and Maryann Bowen
Rick and Claudette Brower
Jim and Jennifer Bryson
Calvary United Methodist Church
Susie Cannell and Bruce Wallace
Jim Crowfoot and Ruth Carey
James and Jennifer Carpenter
Diane L. Casalou
James Castellano
Janette Catchpole
Thomas L. Clark
Barbara J. Cope
Chelsea Milling Company
Daniels and Zermack Architects LLC
Susan Delonis
Stephanie Doll
Robert Eckfeld
Elena Ermak and John Masters
First United Methodist Church of Saline
Cathy M. Fitzgerald
Guillermo Flores
Catherine Flynn
Stephanie Foster
Elizabeth Frederick
Jan Garfinkle and Michael O'Donnell
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Patricia Grammatico
Daniel and Norma Green
Rebecca P. Green
Joan Grissing

Kathryn and Derek Hall
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Jason and Mary Beth Harris
Ryan and Linda Haywood
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Howard F. Hood
Illinois Tool Works Foundation
Matt James
Peter and Patrica Jessup
Leo Jimenez
Jeffrey Kaatz and Sarah Rigg
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Mary Lou Kellermann
Duane and Marilyn Kirking
Knights of Columbus 8989
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Jeffrey Kupperman
Marian and Paul Laughlin
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Ted and Wendy Lawrence
Alex Lindsay
Jody Linn
George Lowrie III
Rebecca L. Maccardini
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Robert and Thelma Peper
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We engage our neighbors to build better neighborhoods through our volunteer, donation, partnership and ReStore efforts. As the local Habitat for Humanity, we have the organizational infrastructure to bring people together, like few others to build homes, communities and hope... under one roof.

Our mission: Habitat for Humanity of Huron Valley works to enrich Washtenaw County through a legacy of affordable homeownership for low-income families.

Donate:

Every gift makes a difference, from a monthly donation to a planned gift, your support makes our work possible. Learn about the ways to give at www.h4h.org/donate

Volunteer:

Although more limited with COVID-19 safety guidelines, we appreciate helping hands! There are many ways to get involved, on your own, in a group of friends, or with your company. Learn more at: www.h4h.org/volunteer

Sponsor a Home:

Our sponsorship levels range from \$5,000 - \$60,000 and include volunteer opportunities and recognition. Learn more at: www.h4h.org/sponsorship

ReStore:

100% of ReStore net revenue is invested back into our programs to help more families. To shop, donate, or volunteer in the ReStore visit: www.annarborrestore.org



Our Mission

Habitat for Humanity of Huron Valley works to enrich Washtenaw County through a legacy of affordable homeownership for low-income families.



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**THE OFFICE OF COMMUNITY AND ECONOMIC
DEVELOPMENT**

HOUSING PROGRAM GUIDELINES

**For the
Washtenaw Urban County**

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Amended and Approved by Urban County Executive Committee
~~Draft April~~Draft May 2021

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CHAPTER I

HOUSING PROGRAMS OVERVIEW

A. Program Goals

The goals of the Office of Community and Economic Development (OCED) Housing Programs include:

Eliminate blight and conditions detrimental to the health, safety, and/or welfare of residents. Preserve, maintain, and expand housing stock for lower income owner-occupied households at or below 80% of the Washtenaw County Area Median Income (AMI), adjusted for household size, as published by U.S. Department of Housing and Urban Development (HUD) each year. Priority has been established for disabled individuals, the elderly, families with children, and the homeless.

- 1) Assist homeowners in correcting code violations, correcting environmental hazards such as Lead-based paint, and improving accessibility.
- 2) Ensure that when required and as funding allows completed rehabilitation work, meets current local codes including but not limited to the Michigan Building Code, Michigan Residential Building Code and the International Property Maintenance Code.
- 3) Assist housing efforts to prevent homelessness.
- 4) Support cooperative housing developments through rehabilitation and ownership assistance.
- 5) Assist developers and rental property owners in leveraging funds to acquire and/or rehabilitate substandard housing and bring the units up to applicable building codes.
- 6) Increase energy efficiency in owner-occupied and rental dwellings.
- 7) Promote homeownership by lower income households.
- 8) Provide financial and technical support to non-profit organizations, multi-family developers, public housing agencies and other affordable housing developers to acquire, refinance and rehabilitate owner and rental housing.
- 9) Assist non-profit organizations, multi-family developers, public housing agencies and other affordable housing developers in leveraging funds to support development of new affordable housing units.

B. Program Components

The OCED Housing Programs shall consist of the following components:

- 1) Rehabilitation consisting of:
 - a) Owner occupied housing units (1 to 4 dwelling units)
 - b) Housing cooperatives
 - c) Single/multi-unit rental units to include:
 - i) Privately owned rental units
 - ii) Public housing units
 - d) Other structures such as emergency shelters, manufactured homes

- 2) Acquisition consisting of:
 - a) Down Payment Assistance for first-time home buyers
 - b) Housing Cooperatives
 - c) Single/multi-unit rental units to include:
 - i) Privately owned rental units
 - ii) Public Housing
 - d) Other structures such as emergency shelters
- 3) New Construction: Due to market conditions, new construction projects are a low priority. If feasible, projects consisting of:
 - a) Down Payment Assistance for first-time home buyers
 - b) Housing cooperatives
 - c) Single/multi-unit rental units to include:
 - i) Privately owned rental units
 - ii) Public housing units
 - d) Other structures such as emergency shelters
- 4) Planning and Technical Assistance for:
 - a) Non-profit organizations involved in housing service delivery.
 - b) Joint partnership arrangements for the development or preservation of housing.
 - c) Special projects as directed by local municipalities.
 - d) Property owners to determine the repairs needed and to select contractors to perform the work.

C. Program Administration

The Housing Programs are funded by federal funds awarded to Washtenaw County by the U.S. Department of Housing and Urban Development (HUD). OCED is authorized by the Washtenaw Urban County to administer the housing programs and is responsible for executing all program activities in compliance with the adopted policies, procedures, and applicable state, federal, and local regulations. OCED is responsible for general oversight of the programs which includes the allocation of resources, policy development/oversight, and community relations issues associated with the programs. This includes actions such as:

- 1) Implementing eligibility criteria for the various programs;
- 2) Processing and approving program applications;
- 3) Preparing work orders and bid documents;
- 4) Negotiating and processing contracts between eligible property owners and private contractors for rehabilitation work in compliance with procurement procedures;
- 5) Oversight of work and conducting progress inspections during construction;
- 6) Preparing security documents including mortgages and notes , and servicing recoverable grants where appropriate;
- 7) Preparing and executing subordination agreements for property owners who continue to meet the subordination requirements of the housing programs;

- 8) Preparing and executing affordability agreements, contractor/owner/municipality agreements, covenants and inter-creditor agreements.

These guidelines may be amended based upon any changes in federal, state, or local regulations or administrative requirements.

Uniform Physical Condition Standards (UPCS) For projects that use HOME funding that begin on or after January 24, 2015 or until HUD issues additional guidance and provides technical assistance on UPCS to Participating Jurisdictions, the federal UPCS will replace the Property Standard Inspection (PSI) and the federal Housing Quality Standards (HQS). All inspections for projects that use HOME funding that begin on or after this date will follow UPCS and any guidance on the implementation of UPCS standards issued by HUD. UPCS standards apply to all inspections for projects that are funded by HOME. Any reference in this document to "inspection," such as "draw inspections," "Property Standards Inspections," or "PSI," and "Housing Quality Standards inspections" or "HQS inspections" will be replaced with UPCS inspection(s) for HOME funded projects that begin on or after January 24, 2015. As of the date of these Housing Guidelines, HUD has not issued additional guidance and provided technical assistance to Participating Jurisdictions on the UPCS Standards. Until HUD issues this additional guidance and provide this technical assistance to Participating Jurisdictions, Property Standards Inspections (PSI) and the federal Housing Quality Standards will apply and any reference in this document to "inspection," such as "draw inspections," "Property Standards Inspections," or "PSI" and "Housing Quality Standards inspections" or "HQS Inspections" will only refer to Property Standards Inspections," or "PSI" and "Housing Quality Standards inspections" or "HQS Inspections" or "draw inspections" and not to "Uniform Physical Condition Inspection" or "UPCS Inspections."

D. Program Budget

The budget for the Housing Programs shall be appropriated from Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds or program income received by OCED from the U.S. Department of Housing and Urban Development (HUD); General Funds approved by local units of government; and any other funding that is awarded for this purpose.

CHAPTER II

HOMEOWNER REHABILITATION PROGRAMS

A. Purpose

OCED administers a number of Housing Programs using CDBG, HOME funds. The goal of the rehabilitation programs is to assist low to moderate income homeowners with the rehabilitation and preservation of the County's housing stock. The program provides a mechanism for property owners to bring their properties into compliance with applicable building and housing codes and provide safe, decent housing for lower income individuals. The program is designed to bring the eligible property owner's dwelling into compliance with applicable, locally adopted housing standards and rehabilitation standards to reduce ongoing and future maintenance costs, promote energy efficiency, and to preserve decent affordable homeowner occupied housing. The program eligibility criteria restrict assistance to low-income homeowners in the jurisdictions of the Urban County. The program has five (5) major components: (1) Housing Rehabilitation Program, (2) Critical Repair Program (formerly known as "Emergency Repair program"), (3) Accessibility Ramp

Program, (4) Roof Replacement Program and (5) Energy Efficiency Improvement Program. When feasible, any work will be conducted in a manner to maximize the energy efficiency impacts of the work.

OCED is responsible for executing all program activities in compliance with the adopted guidelines, procedures, and applicable HUD and other regulations. OCED is responsible for the general oversight of the program, which include policy oversight. All policies contained herein became effective on the date of adoption by the Urban County Executive Committee (UCEC) and apply to current and future applicants.

Due to the nature of the programs, it is expected that there will be more applicants than funding available for projects. There is one waiting list for the Housing Rehabilitation, Accessibility Ramp and Roof Replacement programs for applicants who are not selected for the current cycle of funding. There is no waitlist for the critical repair program. All programs will provide assistance to low- and moderate-income households regardless of race, religion, age, national origin, sexual orientation, marital status or disabilities.

B. Program Assistance Categories

A project may be deemed infeasible if the cost to complete all of the needed repairs exceed the respective program limits outlined below. The cost would be determined either from estimates determined by program staff and/or from contractor bids received on a project.

I. Housing Rehabilitation Program

- Deferred zero interest loans are available up to \$25,000 to rehabilitate/repair low-income, owner-occupied homes throughout the jurisdictions of the Urban County for families earning 80% or less of the Area Median Income.
- The Housing Rehabilitation program provides the general rehabilitation necessary to bring the structure into compliance with applicable building codes, rehabilitation standards, and lead-based paint regulations.
- The program addresses actual and incipient building, health, and safety code violations, accessibility improvements, energy improvements, which may also be performed as part of any housing rehabilitation project authorized under this program. This program is covered by a deferred, zero interest loan that becomes due and payable upon sale, rental, refinance, and transfer of the property. The loan will be forgiven if the owner resides in the property for thirty years, and may be partially forgiven as specified in the loan documents after a ten and twenty year period.
- There is no monthly pay back provision for Housing Rehabilitation loans.

II. Critical Repair Program

- This program offers grant funding for urgent repairs up to \$5,000. Projects over \$5,000 shall be in the form of a zero interest deferred payment loan to low-income, owner-occupied households within the jurisdictions of the Urban County. Critical repair loans shall be in the form of a deferred, zero interest loan that is forgiven at a rate of one-fifth per year for the five year period after project

completion.

- Critical repair grants or loans may be made to pay for construction work to correct items that are determined by the Rehabilitation Specialist to be of an immediate and necessary nature and which can have an imminent effect on improving the health and/or safety of the occupants and meets the following definition: A critical repair is a situation or condition that develops without warning, concerning heating, water heater or sewer lines that is detrimental to or a threat to life, health, or safety, of resident(s) and requires immediate action.
- This program covers critical repairs for sewer lines, home heating¹ and domestic water heater issues. This program is not intended to address problems which would be considered routine maintenance.
- Critical repair grants and loans will be limited to a one-time assistance during a five-year period regardless of whether a grant or loan was received originally.

III. Accessibility Ramp Program

- This program offers loans for the installation of exterior ramps to homes occupied by very low income persons (up to 80% AMI), adjusted for family size, in order to improve their accessibility. Manufactured homes are eligible for this program on a case-by-case basis.
- The program provides the funding for the material and labor cost incurred to install a ramp for any homeowner throughout the jurisdictions of the Urban County earning less 80% or less of the Area Median Income.
- All accessibility projects shall include a property lien. The terms of the property lien for the Accessibility program shall be in the form of a deferred, zero interest loan that is forgiven at a rate of one-fifth per year for the five year period after project completion. Accessibility ramp grants will be limited to a one-time assistance per dwelling during a five-year period.

IV. Roof Replacement Program

- This program offers assistance for the replacement of roofs to homes occupied by qualified program applicants. All Roof Replacement projects are covered by the standard thirty year loan. Manufactured homes are eligible for this program on a case-by-case basis.

V Energy Efficiency Improvement Program

- This program will offer energy efficiency related home improvements to participants of the Homeowner Rehabilitation program, the Emergency Repair Program and the Accessibility Ramp Program. The income threshold is 80% AMI.
- Work offered through this program will be determined by the Weatherization Assistance Program energy audit. Air conditioning is not an allowable

¹ Central air conditioning units may be covered under this program, where medically necessary and prescribed by a medical doctor.

measure for this program.

- The work offered through this program will be in the form of a grant.
- If a client is eligible for the standard Weatherization program they will be directed to apply for Weatherization. Work under this program is not intended to displace participation in the weatherization program.

Annual Program Goals

In recognition of the competing demands of the various housing programs, the Homeowner Rehabilitation program has set annual goals for each type of assistance.²

Single Family Rehabilitation	4-6 projects
Roof Replacement	18-22 projects
Accessibility Ramp	8-10 projects
Critical Repair	25-35 projects

C. Eligibility Requirements – Applicant

Qualification of applicants for the Housing Rehabilitation Programs described in this document is determined by program staff according to the following criteria:

1. **Housing Type:** The applicant must have owned and occupied the 1-4 unit residential dwelling to be rehabilitated as his/her primary residence for at least one year at the date of application for assistance through any housing rehabilitation program. The owner must reside in the property at least nine (9) months out of the year. The home receiving assistance must be within the jurisdictions of the Urban County. Program assistance is made only to the legal owners of the property to be rehabilitated. The Housing Program Manager may grant a waiver of the legal ownership requirement where the resident has resided in the residence for one year or longer and is a devisee or heir of the recently deceased legal owner. If a project is approved for a non-owner occupied applicant the work shall be provided as a grant.
2. **Proof of Ownership:** The applicant must provide documentation showing fee simple title, a surviving spouse's homestead interest, a life estate in the property or other evidence which demonstrates the applicant has an equitable ownership interest in the residence. For owners of manufactured homes, the following type of ownership verification is required: a certificate of title for the manufactured home; or a mutually binding contract for the purchase of the property where the borrower is rightfully in possession and the purchase price is payable in installments.
3. **Citizenship:** The applicant must be a U.S. citizen or a legal resident alien.

² Project goals may change on an annual basis as dictated by funding and resources. Annual goals shall be established by the Housing Program Supervisor and Housing and Infrastructure Manager.

4. **Legal Issues:** Properties affected by any litigation or legal disputes (such as foreclosures, judgments, tax liens, mechanical liens, partnership dissolutions, divorce, probate, etc.) are not eligible for financial assistance. Upon the final resolution of litigation, the applicant may apply for rehabilitation assistance. In most cases, program assistance will not be provided to recipients of a reverse mortgage. Applicants with a reverse mortgage seeking assistance to the OCED Critical Repair Program will be considered on a case by case basis for the grant program only.

5. **Insurance:** Homeowners are required to carry current property liability insurance (with coverage adequate to cover the County's lien position) at the time of application. When a deferred loan is provided, the homeowner shall maintain the required liability insurance coverage for the duration of the deferred loan, as outlined in the applicable security documents. The insurer must identify the County as Loss Payee for the amount of the deferred loan(s). All properties located in a 100-year floodplain must be covered by flood insurance prior to receipt of grant and loan funds.

~~5. as Loss Payee for the amount of the deferred loan(s). All properties located in a 100-year floodplain must be covered by flood insurance prior to receipt of grant and loan funds. Waivers to this requirement may be granted by the Housing and Infrastructure Manager~~

6. **Previously Assisted Households:**

- a. Applications will not be accepted from households who have previously received rehabilitation assistance on the same property until a period of fifteen (15) years from the date of completion of rehabilitation work has elapsed. A waiver to the fifteen year time frame for the single family rehabilitation assistance program must be approved by the OCED Director.
- b. Applications will not be accepted from households who have previously received critical repair assistance for a period of five (5) years from their first receipt of critical repair assistance. Assistance provided outside the range of this timeframe must be approved by the Housing Program Supervisor. Under no circumstances shall a household receive critical repair assistance more than one additional time for another type of assistance within five years from their first receipt of assistance.

7. **Housing Equity:** The ability of the homeowner to repay the loan will be evaluated at the time of application. There must be sufficient equity in the home to be rehabilitated to secure the first mortgage (if applicable) and the OCED lien. The total outstanding mortgage debt on the house, including the rehabilitation loan cannot exceed 100% of the value of the home. The value will be determined as the current SEV (State Equalized Value) multiplied by 2.

For example: If the SEV is \$50,000, then the value of the home is \$100,000. If the homeowner has a \$70,000 lien on the property from a mortgage, then the maximum rehabilitation loan is \$30,000. $\$70,000 + \$30,000 = \$100,000$, which is 100% of \$100,000.

8. **Suitability for Rehabilitation:** In cases where it appears that it is economically infeasible to rehabilitate the house, an economic analysis will be done. To determine the economic feasibility of the rehabilitation project, the total amount spent on the home cannot exceed 75% of the after-rehabilitation appraised value of the property. For example, if the property is valued at \$100,000, the rehabilitation project cannot exceed \$75,000, from all sources. Properties that are near the 75% threshold will be evaluated on a case-by-case basis. After rehabilitation value will be determined by adding 25 percent of the rehabilitation loan (RL) amount to the Assessor's market value (MV). $[MV + (.25 \text{ of RL}) = ARV * 50\% = RL]$.
9. **Manufactured Home Determination:** Rehabilitation may be completed on manufactured homes if it is determined that the home meets established criteria. The blue book value of the manufactured home may be used and can be found in the N.A.D.A. Manufactured Housing Appraisal Guide. The following additional criteria will be considered when evaluating a manufactured home application for assistance:
1) No manufactured home will be assisted that is located in a park community facing foreclosure or whose operational viability is in question. 2) No home will be assisted where the rehabilitation specialist judges that conditions in the home make rehabilitation work infeasible.
10. **After-Rehabilitation Value for HOME funds:** An after-rehabilitation value must be calculated to determine if the property is eligible for HOME funds. For HOME funded projects, the after-rehabilitation property value shall not exceed 95% of the median home value for Washtenaw County, as determined by HUD. The formula will be the SEV multiplied by two (2) which will be compared to three (3) comparable homes in the neighborhood. HUD publishes maximum after-rehabilitation values for the HOME program.
11. **Payments Not in Default:** Any jurisdiction within the Urban County is prohibited from conducting business with any entity (including applicants) that is in default. Therefore, all municipal taxes and/or municipal, fees, and penalties (for example, parking tickets, citations, etc.) must be paid in full prior to executing agreements for rehabilitation assistance with the contractor and homeowner. In addition, all private mortgage payments and land contracts must be current at the time of application. Applicants residing in manufactured home parks must be current on lot rent at the time of application.
12. **Property Taxes:** In order to be determined eligible for the housing rehabilitation programs, the applicant's property taxes 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 by the written agreement. Proof of the payment plan with the taxing authority must be submitted at the time of application.
13. **Mortgage:** 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 housing rehabilitation assistance.

14. **Land Contracts:** When the property of the applicant is held under a land contract, the land contract must be a written, legally binding instrument which has been recorded with the Register of Deeds. The land contract seller must be a co-signer on the housing rehabilitation security documents.
15. **Conflict of Interest:** Washtenaw County and/or Urban County jurisdiction employees, contractors, elected officials and their immediate family members and business associates are ineligible to participate in programs administered by OCED. Former employees of the Urban County member jurisdictions are ineligible for one year after termination of employment. No official, employee, agent of Washtenaw County and the Washtenaw Urban County who exercises policy and/or performs decision-making functions or responsibilities in connection with the planning and/or implementation of the Housing Rehabilitation Programs shall directly or indirectly benefit from this program. This prohibition shall continue for one year after an individual's relationship with the program ends. Any other employee, officer, or board member may be eligible, but will be treated without preference in the determination of applications accepted for funding. A waiver process shall be available to allow for the previously identified ineligible persons to be considered for participation in the Housing Rehabilitation Programs. This waiver process will consist of request for HUD approval. Each person requesting a waiver must describe their need for participation in the Housing Rehabilitation Programs and, if approved, agree to disassociate themselves from any decision-making that directly affects them. However, this prohibition can be waived on a case-by-case basis if approved by the OCED Director, the County Attorney and HUD. In particular, if an employee of the county or an Urban County jurisdiction is not involved in the decision-making or approval process for HOME or CDBG funds, an exception can be made, if approved by HUD. A public notice stating the nature of the conflict of interest must be published in a general circulation newspaper.
16. **Program Priorities:** After considering factors such as funding availability and the property's suitability for rehabilitation. ***OCED has established the following priorities (in no particular order) for the housing rehabilitation, roof replacement and accessibility ramp programs:***
 - *Households in Urban County jurisdictions that have not been served during the current year*
 - *Households with disabilities*
 - *Households with an elderly member (62 years of age or older)*
 - *Single parent households*
 - *Households with children*
 - *Length of time on waiting list*
 - *Households with income below 30% AMI*
17. **Critical repairs and Weatherization collaboration clients**

Consistent with the program goals, and to prevent conditions immediately detrimental

to the health, safety, and/or welfare of Washtenaw County residents, critical repair and current weatherization clients shall not be added to the housing rehabilitation program's waitlist, but shall be served as soon as practically possible. Consistent with the program goals, and to prevent conditions immediately detrimental to the health, safety, and/or welfare of Washtenaw County residents, critical repair and current weatherization clients shall not be added to the housing rehabilitation program's waitlist, but shall be served as soon as practically possible.

18. Income Eligibility

- a. **Definition:** Households at or below 80% of the Area Median Income are eligible for assistance, based on annual income data provided by HUD. Applicants for the Accessibility Ramp Program may not exceed 80% of the Area Median Income.
- b. **Household Size:** Income limits are adjusted by household size, therefore, one of the first steps in determining eligibility is to determine the size of the household. Some households may have members whose income, if any, is not considered when calculating annual income. Do not count the following household members when determining family size or annual income:
 - o Foster Children
 - o Live-in Aides
 - o Children of Live-in Aides
 - o Unborn Children
 - o Children of non-custodial parents (i.e. time with parent is less than 50%)
 - o Children being pursued for legal custody or adoption who are not currently living within the household
 - o Roommates who pay rent**Note:** If a member of the household is 18 years or older, and not working, a notarized statement to that effect is needed. If the household has children eligible for child support and the applicant does not receive child support, a notarized statement to that effect is required.
- c. **Income Limits:** Applicants must have gross annual household incomes at or below the applicable income limits, adjusted for household size, established by HUD for Washtenaw County. The applicable income limits for determining program eligibility are published by HUD, and updated annually. The income limits in place at the time of applicant approval will apply when determining eligibility. The homeowner will be required to provide income documentation at the time of application.
- d. **Income Qualification Criteria:** Projected annual gross income of the household will be used to determine whether the applicant meets the published income limits. Income will be verified by using the following information including but not limited to: tax returns, pay stubs, subsidy checks, bank statements and third party verification of employment forms sent to employers. Also, a homeowner's overall

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debt-to-income ratio may not exceed (50%) percent, including any monthly payments for a housing rehabilitation loan (if applicable).

- e. **Included Income:** OCED will **include** any income from the following sources when determining program eligibility: ***gross*** earned income of all adults (18 years of age and older) residing in the household, unless they are a full-time student, adoption assistance payments (up to \$480 per adopted child), alimony, annuities, net business income (gross income less allowable expenses), child support, gifts & contributions, death benefits, dependent income, disability compensation, insurance, interest & dividends, military pay and benefits, pensions, periodic payments, rental property income, rent paid by roommates, retirement funds, self-employment income, severance pay, social security (SS, SSI, and SSA) benefits, Department of Human Services (DHS) assistance, unemployment benefits, veterans' benefits, & worker's compensation.
 - f. **Excluded Income:** OCED will **exclude** any income from the following sources when determining eligibility: adoption assistance that in excess of \$480 per adopted child, foster care payments, holocaust reparations, home care payments, income specifically excluded by federal statute (see list), inheritances (lump sum payments only), insurance payments (lump sum only), live-in aide or chore provider, medical reimbursements, military pay for individuals exposed to hostile fire, non-recurring income, reimbursement from public programs (back pay, etc.), resident service stipend, sporadic income, state or local tax credits, student financial assistance, income in excess of \$480 for full-time students, temporary income, and income from training programs.
 - g. **Assets:** The assets for your household may not exceed \$30,000 for non-seniors and \$50,000 for seniors (age 62 and up). Assets include money in savings and/or checking accounts, cash values of life insurance policies available to the applicant before death, certificates of deposit, stocks, bonds, money markets, and other investment accounts, lump sum receipts (i.e. lottery winnings, inheritances, victims restitutions, insurance claims and settlements, etc.) real estate other than the property you occupy and other capital investments, business assets, and personal property held as an investment (i.e. gem or coin collection, paintings, antique cars, etc.). Excluding retirement funds held in a pension account, retirement fund, 401K plans, 403b plan trust fund that are not available for liquidation are exempt from the asset test.
19. **Waiver Requests:** If applicant does not meet these eligibility requirements, a waiver of eligibility requirements can be requested. See Chapter 13 for waiver requests.
20. **Assumption of Loan:** In the event that a homeowner sells, transfers title, converts the home to a rental property or discontinues residence in the rehabilitated property for any reason during the loan compliance period, the loan becomes due and payable unless:

- a) The homeowner who received the loan dies and the heir to the property meets

income requirements and intends to occupy the home as his/her principal residence.

- b) Upon approval from OCED, the heir may be permitted to assume the loan at the rate and terms the heir qualifies for under current participation guidelines.
- c) If the heir does not meet applicable eligibility requirements, the loan is due and payable.
- d) However, if the heirs sell the property, or if the property is sold by any actions of a court to settle outstanding claims or settle the estate, the loan must be repaid to Washtenaw County.
- e) If a buyer agrees to accept the property with the existing lien and is deemed income eligible as per the funding source guidelines the lien or liens may be assumed by the new owner.
- ~~d)~~
- ~~e) If a buyer agrees to accept the property with the existing lien and is deemed income eligible as per the funding source guidelines the lien or liens may be assumed by the new owner.~~

F. Other Terms and Conditions

- 1) **Deferred Loan Structure:** Assistance for the Owner-Occupied Housing Rehabilitation program is offered in the form of a zero interest, thirty (30) year deferred payment forgivable loan. The loan recipient agrees to repay the balance upon any change of ownership of said property including but not limited to: transfer by gift, mortgage, sale, and sale by land contract, inheritance, conversion to rental property, or change of homeowner's primary residence. The recipient agrees to immediately notify OCED of any of the above changes. If all conditions are met for the duration of the loan, it will be forgiven at the end of the loan term. The loan may be partially forgiven as specified in the loan document after a ten (10) year and 20 year period.

Specific Loan Terms for each Housing Rehabilitation Program:

- a) Participants in the Homeowner Housing Rehabilitation Program shall agree to the thirty year zero percent interest lien terms. One third of this lien is forgiven after ten years, two thirds of the lien is forgiven after twenty years and the entire lien is forgiven after thirty years.
- b) Participants in the Critical Repair Program shall agree to the five year zero percent interest lien if the cost of the repairs exceed \$5,000. The terms of this lien state that the lien is forgiven by one fifth each year and fully forgiven after five years. Critical Repairs which are under \$5,000 in cost are offered as a grant.
- c) Participants in the Accessibility Ramp Program shall agree to the five year zero percent interest lien. The terms of this lien state that the lien is forgiven by one fifth each year and fully forgiven after five years.
- d) Participants in the Roof Replacement Program shall agree to the thirty year zero percent interest lien terms. One third of this lien is forgiven after ten years, two thirds of the lien is forgiven after twenty years and the entire lien is forgiven after thirty years.

- 2) **Lien Position:** Washtenaw 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 consider a third lien position.

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- 3) **Termination of Contract:** OCED reserves the right to cancel program assistance at any time during the process for cause.
- 4) **Subordination of Liens:** OCED may consider a request to subordinate liens to other financing if the property owner continues to meet the eligibility criteria and the financing is in the best interest of the property owner. See Chapter 9 for more details.
- 5) **Maximum Program Assistance:** The maximum and minimum loan or grant amounts available for the rehabilitation program are different and are described below. Participants approved to receive these types of funds **DO NOT** automatically qualify for the maximum amounts.
- a) **Owner-Occupied Housing Rehabilitation Program:** The standard amount of assistance shall be up to \$25,000. Assistance totaling over \$25,000 must be approved by OCED Director. Assistance totaling over \$40,000 must be approved by Urban County.
- b) **Critical Repair Program:** The standard amount of assistance shall be up to \$5,000 in the form of a grant. Projects above \$5,000 shall be in the form of a 5 year deferred loan.
- c) **Accessibility Ramp Program:** All ramp projects shall be in the form of a loan. Assistance totaling over \$15,000 must be approved by OCED Director.
- d) **Roof Replacement Program:** The standard amount of assistance shall be up to \$15,000. All roof projects regardless of costs shall be in the form of a loan. Assistance totaling over \$15,000 must be approved by OCED Director.

Projects exceeding the standard program amounts must be approved by the OCED Director who will report such exceptions to the Urban County Executive Committee as determined.

- 6) **Prior Homeowner Rehabilitation Deferred Loans:** All existing Homeowner Housing Rehabilitation Program Deferred loans are forgiven after thirty years. This includes all previous versions of loans created by the City of Ann Arbor and Washtenaw County. All previous loans are forgiven after thirty years even where such forgiveness is not specifically specified in the lien/mortgage document.

G. Processing Steps

- 1) **Housing Rehabilitation, Accessibility Ramp and Roof Replacement Waitlist:** Applicants will complete a waitlist application form found on by mail or on-line. As a reasonable accommodation to applicants with a disability or limited internet access, OCED will accept waitlist applications via telephone during normal business hours or in person.

2) **Critical Repair and Weatherization Client Collaboration Program:** Applicants will complete an online application or by mail. As a reasonable accommodation to applicants with a disability or limited internet access, OCED will accept waitlist applications via telephone during normal business hours or in person.

3) **Waitlist Management:** The waitlist for the Housing Rehabilitation, Accessibility ramp and Roof replacement programs will be maintained in accordance with policies established in this manual. The applicant will be required to complete a written waitlist application form to register his/her interest in participating in the aforementioned programs. The waitlist application form requests basic information about the applicant, the applicant's property, and the occupants. Applicants will be pulled from the waitlist and asked to apply based on yearly project goals, established priorities and on their waitlist application date. Refer to Program Goals and Program Priorities (Section C16) for additional information. Placement on the waitlist is not a guarantee of programmatic eligibility.

~~3) Placement on the waitlist is not a guarantee of programmatic eligibility.~~

4) ~~OCED will limit the number of applicants to be placed on the waitlist to the estimated number of jobs that can be completed for the particular program (e.g. Accessibility ramp, Roof replacement~~ OCED will limit the number of applicants to be placed on the waitlist to the estimated number of jobs that can be completed for the particular program (e.g. Accessibility ramp, Roof replacement and the Housing Rehabilitation programs) for ~~one year, one year,~~ plus an additional factor of 50%, ie. if the target is 10 applicants we will add 15 to the waitlist. Once the waitlist has reached the anticipated number, it will be closed. ~~Once the waitlist has reached the anticipated number, it will be closed for the year.~~ The Waitlist for each program will reopen on the third Monday of January at noon.. OCED will announce the reopening of the waitlist at least 45 calendar days prior to the date that written waitlist applications will be made available. OCED will give notice by publishing relevant information on OCED's website.

5) Applicants will be contacted and sent an application as they reach the top of the waitlist. Applicants must complete and submit the application with all required documentation within 30 days of OCED's mailing of the application. One 30 day extension may be granted to applicants to complete and submit all documentation. If an applicant does not respond or submit all the required documentation within the 30 or 60 day timeframe the applicant will be removed from the wait list. The applicant may reapply to the waitlist at a later date.

6) **Application Management:**

The applicant must complete an application which will be used by the Intake Coordinator to determine program eligibility. Applicants must provide the following information including but not limited to: ownership documents, property insurance, property tax payment verification, sources and amounts of income, utility bills, and other information as noted in the Application checklist/cover letter. The application must be signed by the applicant(s) and all supporting documentation must be submitted.

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The Intake Coordinator will verify all information submitted. Eligibility is determined based on household income and the guidelines in Section E “Applicant Eligibility”. The applicant will sign a Consent to Release Information, which gives the Intake Coordinator permission to verify all information provided in the application.

It is the responsibility of the applicant on the waitlist to notify OCED of any changes in occupancy, household income, family composition, or any other information on the waitlist application. An applicant must meet all applicable eligibility requirements as described in these policies, at the time his/her 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. An applicant’s eligibility for assistance is based on HUD requirements and the approved policies and procedures that are in effect at the time the applicant is selected for processing from the waiting list.

Decisions regarding approval of an application for assistance will be completed and rendered within 20+ business days of submission of all required information.

- 7) **Ownership:** The intake specialist shall confirm ownership with On-Line Assessment and Property Tax data system (BS&A).
- 8) **Lead Based Paint:** This program must comply with federal and HUD regulations regarding lead-based paint hazards. All houses built prior to 1978 (the year that lead-based paint was outlawed in residential structures) will be screened for lead-based paint hazards. An initial inspection will be conducted of deteriorated paint to determine if surfaces with lead-based paint will be disturbed during renovation. The Rehabilitation Specialist must determine whether the rehabilitation calls for lead hazard control measures. This may involve hiring a risk assessor or lead inspector who will determine whether lead hazards exist and what methods must be used to control them. After the work is completed, a clearance test of the construction area may be conducted to confirm the absence of lead hazards. The Contractor and Rehabilitation Specialist will work closely ensure the safety of the occupants as well as to minimize the need to displace occupants during the rehabilitation work. After the applicant has shown that s/he meets the program eligibility requirements, they will be given a pamphlet developed by the Environmental Protection Agency entitled *Protect Your Family from Lead in your Home*. The applicant will be asked to sign a form acknowledging receipt of the pamphlet.
- 9) **Environmental Review:** Once the application has been approved by the Housing Program Supervisor an environmental review will be conducted to ensure that the property is eligible for federal funding. The following are potential environmental conditions that may impact eligibility:

- a) Properties located in a 100-year floodplain must be covered by flood insurance prior to receipt of grant and the property must carry flood insurance for the life of the recoverable grant. Waivers to this requirement may be granted by the Housing and Infrastructure Manager. Properties located in a 100-year floodplain must be

covered by flood insurance prior to receipt of grant and the property must carry flood insurance for the life of the recoverable grant. Waivers to this requirement may be granted by the Housing and Infrastructure Manager.

a)b) Properties that are in a floodway are not eligible. Properties that are in a historic district may require approval from the Historic District Commission and/or the State Historic Preservation Office (SHPO) before work may commence. Properties which have potential historical significance must be rehabilitated in accordance with the requirements of the SHPO.

b)c) Properties that exceed the federal noise guidelines due to close proximity to railroads, major streets, and/or airports, may require noise mitigation work as part of the rehabilitation work.

- 10) **Work Specifications (Work Write-up):** Once the completed application is approved and an environmental review has been completed the Rehabilitation Specialist shall conduct an inspection of the unit and prepare work specifications describing in detail the work to be completed and cost estimate. All work items shall be clearly explained and be in general conformity with *the Contractor's Manual and All Trades Master Specifications for the Office of Community and Economic Development Housing Programs*. The Master Specifications do not supersede local building codes. The work specifications will be reviewed with the applicant and he/she has to sign off on the work specifications authorizing to the Rehabilitation Specialist to solicit bids. If a home is 50 years or older, the Rehabilitation Specialist will provide notice to the State Historic Preservation Office (SHPO) with a narrative outlining the proposed work specifications along with a current picture of the home. If the site is of historical significance, the Rehabilitation Specialist may request SHPO to approve the work specifications or make recommendations to modify the work specifications. The homeowner must understand that "general property improvements" or "cosmetic" improvements are not eligible for funding. Only work that is directed toward correcting a code violation, meeting a code requirement or is an eligible activity can be funded. The work specifications will provide a clear, detailed understanding of the nature and scope of the work to be done because it serves as a basis for bids from contractors. The homeowner should have a clear understanding of the nature and scope of the work to be done and any limitations that may exist. General improvements are not eligible for housing rehabilitation assistance unless approved by OCED Rehabilitation staff.

OCED Rehabilitation staff will inquire with appropriate city or township staff where the property is located to determine if the local building official has documented any building violations that would be important to be aware of or address during the project.

- 11) **Cost Estimates:** The Rehabilitation Specialist shall prepare a cost estimate for the proposed work order. The estimate will be used as a guideline when reviewing bids received from contractors.

- 12) **Bidding Process, Contractor Selection:**

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- a) The Rehabilitation Specialist will notify active contractors on its approved list of the availability of work and establish a date for the return of bid packets. The applicant must allow potential contractors to conduct a mandatory pre-bid site inspection with the Rehabilitation Specialist to enable the contractors to submit accurate bids.
 - b) Bids are opened at the designated time and bid tabulation is prepared for review with the homeowner. The lowest responsive, responsible bid will generally be recommended to the property owner for acceptance, unless the contractor appears to have a low bid due to an incomplete response. However, the owner has the right to reject any and all bids, or select a contractor of his/her choice, provided the difference in costs are paid by the owner. The property owner may select any eligible bid, as long as the price quoted is within 15 percent (15%) lower or 15 percent (15%) higher than the cost estimate prepared by the Rehabilitation Specialist and does not exceed the maximum dollar limits of the program. If none of the bids solicited are within 15 percent (15%) lower or 15 percent (15%) higher of the work write-up, the proposals may be rejected and other proposals may be obtained that are within the specified cost limits. The owner has the option to reject all bids not within 15 percent (15%) of the cost estimate. Bid costs are compared to the Hometech Estimator cost book to verify cost reasonableness.
 - c) A 10% contingency amount for unforeseen items will be added to the bid amount in order to establish the total contract amount *which shall not exceed maximum funding allowed by program guidelines*.
- 13) **Contract Documents:** Contract documents to be executed by the property owner and contractor will be prepared by the Intake Coordinator for review and approval at the pre-construction meeting. The contract documents include the *owner/contractor agreements as well as the appropriate mortgage and promissory note*. The Intake Specialist and Rehabilitation Specialist will set up a pre-construction meeting with the Homeowner and Contractor to explain the documents and to obtain necessary signature(s). The mortgage and note security documents will include all hard project costs..
- 14) **Approval Process:** All bids will adhere to County Procurement policies and bids for rehabilitation projects over \$25,000 must be reviewed and approved by the OCED Director. All contracts are signed by the OCED Director, Corporation Counsel, the County Administrator, and the County Clerk. All parties shall receive a copy of the contract with the original signatures.
- 15) **Pre-construction Meeting:** A pre-construction meeting will be arranged between the homeowner, the contractor, the Intake Specialist, and Rehabilitation Specialist to cover the following items:
- o Review work write-up, making sure both the Homeowner and Contractor understand that only items in the work write-up will be accepted and paid with the financial assistance from OCED (unless there is an approved

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- “change order”).
- Review payment schedule and contractor project schedule.
- Review change order procedure; emphasize no “extra” work to be performed without an approved change order.
- Discuss security documents including the mortgage and note.
- Discuss contractor responsibility for purchasing permits and calling for inspections with the appropriate Building Department and Rehabilitation Specialist.
- A *Notice of Right to Cancel* will be given to the homeowner.
- A *Notice to Proceed* will be given to the contractor. The homeowner will be given a copy of the *Property Owner’s Manual*.
- The *contracts* will then be executed with the homeowner and contractor.

Federal regulations regarding lead-based paint will be discussed with each applicant during the pre-construction meeting. The roles of the Risk Assessor, Rehabilitation Specialist and Contractor will be explained by the rehabilitation staff as they relate to the correction of any lead-based paint problems. Upon completion of the inspection/risk assessment process, the homeowner will be given a copy of the lead inspection report by the Rehabilitation Specialist and a copy of the report will be maintained in the homeowner’s case file.

An executed copy of the contracts and the pre-construction checklist shall be furnished to the homeowner and maintained in the project files.

- 16) **Notice of Right to Cancel:** After approval and signature of all contracts, the homeowner is provided two copies of the *Notice of Right to Cancel* form. The homeowner has three (3) business days from the signature date on the contract to cancel the project without any penalty or repayment. After the rescission date has passed, a purchase order will be set up with the Purchasing Department on behalf of the homeowner for the rehabilitation work to be completed. The Contractor cannot begin work until this 3-day rescission period is over.
- 17) **Notice to Proceed:** Upon execution of the contract documents by the property owner and the general contractor, a *Notice to Proceed* will be issued by the Rehabilitation Specialist. Work must begin within twenty-one (21) calendar days of receipt of the *Notice to Proceed* and be completed within ninety (90) calendar days of receipt of the *Notice to Proceed*. Work performed prior to the start date on the Notice to Proceed is not reimbursable under the program.
- 18) **Time For Completion:** 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 he/she runs over the established completion date as identified on the *Notice to Proceed* and/or does not start within 21 calendar days of the *Notice to Proceed*. The contractor is expected to staff the project each working day of the week. Contractors must notify both the property owner and Rehabilitation Specialist to request an extension of the completion date and state the reasons for

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such extension. If approved by program staff, based on an inspection of ongoing work, the new completion date must be approved by the property owner and documented in the project file. Contractors will not be granted more than two time extensions, unless extraordinary circumstances (as determined by the Rehabilitation Specialist and his/her supervisor) justify a further request. This provision is contingent upon labor disputes, accidents, Acts of Government, or Acts of Nature.

- 19) **Access to Premises:** The homeowner will provide the contractor full access to the premises between the hours of 7:00 a.m. and 6:00 p.m. on weekdays unless additional and/or alternative times are approved by the homeowner. Prior to any work being done, the homeowner will remove all personal property from the designated work areas. Items left in the work area will be limited to normal amounts of furniture and appliances and personal property which can be stored in closets, dressers or cabinets. The homeowner will permit the contractor to use, at no cost, existing utilities such as light, heat, power, water, and electricity necessary to carry out and complete the work. Failure to comply may cause the project to be discontinued at the homeowner's expense. It is the homeowner's responsibility to secure all pets during the inspection, write-up and rehabilitation process.
- 20) **Change Orders:** The contractor is responsible for completing items identified in the work specifications as bid and approved. Any changes to the work, including additions to work, deletions, cost changes or time extensions will be noted on a change order form to be prepared by the Rehabilitation Specialist and approved by the Homeowner, Contractor, Rehabilitation Specialist and/or the Operations Manager. Once the project has begun, the Rehabilitation Specialist shall have the ability to authorize work which is discovered in the course of construction and determined to be necessary for the completion of the project. This additional work shall be reflected in a change order. The change order must contain:
- Description of modifications
 - Change in contract price
 - Description of how additional costs (if any) will be covered
 - Quantities and measurements of the modifications
 - Certification of the cost estimate(s) by the Rehabilitation Specialist
- 21) **Inspections:** Housing rehabilitation work will be monitored by the Rehabilitation Specialist for compliance with specifications set forth in the work write-up. The project file narrative will include a record of all inspections.
- 22) **Payments:** Payments will consist of three (3) draw requests against the total sum of the contract. Payments will be based on the amount of work completed as described in the work specifications. The contractor shall submit requests for payment of completed work to the Rehabilitation Specialist. Upon receipt of a Contractor's request for payment, the Rehabilitation Specialist and the Homeowner must inspect the work and determine if it is acceptable. Please note that payments will not be authorized by the Rehabilitation Specialist until the items identified on the request for payment by the Contractor have been inspected and approved. Work that is cited by the Rehabilitation

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Specialist as not meeting the specifications will not be approved for payment. The homeowner must sign off on payments to the Contractor upon satisfactory completion of the work, and inspection by the Rehabilitation Specialist. Payment requests will be processed within 21 calendar days of receipt by OCED. Payments shall be made to the Contractor in three (3) draws as work is **completed, inspected and approved** by the Homeowner and Rehabilitation Specialist in accordance with the following ***Draw Schedule***:

- First Draw: 40% of the contract amount upon completion of work
- Second Draw: 40% of the contract amount upon completion of work
- Third (Final) Draw: remaining balance of the contract upon completion of work

23) Project Close Out:

- **Final Inspection:** After completion of all rehabilitation work in the write-up and change orders, a final inspection will be conducted by the Rehabilitation Specialist. The Rehabilitation Specialist and the contractor should make the final inspection together. If additional work, clean-up, or corrections need to be accomplished, a written punch list is developed by the Rehabilitation Specialist. The punch list is simply a detailed itemized list of all items remaining to be completed. The contractor is provided this list with instructions that upon completion of all punch list items, a certificate of completion and final inspection is prepared and signed by the Rehabilitation Specialist.
- **Contract Close-Out:** Once the rehabilitation work is completed, and the final project cost is determined, if the amount has changed, new security documents (i.e. mortgage and note) will be prepared by the Intake Specialist and to be signed by the homeowner. The security documents will be filed with the Washtenaw County Register of Deeds office.
- **Closing Statement/Survey:** Upon completion of the rehabilitation work the Intake Specialist will provide the homeowner with a closing statement that serves as a summary of the project including contractor and warranty information. In addition, a survey will be sent allowing the homeowner(s) an opportunity to provide feedback on the housing rehabilitation program and work completed by the contractor.

24 Complaint Resolution: Complaints from the homeowner concerning the housing program shall be in writing and addressed to the OCED Director (or his/her designee). In the event concerns or problems arise between the Homeowner and Contractor, OCED rehabilitation staff will attempt to resolve the dispute prior to the release of final payment. See Chapter 13 for additional information on the complaint resolution process.

Warranties: The general contractor shall furnish a limited one (1) year warranty on labor and materials from the date of the recorded notice of completion of all work performed under the contract. Manufacturers' and suppliers' written guarantees and warranties, covering materials and equipment, furnished under the contract shall be furnished to the homeowner. In instances where the living environment, lack of maintenance or damaged

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covered by homeowners insurance during the rehabilitation of the home, the warranty coverage will not apply. An example is where a pet has caused damage to door frames or siding.

Where materials or subcontracted work are covered by an extended warranty, copies of the warranty must be provided to the Homeowner during project closeout. The homeowner is responsible to notify the contractor first of any warranty claims during the contractor's one-year limited warranty. The homeowner shall notify the contractor directly, and explain the problem to him/her and schedule a date and time for the contractor to correct the problem. If the contractor fails to honor or respond to a warranty claim, the homeowner may contact OCED for assistance.

H. Property Maintenance Standards

When public funds are made available to correct serious health and safety deficiencies in a home, it is expected that your property will be maintained in a safe and sanitary condition, as well as being in compliance with any ordinance in effect in the municipality in which you reside.

At the time of your intake interview you will be asked to review and sign a maintenance agreement regarding blight conditions, stating that you will comply with this agreement, and that you understand no work will be initiated until such time as your property is found to be in accordance with this policy. If during the conduct of work it is determined that a Homeowner has failed to comply with the agreement, rehabilitation work can be terminated at the discretion of the Rehabilitation Specialist.

I. Temporary Relocation

OCED has chosen to provide relocation assistance to low and very low income persons displaced from their homes because of rehabilitation of the home under a program funded by the County. This relocation assistance is beyond the scope of assistance required by the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894; 42 U.S.C. 4601 et seq.; Pub. L 91-646) as amended by the Uniform Relocation Act Amendments of 1987 (Title IV of Public Law 100-17), and will establish a mechanism for provision of assistance to low and very low income persons with no other financial resources, who must relocate from their residences in order to allow for rehabilitation work to proceed. This policy is intended to meet the requirements of the Community Development Block Grant (CDBG) regulations, 24 CFR 570.606 (d) (Optional Relocation Assistance), which state "The grantee...must adopt a policy that describes the relocation assistance that the grantee...has elected to provide...", in order to use CDBG funds for relocation beyond the requirements of the Uniform Relocation Act.

Housing rehabilitation can create health and safety hazards, or temporarily render a dwelling unit uninhabitable, making the temporary relocation of the occupant necessary. The Rehabilitation Specialist will be responsible for recommending temporary relocation assistance to the homeowner on an as needed basis and to be coordinating placement with housing developer, if applicable. The Rehabilitation Specialist will determine if the repairs or rehabilitation work will impose a hardship on the homeowner and/or detrimental to an existing medical condition.

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Services provided:

1. **Temporary Housing In A Motel/Hotel:** Up to fifteen (15) days lodging, preferably in a room(s) with kitchenette accommodations, at the lowest costs for appropriate accommodations. The OCED Director must approve an extension for any hotel/motel assistance that exceeds the allowable time frames. If the temporary housing does not have kitchen facilities, food allowances will be allowed on a per diem basis, not to exceed the state per diem rate per person per day. The per diem shall be adjusted based on the number of individuals within the family unit receiving assistance.
2. **Moving Expenses:** Actual cost of moving personal property to the client's new location may be paid on behalf of the client to the moving company, up to a maximum expense per household unit to be determined by OCED rehabilitation staff.
3. **Storage Costs:** Should it be necessary to place some portion of the client's possessions in storage during the rehabilitation period in order to clear the way for construction activity, this expense may be paid as a part of the moving costs.
4. **Housing Inspection:** The Rehabilitation Specialist shall conduct an inspection of the unit to be used as temporary housing, and certify that the unit meets local code standards, at a minimum. This service will be provided to the client to ensure County funds are used appropriately.

Eligibility Criteria:

Income: Benefits shall be made available to low and very low income persons participating in the homeowner housing rehabilitation program(s) as defined by OCED, using income guidelines published annually by HUD and incorporated here by reference. These guidelines identify the median family income for the County and define low and very low income in relation to the median family incomes, with adjustments for family size. The income guidelines in force shall be provided by OCED rehabilitation staff as they are issued by HUD.

Insurance restrictions: If the household being relocated has insurance coverage that will pay for any portion of the benefits available from OCED, the insurance shall take precedence and the relocation benefits shall not be paid with OCED funds for that portion.

Repetition of Benefits: A person who has been a household receiving temporary relocation assistance as a participant in the housing rehabilitation programs shall not be eligible for relocation assistance under this policy until all liens resulting from previous rehabilitation liens have been satisfied.

Method of Payment: All payments shall be made directly to the vendor, on behalf of the client.

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Grievance Procedures: Any person who disagrees with the determination of their eligibility for assistance under this program may appeal the decision to the OCED Director. Appeals may be handled according to grievance procedures set up by OCED to assure a fair hearing for all parties.

OCED may first establish if the homeowner has relatives or friends that the homeowner can reside with during the time of work. As a last resort, OCED may place the homeowner in a moderately priced motel/hotel located in the same geographical area. The accommodations for temporary relocation shall be comparable facilities. It is imperative that the Rehabilitation Specialist makes sure the rehabilitation work is completed on schedule in an effort to keep relocation costs at a minimum. In no case shall a grant for temporary relocation exceed \$3,000 for any one owner occupant. OCED allowing for sufficient budget and availability of the services (reviewed on a case-by-case basis) may utilize CDBG funds to provide temporary relocation assistance.

When necessary, the Rehabilitation Specialist will work with the contractor to design the scope of work to allow for occupancy during rehabilitation in order to prevent temporary relocation. The contractor shall minimize disruption if possible. The Rehabilitation Specialist will consider temporary relocation and/or financial assistance for the following reasons:

1. Health and/or safety of the occupants;
2. Water closet and hand washing facilities are not available for three full days or more;
3. Kitchen facilities are not available for more than three days.

OCED rehabilitation staff will be responsible for making arrangements for and paying the expenses of relocation as listed in the Temporary Relocation Statement. These costs will not be included as part of the dollar amount secured against the Property. The homeowner agrees to comply with any relocation requirements pursuant to the Uniform Relocation Act, as amended, for all tenants temporarily or permanently displaced by the rehabilitation.

J. Forms

General forms and specifications used in the administration of the housing rehabilitation programs are subject to periodic change. The documents do not require Board of Commissioner, City Council, or Urban County Executive Committee review or adoption and therefore may be modified without approval of the above referenced bodies.

K. Variances from Policies

Variances from these policies and procedures shall only be granted by the Washtenaw Urban County Executive Committee (UCEC), under extraordinary and extenuating circumstance and, upon recommendation of the OCED Director and/or his/her designee. The Washtenaw Urban County Executive Committee will consider a variance to the existing policies that document specific hardship on the part of the property owner or other

parties involved in the project, and that granting a variance will further the goals, purposes, and effectiveness of the Housing Programs and will conform to all applicable HUD guidelines.

Some factors that the UCEC may wish to consider when making a determination to grant a variance to existing policies include:

- 1) Medical and/or health reasons specific to the homeowner(s))
- 2) Financial impact on the sustainability of the Rehab Program (i.e. how large is the lien amount in question, lien amount relative to total funding for Rehab Program)
- 3) Client's overall utilization of OCED's homeowner Rehab Programs (i.e. total number and dollar amount of loans over time)

The Washtenaw Urban County Executive Committee grants a variance to these guidelines when needed to utilize funding sources other than CDBG and HOME funds in order to leverage Urban County funds and maximize resources available to residents.

CHAPTER III

HOUSING SERVICES: DEVELOPERS

General: This chapter outlines guidelines for developers who are proposing to carry out housing construction on properties owned by the developer as owner of rental housing or recently purchased by a homeowner. A periodic Request for Proposal (RFP) will be issued by the Office of Community and Economic Development (OCED) outlining the priorities and evaluation process to determine which projects will receive funding. A developer can be a for-profit or non-profit entity. The developer must follow the County's procurement and contractor selection guidelines outlined in Chapter VIII. If a developer has previously violated guidelines without satisfactory resolution, funds will not be considered for the projects affiliated with said developer.

Funding Sources: OCED has the responsibility to ensure adherence to federal regulations. Prospective applicants should review federal rules and regulations governing HOME and CDBG (as applicable) for additional terms, conditions, restrictions and/or requirements that may apply. The Office of Community and Economic Development will provide assistance as needed through technical support and monitoring.

A. HOME Investment Partnership Funds

a. REGULATORY AUTHORIZATION

- i. Federal HOME Investments Partnership Program pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 U.S.C. §12701 et seq. ("Program") and the HOME Investment Partnership Program Rule, 24 C.F.R., all as may be amended from time to time.
- ii. Copies of the federal regulation can be downloaded at: <https://www.hudexchange.info/programs/home/>

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b. NATIONAL GOAL

- i. To expand the supply of decent, permanently affordable housing, with primary attention to rental housing, for very-low and low income Americans;
- ii. To mobilize and strengthen the abilities of states and units of general local government throughout the United States to design and implement strategies for achieving an adequate supply of decent, safe, sanitary and affordable housing;
- iii. To provide participating jurisdictions, on a coordinated basis, with the various forms of Federal housing assistance needed to expand the supply of decent, safe, sanitary and affordable housing.

c. GENERAL REQUIREMENTS

- i. Minimum Affordability Period: is based on the per unit subsidy amount. The County's lien may exceed the minimum affordability period but must

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not be less than the HUD minimum affordability period. (see p. 45 – 46 for the County’s Affordability period and terms)

1. 5 years – under \$15,000/unit
 2. 10 years - \$15,000 to \$40,000/unit
 3. 15 years – Over \$40,000/unit and all refinancing of rental projects
 4. 20 years for all new construction projects
 - a. Due to market conditions, new construction projects are a low priority
- ii. Household Income: Subsidies are only available for units that are affordable to households that are at or below **80% of Area Median Income (AMI)**.
- iii. Enterprise Community Partners Green Communities Criteria: These criteria will apply to all Housing Developer Projects. Projects submitted through the annual Affordable Housing RFP process are required to follow these green criteria as outlined in the annual Affordable Housing RFP and must adhere to all applicable mandatory Enterprise Green Criteria and all Enterprise Green Criteria points that were committed to by the Developer in the RFP process and are allowed one exception per project for Enterprise Green Criteria that they were not able to meet. If during the construction or rehab work it is desired by the Developer to exchange Enterprise Green Criteria for points for another Enterprise Green Criteria that is at least equal to the originally committed points, the Developer can request this exchange of points by request of OCED staff. For any Enterprise Green Criteria related to the sizing of heating and cooling equipment another option to providing a Manual J and S Calculation per the Air Conditioner Contractors of America (ACCA) requirements or ASHRAE Handbooks, if the Developer follows the recommendation for heating and cooling equipment by the energy auditor or the energy inspection report then that will also be acceptable for meeting that Enterprise Green Criteria. For projects that are not submitted through the annual Affordable Housing RFP process-are required to meet applicable green criteria for only the work that is included in the scope of work. Washtenaw County OCED will determine the applicable green criteria.
- iv. are required to meet applicable green criteria for only the work that is included in the scope of work. Washtenaw County OCED will determine the applicable green criteria.
- d. **RENTAL: Specific Project Requirements**
- i. 90% of the County’s annual HOME allocation funds for HOME-assisted rental units must be rented to families that are 60% or less of Area Median Income.
 - ii. In projects of 5 or more HOME-assisted units, at least 20% of the HOME-assisted units must be occupied by families at or below 50% of AMI and must not exceed the HOME Low Rent limit. All rents must not exceed the HOME High Rent limits.

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- iii. The HOME subsidy may be applied as gap financing to the entire cost of the project or to subsidize/buy down the cost of a specific number of units
- iv. The County will enforce a minimum of 30 year affordability period, but HOME funds can be reinvested after the HOME affordability period (see above) has ended.
- v. Housing Choice (formerly Section 8) Vouchers may not be refused as a payment method.
- vi. Tenant information and income verification forms shall be provided to the County and must be completed and submitted to the County before tenant leases are signed. Annual income re-certifications and housing inspections will be required for the life of the contract.

e. **HOMEOWNERSHIP: Specific Project Requirements**

- i. Homebuyer eligibility information and income verification documentation must be provided to the County via approved forms and approved timelines to ensure eligibility
- ii. *Does not have to be a first time homebuyer to use HOME funds.*
- iii. Must be occupied by homebuyer as primary residence for the full affordability period. If the property is no longer the primary residence, the mortgage lien must be repaid in full.
- iv. Owner-occupied units shall be subject to long-term lien and resale restrictions to ensure continued housing availability for low-income households for a period of 20 years.
- v. The County is requiring the homebuyer to take a minimum of 8 hours homeownership counseling through a HUD home counseling-approved program, including a home maintenance class. Classes can be found at www.washtenaw.org/homeownership

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B. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

a. **REGULATORY AUTHORIZATION**

- i. Federal Community Development Block Grant pursuant to Title I of the Housing and Community Act of 1974, and the Code of Federal Regulations at 24 CFR Part 570, as may be amended from time to time.
- ii. Copies of the federal regulation can be downloaded at: <https://www.hudexchange.info/programs/cdbg/>

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b. **NATIONAL OBJECTIVE**

- i. Provide decent, safe, and sanitary housing
- ii. Provide a benefit to low and moderate-income persons

c. **GENERAL** requirements

- i. Minimum Affordability Period: none under the CDBG program
- ii. Household Income: All CDBG funds shall be used to benefit individuals and families whose income does not exceed 80 percent of area median income,
- iii. Enforcement: Affordability shall be implemented through the execution of mortgage and note and shall be filed with the Washtenaw County Register of Deeds.
- iv. Enterprise Community Partners Green Communities Criteria: These criteria will apply to all Housing Developer Projects. For projects submitted through the annual Affordable Housing RFP process are required to follow these green criteria as outlined in the annual Affordable Housing RFP. For projects that are not submitted through the annual Affordable Housing process Housing Developers are required to meet applicable green criteria for only the work that is included in the scope of work. Washtenaw County OCED will determine the applicable green criteria.

d. **HOMEOWNERSHIP**: Specific Project Requirements

- i. Owner-occupied units shall be subject to long-term recapture or resale restrictions to ensure continued housing availability for low-income households.
- ii. The County will enforce an affordability period of 20 years.
- iii. The homebuyer must take a minimum of 8 hours homeownership counseling through the Washtenaw Housing Education Partners (WHEP), or equivalent HUD-approved program, including a home maintenance class. Classes can be found at www.washtenaw.org/homeownership
- iv. Applicant does NOT have to be first time homebuyer

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e. **RENTAL**: Specific Project Requirements

- i. Rehabilitation of existing subsidized affordable rental housing
- ii. At least 50% of the CDBG-assisted units must be occupied by families at or below 50% of AMI and must not exceed the HOME Low Rent limit. (See Appendix A).
- iii. The County will enforce a minimum of a 30 year affordability period, but CDBG funds can be reinvested during the 30-year affordability period.
- iv. Section 8 Vouchers may not be refused as a payment method.
- v. The County has adopted the HOME rent standards for CDBG rents, which must not exceed HUD's HOME High Rent limits.
- vi. Tenant Information and income verification forms shall be provided to the County and must be completed and submitted to the County before tenant

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leases are signed. Annual income re-certifications and housing inspections will be required for the life of the contract.

Contract: OCED will prepare a contract with the developer which will include the scope of work, contract amount, timeline, HUD Form 4010 Federal Labor Standards Provisions if the project is a Davis-Bacon covered project, and the Section 3 Clause if the project is a Section 3 covered project. The developer will be responsible for preparing a contract with its prime/general construction contractor, subject to OCED approval. At a minimum, the following information will be required from the developer before a contract is signed:

- a. General Liability, Worker's Compensation, Auto Insurance & Property Insurance in compliance with specifications
- b. Living Wage Compliance
- c. Financial audit for nonprofits
- d. DUNS Report, Credit Report or annual financial statements from for-profits
- e. Cure all defaults with the local jurisdiction and Washtenaw County (as applicable)
- f. Federal ID and DUNS Number
- g. Certification that Developer is not Suspended or Debarred from receiving federal funds

RENTAL PROPERTIES

- A. **Property Eligibility Review:** Developer will contact OCED staff to discuss the proposed project and establish the estimated scope of work before the Request for Proposal due date to determine whether a property is eligible and appropriate. If eligible and appropriate OCED staff will give written approval to proceed. The following information will be provided by the developer in response to the RFP at a minimum:
- B. **Relocation:** If the property to be acquired is currently occupied, the developer will provide a list of all current residents, including names, addresses, phone numbers, unit address, lease expiration date, contract rate, subsidy (e.g. voucher), utilities, and security deposit amount.
 - a. If project receives Urban County Approval and relocation is required, developer must submit copies of each resident's current lease. Developer must submit copies of each resident's current lease to OCED staff. The developer will indicate whether the occupant owns or rents the units. For rental units, the developer will provide lease information, including current rents, the utilities included in the rent and lease expiration dates. Compliance with the Uniform Relocation Act shall be the responsibility of the Developer, and accordingly, costs should be incorporated into any project budget. OCED staff will provide oversight and technical assistance to ensure that relocation benefits are appropriately provided.
- C. **NEPA Environmental Review:** A federal Environmental Review will be conducted by the developer and provided to OCED to ensure that the property is eligible for federal funding. The developer will follow the *Washtenaw County*

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OCED *Environmental Review Guidelines* for the completion of the environmental review. The developer will use OCED's **Affordable Housing GIS** Website at: <https://gisappsecure.ewashtenaw.org/commdev> and federal, state and other websites as identified in the *Washtenaw County OCED Environmental Review Guidelines* to review whether environmental issues may be problematic. If a purchase agreement or option to purchase is signed before an Environmental Review is completed, the Purchase Agreement must include a contingency on approval of the Environmental Review. The following are potential Environmental Review conditions that may impact eligibility:

- i. Properties that are in a floodway are not eligible. Properties in a floodplain are discouraged, but if funded, must carry flood insurance for the life of the recoverable grant and provide evidence of flood insurance to OCED.
- ii. Properties that are in a historic district may require approval from a Historic District Commission and State Historical Preservation Office (SHPO) before work may commence.
- iii. Properties that exceed the federal noise guidelines due to close proximity to railroads, major streets, and/or other nearby uses that create substantial noise and/or airport clearance zones, may require noise mitigation work as part of the construction work.
- iv. Properties that are in close proximity to hazardous materials may not be eligible.
- v. For pre-development costs, an exempt or a categorically excluded not subject to 24 CFR 58.5 environmental review may be done in advance of any construction work, but is required prior to pre-development work being conducted if the developer is seeking reimbursement for pre-development activities. These include but are not limited to:
 1. Environmental or other site condition or feasibility studies
 2. Professional services such as legal or accounting
 3. Market study
 4. Building or other inspections
- vi. The Environmental Review must be completed before activity occurs on a site. Any acquisition, construction or demolition activity that occurs before an Environmental Review is completed could become ineligible from reimbursement. The following activities are the ONLY activities that may be reimbursed by the County before the Environmental Review is completed:
 1. Earnest money for a purchase option or purchase agreement
 2. Relocation costs

Additional Documents for Acquisition & Rehabilitation OR New Construction- a comprehensive list will be provided to developer prior to contract award.

i. Purchase Agreement or Option

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- ii. Title Search
- iii. Phase I Environmental Site Assessment (for properties that have 5 or more residential units) is required and Phase II Environmental Site Assessment, if applicable
- iv. Appraisal
- v. Survey
- vi. Affirmative Marketing Plan
- vii. Zoning Compliance/Approval
- viii. Market Study (24 units or more)
- ix. Development Pro Forma
- x. Operating Pro Forma
- xi. Development Team Credentials
- xii. Property Inspection by a qualified 3rd party contractor (acquisition)
- xiii. Lead Based Paint Inspection/Risk Assessment
- xiv. Asbestos Inspection Report (if applicable)
- xv. Pre-construction or pre-rehab radon test (for new construction projects, the radon test will be completed at post-construction)
- xvi. Property Management Plan
- xvii. Relocation Plan (if applicable)
- xviii. Green Criteria Checklist as found in the RFP
- xix. Subsidy Layering Review Memorandum

Rehabilitation Only

- i. Title Search
- ii. Affirmative Marketing Plan
- iii. Development Pro Forma
- iv. Operating Pro Forma
- v. Development Team Credentials
- vi. Lead Based Paint Inspection/Risk Assessment (if applicable)
- vii. Asbestos Inspection Report (if applicable)
- viii. Pre-construction or pre-rehab radon test
- ix. Energy Audit by 3rd party contractor
- x. Subsidy Layering Review Memorandum

D. Work Order & Cost Estimates

- a. **Pre-Inspection:** Prior to funding recommendations, the Developer will provide OCED will receive a Capital Needs Assessment from qualified independent 3rd party contractor. Rehabilitation Staff to complete a pre-inspection of the property to assess the need for rehabilitation or suitability for new construction. Rehabilitation staff will send a copy of the inspection report to the developer.
- b. **Energy Audit:** An Energy Audit will be performed by qualified 3rd party contractor. The recommendations from the energy audit will be incorporated into the work order and cost estimate so that the unit will

meet the minimum Energy Star Qualified Rating 4* Plus, which is the equivalent to a Home Energy Rating Certificate of 90-85. A draft or final HERS certificate or an Energy Star Qualified Home Certificate will be required as evidence.

- c. **Architectural Drawings and Site Plan:** For new construction projects, architectural drawings and site plan drawings will be submitted through the Request for Proposal (RFP) application process. .
- d. **Work Order/Specifications:** The final scope of work will be based on the priorities set forth by OCED in Chapter VIII “Eligible and Ineligible Work”. The developer will prepare an itemized written work order for work to be completed. If the developer requires assistance from the Rehabilitation Staff, that request for technical assistance needs to be submitted in writing at the eligibility review stage. If OCED determines that the developer does not have expertise on staff, technical assistance will be required. All work items shall be clearly spelled out and be in general conformity with the OCED’s *Contractor’s Manual and All Trades Master Specifications for the Office of Community & Economic Development Housing Programs*. The rehabilitation staff will review and approve the work order within 5 business days.
 - i. It is the responsibility of the developer to have the work order approved by other funding sources, as applicable.
 - ii. If the developer intends to serve as a “general contractor,” then individual work order/specifications and estimates must be provided for each portion of the work which is to be sub-contracted.
- e. **Cost Estimates:** The developers must prepare an accurate cost estimate for the proposed work. Developers can have an independent contractor prepare cost estimates to submit to our office through the Request for Proposal (RFP) application process. The estimate will be used as a guideline when reviewing proposals
- f. A structural 3rd party inspection by a qualified structural engineer may be required upon request of OCED for certain types of work or projects. A copy of the structural inspection report shall be provided to OCED and recommendations incorporated into the work order. Examples of when a structural engineer would be required would include:
 - i. Any modification or significant repair or modification to structural components of a building. i.e. Walls, Joists, Trusses, internal walls
 - ii. Foundations showing significant signs of deterioration
 - iii. Work involving new underpinning of floors.
 - iv. Provide recommendations as to priority and recommended timeframes for addressing structural issues.

Bidding Process, Contractor Selection: The developer will follow the County’s procurement guidelines as well as its own procurement guidelines, as approved by the

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OCED. *Projects will not be bid out* until the Rehabilitation Staff have given written approval of the work order and cost estimates.

- g. The developer will be responsible for maintaining and providing these documents to OCED upon request:
 - i. Copy of all bid advertisements
 - ii. List of contractors that bids were sent to
 - iii. Bid walk-through sign-in sheet
 - iv. Bid tabulation
- h. **Approved Contractors (Projects w/ Total Development Costs ≥\$500,000)**: Prior to bidding, the developer will solicit a qualified General Contractor according to the standard federal, HOME and/or CDBG and County procurement guidelines. Federal procurement requirements are stated in 24 CFR 85. In general, standards set forth in 24 CFR Part 85 may be viewed as "safe harbor" for satisfying the federal requirements
- i. **Approved Contractors (Projects w/ Total Development Costs ≤\$499,999)**: Prior to bidding, OCED will provide a list of approved general contractors to the developer. If the developer wishes to bid a project with a contractor that is not pre-approved by OCED, due to the size of the project or the specialty of the work to be done, the contractor must apply for approval by OCED before the contract is awarded. Approval of contractors not on the active bidder list is at the discretion of OCED.
- j. **Contractor prohibited from Bidding:** OCED will review all contractors with 3 open OCED-funded projects (excluding emergencies) or \$100,000 in combined contracts, whichever threshold is reached first and reserve the right to reject bids based on contractor workload and performance.
- k. **Contracts under \$5,000:** The developer is not required to solicit bids or quotes for work under \$5,000.
- l. **Contracts between \$5,000 and \$25,000:** The developer must solicit and document a minimum of 3 quotes for contracts between \$5,000 and \$25,000. Quotes must itemize work specifications.
- m. **Contracts over \$25,000:** At a minimum, the developer shall seek bids from three qualified contractors for all projects over \$25,000 through a sealed bid process. ***PLEASE NOTE:*** Although HOME regulations do not require CHDO's to comply with federal procurement regulations under Section 85.36(d), the OCED office is requiring all CHDO's to follow federal and local procurement regulations outlined in these guidelines.
- n. **Bid Award:** With the exception of Section 3 certified contractors, the bid will generally be awarded to the lowest responsive and responsible bidder. On a case-by-case basis if the developer determines the lowest bidder is not responsive and responsible, a written request along with supporting documentation must be provided to OCED for a final determination on the bid award. If the developer selects a contractor that

is not the lowest responsive and responsible bid, the developer must document the reason for not selecting the lowest bidder and will be responsible for paying the difference in the bids.

Preference may be given to a documented Section 3 Business Concern with the lowest responsive bid among Section 3 Business Concerns if the bid is within the maximum total contract price in the project budget and the bid is not more than “X” higher than the total bid price of the lowest responsive bid from any responsible bidder (non-Section 3 Business Concern). “X” is determined as follows:

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X = lesser of:

When the lowest responsive bid is:

	Less than \$100,000	10% of that bid or \$9,000
	At least \$100,000, but less than \$200,000	9% of that bid or \$16,000
	At least \$200,000, but less than \$300,000	8% of that bid or \$21,000
	At least \$300,000, but less than \$400,000	7% of that bid or \$24,000
	At least \$400,000, but less than \$500,000	6% of that bid or \$25,000
	At least \$500,000, but less than \$1 million	5% of that bid or \$40,000
\$60,000	At least \$1 million, but less than \$2 million.	4% of that bid or
\$80,000	At least \$2 million, but less than \$4 million.	3% of that bid or
\$105,000	At least \$4 million, but less than \$7 million.	2% of that bid or
limit.	\$7 million or more	1.5% of the lowest responsive bid, with no dollar

Any application of these standards shall be based on the submission of a complete Section 3 Plan along with the proposed bid.

- o. **Pre-Construction Meeting:** The developer will schedule a pre-construction meeting with OCED and the selected contractor to review contract documents, the work order specifications, timelines, and program compliance requirements.
- j. **Contract with Prime/General Construction Contractor:** The developer will be responsible for preparing a contract with the selected prime/general construction contractor. At a minimum, the contract will include:
 - i. Language requiring permits to be acquired when required by state and local building code with copies of permit applications provided to the developer
 - ii. Applicability of all requirements to subcontractors
 - iii. Environmental Compliance, when applicable
 - iv. Section 3 if applicable, including Section 3 Clause and OCED approved Section 3 Plan.
 - v. Davis-Bacon if applicable, including the HUD Form 4010 Federal Labor Standards Provisions inserted in the Developer’s contract with the prime/general construction contractor and the Final Wage Determination issued either issued by OCED or another HUD Local Contracting Agency who has HUD funding on the project that is

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covered by Davis-Bacon and the Final Wage Determination is inserted in the Developer's contract with the prime/general construction contractor. All subcontractors who have a contract with the prime/general construction contractor and all lower tiered subcontractors who have a contract with a subcontractor must also include a copy of HUD Form 4010 Federal Labor Standards Provisions in their contracts.

- vi. Enterprise Communities Green Criteria Commitments and Mandatory Criteria based on Housing RFP for the project.
- vii. Scope of work with specifications and drawings
- viii. Fixed-price contract
- ix. Construction timeline with milestones and draw schedule
- x. Time of Commencement and Completion Clause
- xi. Notice to Proceed

E. Construction:

- a. **Notice to Proceed:** When all the documents are signed, the developer will issue a notice to proceed with a specified commencement and completion date. A copy of the notice to proceed must be issued to OCED.
- b. **Construction Oversight:** The developer is responsible for monitoring the project and ensuring that all items as signed off on in the work specifications are completed. Any changes to the specifications, including additions, deletions, and changes in costs or time extensions will be noted on a "Change Order" form to be prepared by the developer. For additions to the contract, the developer must prepare an internal specification and cost to determine if the cost is reasonable. For changes in cost, the developer must prepare a cost estimate to determine if the cost is reasonable. ***OCED will approve the Change Order prior to the developer and contractor signing the Change Order.*** Once the project has begun, the developer shall have the ability to authorize emergency work which is discovered by the contractor and requires immediate action necessary for the completion of the work item. This additional work shall be photo-documented and reflected in a "Change Order" and the OCED Rehabilitation staff will be notified before approval is given.
- c. **Permit Inspections:** All work requiring permits shall be inspected and approved by the local building authorities.
- d. **Radon Tests:** Prior to, during or after the construction work is completed the developer is required to submit radon tests that meet the required EPA standard for radon of less than 4.0 pCi/l. The radon tests are required prior to final payment.
- e. **Progress Payments:** For all projects, the developer shall submit requests for payment of completed construction work to the Rehabilitation Staff and attach supporting documentation including itemized invoices, permits, lien waivers (contractors and sub-

contractors) and final inspections. The rehabilitation staff will inspect the work and then authorize payment *for the completed work only*. The developer shall sign off on payments to the contractor upon inspection and satisfactory completion of work. Payment requests shall be submitted by the developer based on meeting or exceeding the approved work completion schedule determined at the pre-construction meeting. The developer will create a draw schedule and provide a copy to the assigned OCED staff of draw inspections. OCED must confirm receipt of the draw schedule and approved.

- f. Payment requests will be processed within 21 calendar days of receipt by OCED. Developers must pay the contractor within 5 business days of receipt of OCED payment **Advances:** The developer may request an advance on a case by case basis with pre-approval by OCED management. If an advance is permissible and then granted, the next draw request must include the back-up documentation and proof of payment for the advance from the previous request. The advance will be deducted from the new draw request.

- i. **Final Payment/Inspection:** Upon completion, a Property Standard Inspection (PSI) is made, and all supporting documentation including itemized invoices, permits, sworn statements, lien waivers and inspections must be submitted in order to receive final payment. Final waiver of liens and sworn statements must be on file before release of final payment. A copy of the PSI will be provided to the developer. **Note:** **Uniform Physical Condition Standards (UPCS)** For projects that use HOME funding that begin on or after January 24, 2015 or until HUD issues additional guidance and provides technical assistance on UPCS to Participating Jurisdictions, the federal UPCS will replace the Property Standard Inspection (PSI) and the federal Housing Quality Standards (HQS). All inspections for projects that use HOME funding that begin on or after this date will follow UPCS and any guidance on the implementation of UPCS standards issued by HUD. UPCS standards apply to all inspections for projects that are funded by HOME. Any reference in this document to “inspection,” such as “draw inspections,” “Property Standards Inspections,” or “PSI,” and “Housing Quality Standards inspections” or “HQS inspections” will be replaced with UPCS inspection(s) for HOME funded projects that begin on or after January 24, 2015. As of the date of these Housing Guidelines, HUD has not issued additional guidance and provided technical assistance to Participating Jurisdictions on the UPCS Standards. Until HUD issues this additional guidance and provide this technical assistance to Participating Jurisdictions, Property Standards Inspections (PSI) and the federal Housing Quality Standards will apply and any reference in this document to “inspection,” such as “draw

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inspections,” “Property Standards Inspections,” or “PSI” and “Housing Quality Standards inspections” or “HQS Inspections” will only refer to Property Standards Inspections,” or “PSI” and “Housing Quality Standards inspections” or “HQS Inspections” or “draw inspections” and not to “Uniform Physical Condition Inspection” or “UPCS Inspections.”

- ii. **New Construction Project:** Upon completion a Certificate of Occupancy is required.

F. Developer Fee: For new construction or acquisition/refinance and rehabilitation, 50% of the developer fee may be drawn at closing, thirty percent when the construction is 80% completed and 20% with the final construction draw. For rehabilitation projects only, the developer fee will be drawn at the same ratio as the construction draws.

- a. **New Construction or Acquisition and Rehabilitation:** The developer fee will not exceed 20% of the total development costs for new construction or acquisition and rehabilitation projects.
- b. **Rehab Services Delivery/Construction Management:** The time the developer’s staff is managing the procurement and construction process of outside contractors, will be included in the developer fee. If the developer is also acting as a general contractor, a construction management fee, not to exceed 5% of the rehabilitation budget, may be charged in addition to the developer fee. However, the construction management fee must be deducted from the total development costs before the developer fee is calculated. If the developer is completing all or some of the construction work, the developer’s staff must track the time spent on the project and may charge prevailing wages or actual wages for staff time.
- c. **Rehabilitation Only:** For rehabilitation projects that are already owned by the developer at the time of application for funds, the developer fee will not exceed 15% of the total development costs.
- d. **Refinance and Rehabilitation:** For projects that are already owned by the developer at the time of application for funds, that the developer is both refinancing and rehabilitating the project, the developer fee will not exceed 15% of the total development costs

G. Lien: A 30-year lien will be placed on all rental housing projects. The lien will be equal to the amount of assistance provided to the buyer (acquisition and rehabilitation). At the time of sale or transfer of the property or discontinuation as a rental property, the lien must be repaid in full or based on a formula, whichever is greater. The formula is based on a shared increase in the appraised value at the time of sale or transfer. At the time of sale or transfer, the same percent of increase in the appraised value between the initial purchase and the new appraised value will be repaid to Washtenaw County. The greater of this formula and the actual lien amount will be repaid out of net sales proceeds (after

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paying all liens, closing costs, realtor fees and deducting the initial owner cash investment).

- H. **Complaint Resolution:** See Chapter XIII of the Housing Program Guidelines for more information.

HOMEBUYER PROGRAMS

The County subcontracts with developers to provide the following homebuyer programs. The developer will be responsible for ensuring that the homebuyer attends homebuyer education to ensure that the buyer is eligible, qualified and able to purchase a home that is affordable. The developer will execute a contract for a fixed amount to develop a proposed number of owner units. Funds for individual projects will be drawn down from this master contract.

Down Payment Assistance & Closing Costs (DPA):

1. **Down Payment Assistance & Closing Costs (DPA) Program:** The County will evaluate all down payment requests pursuant to a pro-forma. This analysis will be used to calculate any gap in assistance and the corresponding direct subsidy provided by the County. In the event that no gap exists, no County DPA subsidy shall be provided. Maximum direct subsidy provided shall not exceed \$15,000 per transaction (this amount must not exceed 50% of the required down payment), and shall continue to abide by all other policy requirements). Not all buyers will qualify for the maximum assistance. The assistance available to any given buyer is based on the County's assessment of the buyer's need, taking into account the additional criteria outlined below. An example follows:
2. Maximum subsidy per house, \$15,000 in direct down-payment assistance (for closing costs/ fees and up to 50% of the down payment), reflecting the gap in assistance needed for the buyer.
3. Note: If the gap analysis determines the amount needed is less than \$15,000, e.g. \$5,000, then the maximum down payment assistance for that house would be \$5,000.

Down Payment Assistance & Closing Costs (DPA):

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- a. Maximum subsidy per house, \$15,000 in direct down-payment assistance (for closing costs/ fees and up to 50% of the down payment), reflecting the gap in assistance needed for the buyer.

Note: If the gap analysis determines the amount needed is less than \$15,000, e.g. \$5,000, then the maximum down payment assistance for that house would be \$5,000.

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4.2. Acquisition, Development, and Resale (ADR) Program: The County will provide up to \$37,500 in direct subsidy to a developer to purchase and development or rehabilitate a home and resell it to a qualified homebuyer, with the maximum subsidy per house not to exceed \$45,000. The County will provide as follows

- a. Up to \$15,000 (for closing costs/ fees and up to 50% of the down payment), acquisition and/or rehabilitation assistance, reflecting the gap in assistance needed for the buyer.
- b. Up to \$307,500 for a combination of the following eligible expenses:
 - a. ~~acquisition and/or rehabilitation assistance~~
 - b. ~~acquisition and/or energy efficiency, and green products,~~
and a
 - a. ~~Developer fee of up to to not exceed 15%~~ of total development cost but not to exceed \$7,500. In all cases, the eligible subsidy is limited to the amount needed after accounting for all other non-County funding sources available.

Total subsidy is the aggregate limit of OCED investment per unit despite funding source. All itemized project costs must be supported by source documentation tied to the specific project and cost reasonable.

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Maximum subsidy per house is \$45,000

Acquisition & Construction Process

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1. **Property Eligibility Review:** Developer will contact OCED to discuss and assess the proposed project address and to schedule an on-site pre-inspection.
 - a. **Eligible properties:** single family detached homes, cooperatives, and attached or detached condominiums.
 - i. **DPA Program Only:** Manufactured housing less than 10 yrs. old on a fee simple lot (i.e. a manufactured house on a leased lot is ineligible).
 - ii. **Housing Value:** Houses may not exceed the Ann Arbor MSA median housing value as published by HUD.
 - b. **Required Documents from Developer to Determine Address**

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Approval: The following information will be provided by the developer at a minimum to determine whether a property is eligible. OCED will give preliminary approval within 5 business days of receipt of all of the following documentation by the developer. If the property requires approval by SHPO, OCED will give approval upon receipt of SHPO approval.

- i. **Affordability Analysis: (DPA programs only)** see Chapter 4 (B).
- ii. A federal **Environmental Review** will be conducted by the developer and provided to OCED to ensure that the property is eligible for federal funding. The developer will follow the *Washtenaw County OCED Environmental Review Guidelines* for the completion of the environmental review. The developer will use OCED's Environmental Review Website at: <https://gisappsecure.ewashtenaw.org/commdev> and federal, state and other websites as identified in the *Washtenaw County OCED Environmental Review Guidelines* to review whether environmental issues may be problematic. If a purchase agreement or option to purchase is signed before an Environmental Review is completed, the Purchase Agreement must include a contingency on approval of the Environmental Review. **The following are potential Environmental Review conditions that may impact eligibility:**

1. Properties that are in a floodway are not eligible.
2. All projects All projects located in a 100-year floodplain must be covered by flood insurance prior to receipt of grant and loan funds and must provide proof of coverage of flood insurance to OCED annually throughout the life of the structure in the case of a grant and throughout the term of the loan in the case of a loan.
3. Properties that are in a historic district or older than 50 years, may require approval from a Historic District Commission and State Historical Preservation Office (SHPO) before work may commence.
4. Properties that exceed the federal noise guidelines due to close proximity to railroads, major streets, and/or airports, may require noise mitigation work as part of the rehabilitation work.
5. Properties that are in close proximity to hazardous materials may not be eligible.
6. For pre-development costs, an exempt or a categorically excluded not subject to 24 CFR 58.5 environmental review may be done in advance of any construction work, but is required prior to pre-development work being conducted if the developer is seeking

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reimbursement for pre-development activities. These include but are not limited to:

- a. Environmental or other site condition or feasibility studies
 - b. Professional services such as legal or accounting
 - c. Market study
 - d. Building or other inspections
7. The Environmental Review must be completed before activity occurs on a site. Any construction or demolition activity that occurs before an Environmental Review is completed could become ineligible from reimbursement. The following activities are the ONLY activities that may be reimbursed by the County before the Environmental Review is completed:
- a. Earnest money for a purchase option or purchase agreement
 - b. Relocation costs
- iii. **Homebuyer Education:** Certification of completion and readiness to purchase
- iv. **Proposed Scope of Work:** Rehabilitation projects only
- v. **New construction** projects must provide the following information, at a minimum, to determine if the project is feasible.
1. **Zoning Compliance/Approval**
 2. **Preliminary Site Plans and Drawings**
- vi. **Estimated Budget**
- vii. **BS & A general sales and building pages**
- viii. **Census Tract:** To determine project funding eligibility
- ix. **Lead – Based Paint Inspection:** (for pre-1978 rehab projects only) The Lead-Based Paint inspection will determine the presence of lead-based paint hazards. For further information see 24 CFR Part 35, Section K
- x. **Energy Audit (except DPA):**
2. **Purchase Agreement:** The purchase agreement must include a minimum of a 21-day contingency period for the following contingencies:
- a. **Preliminary Property Assessment:** Rehabilitation staff will visit the property to conduct a preliminary property assessment within 5 business days of notification by the developer. A copy of the assessment will be sent to the developer within a total of 7 business days. (ADR)
 - b. **Funding Approval**
 - c. **Home Inspection:** A qualified third party home inspector will complete a third party inspection of the property.
 - d. **Lead-Based Paint:** This program must comply with federal and HUD regulations regarding lead-based paint hazards. All houses built before 1978 (the year that lead-based paint was outlawed) will be screened for

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lead-based paint hazards. An initial inspection will be conducted of deteriorated paint to determine if surfaces with lead-based paint will be disturbed during renovation. The rehabilitation staff must determine whether the rehabilitation calls for lead hazard control measures. This may involve hiring a risk assessor or lead inspector who will determine whether lead hazards exist and what methods must be used to control them. After the work is completed, a clearance test of the construction area may be conducted to confirm the absence of lead hazards. The Contractor and Rehabilitation staff will work closely ensure the safety of the occupants as well as to minimize the need to displace occupants during the rehabilitation work.

- e. **Appraisal:** The purchase price cannot exceed the appraised value. An appraisal of the as-is value as well as the projected after-rehab value will be provided to the OCED at least 10 business days before the close date.
3. **Property Standards Inspection:** Rehabilitation staff will visit the property to conduct a property standards inspection within 5 business days of notification by the developer. A PSI report will be sent to the developer within a total of 7 business days from notification by the developer. (ADR, DPA)
- a. **Note: Uniform Physical Condition Standards (UPCS)** For projects that use HOME funding that begin on or after January 24, 2015 or until HUD issues additional guidance and provides technical assistance on UPCS to Participating Jurisdictions, the federal UPCS will replace the Property Standard Inspection (PSI) and the federal Housing Quality Standards (HQS). All inspections for projects that use HOME funding that begin on or after this date will follow UPCS and any guidance on the implementation of UPCS standards issued by HUD. UPCS standards apply to all inspections for projects that are funded by HOME. Any reference in this document to “inspection,” such as “draw inspections,” “Property Standards Inspections,” or “PSI,” and “Housing Quality Standards inspections” or “HQS inspections” will be replaced with UPCS inspection(s) for HOME funded projects that begin on or after January 24, 2015. As of the date of these Housing Guidelines, HUD has not issued additional guidance and provided technical assistance to Participating Jurisdictions on the UPCS Standards. Until HUD issues this additional guidance and provide this technical assistance to Participating Jurisdictions, Property Standards Inspections (PSI) and the federal Housing Quality Standards will apply and any reference in this document to “inspection,” such as “draw inspections,” “Property Standards Inspections,” or “PSI” and “Housing Quality Standards inspections” or “HQS Inspections” will only refer to Property Standards Inspections,” or “PSI” and “Housing Quality Standards inspections” or “HQS Inspections” or “draw inspections” and not to “Uniform Physical Condition Inspection” or “UPCS Inspections.”
 - b. **Occupancy:** Before the property is occupied it must meet the standards of the current International Property Maintenance Code. All

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rehabilitated property must also meet the current Michigan Residential Rehabilitation Code

c. **Down Payment Assistance Only:**

- i. **Approved:** If the property meets the PSI inspection requirements and the buyer is eligible and approved, the OCED contract staff will notify the developer that the project is approved.

1. **Uniform Physical Condition Standards (UPCS)** For projects that use HOME funding that begin on or after January 24, 2015 or until HUD issues additional guidance and provides technical assistance on UPCS to Participating Jurisdictions, the federal UPCS will replace the Property Standard Inspection (PSI) and the federal Housing Quality Standards (HQS). All inspections for projects that use HOME funding that begin on or after this date will follow UPCS and any guidance on the implementation of UPCS standards issued by HUD. UPCS standards apply to all inspections for projects that are funded by HOME. Any reference in this document to “inspection,” such as “draw inspections,” “Property Standards Inspections,” or “PSI,” and “Housing Quality Standards inspections” or “HQS inspections” will be replaced with UPCS inspection(s) for HOME funded projects that begin on or after January 24, 2015. As of the date of these Housing Guidelines, HUD has not issued additional guidance and provided technical assistance to Participating Jurisdictions on the UPCS Standards. Until HUD issues this additional guidance and provide this technical assistance to Participating Jurisdictions, Property Standards Inspections (PSI) and the federal Housing Quality Standards will apply and any reference in this document to “inspection,” such as “draw inspections,” “Property Standards Inspections,” or “PSI” and “Housing Quality Standards inspections” or “HQS Inspections” will only refer to Property Standards Inspections,” or “PSI” and “Housing Quality Standards inspections” or “HQS Inspections” or “draw inspections” and not to “Uniform Physical Condition Inspection” or “UPCS Inspections.”

- ii. **Approved with Conditions:** If the property does not pass the PSI inspection, the property must be brought up to code by the seller prior to the closing date. Or for non-life threatening repairs, the buyer may escrow the cost of repairs with the developer or Title Company at the time of closing and complete the repairs within 30 days of occupancy.

d. **Energy Audit:** An Energy Audit will be performed by a licensed 3rd

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party contractor approved by OCED. The recommendations will be incorporated into the work order and cost estimate.

4. **Work Order & Cost Estimates**

- a. **Architectural Drawings and Site Plan:** For new construction projects, architectural drawings and approved site plan drawings, if applicable, will be submitted to rehabilitation staff to review and approve.
 - b. **Work Order:** The final scope of work will be based on the priorities set forth by OCED in Chapter VIII “Eligible and Ineligible Work”. The developer will prepare a written work order for work to be completed. If the developer requires assistance from the rehabilitation staff, that request for technical assistance needs to be submitted in writing at the eligibility review stage. If OCED determines that the developer does not have expertise on staff, technical assistance will be required. All work items shall be clearly spelled out and be in general conformity with the OCED’s *Contractor’s Manual and All Trades Master Specifications for the Office of Community & Economic Development Housing Programs*. The rehabilitation staff will review and approve the work order within five (5) business days.
 - i. It is the responsibility of the developer to have the work order approved by other funding sources, as applicable.
 - ii. If the developer intends to serve as a “general contractor,” then individual work orders and estimates must be provided for each portion of the work which is to be sub-contracted.
 - c. **Cost Estimates:** The developers shall prepare an accurate cost estimate for the proposed work, which will be approved by the rehabilitation staff. The estimate will be used as a guideline when reviewing bids received. The developer may request technical assistance from the rehabilitation staff to prepare cost estimates.
5. **Approved Contractors:** Prior to bidding, OCED will provide a list of approved contractors to the developer. If the developer wishes to bid a project with a contractor that is not pre-approved by OCED, the contractor must apply to al OCED for approval before the contract is awarded. Approval of contractors not on the active bidder list is at the discretion of OCED.
- a. **Contractor prohibited from Bidding:** The Office of Community and Economic Development will review all contractors with 3 open OCED-funded projects (excluding emergencies and ramps) or \$100,000 in combined contracts, whichever threshold is reached first and reserve the right to reject bids based on contractor workload and performance.
 - b. **Contracts under \$5,000:** The developer is not required to solicit bids or quotes for work under \$5,000.
 - c. **Contracts between \$5,000 and \$25,000:** The developer must solicit and document a minimum of 3 quotes for contracts between \$5,000 and \$25,000.
 - d. **Contracts over \$25,000:** At a minimum, the developer shall seek bids

from three qualified contractors for all projects over \$25,000 through a sealed bid process. PLEASE NOTE: Although HOME regulations do not require CHDO's to comply with federal procurement regulations under Section 85.36(d), the OCED office is requiring all CHDO's to follow federal and local procurement regulations outlined in these guidelines.

- e. **Bid Award:** With the exception of a Section 3 certified contractor, the bid will generally be awarded to the lowest responsive and responsible bidder. On a case-by-case basis, if the developer determines that the lowest bidder is not responsive and responsible; a written request along with supporting documentation must be provided to OCED for a final determination on the bid award. If the developer selects a contractor that is not the lowest responsive and responsible bid, the developer will be responsible for paying the difference in the bids.
 - f. **Pre-Construction Meeting:** The developer will schedule a pre-construction meeting with OCED and the selected contractor to review contract documents, the work order, specifications, timelines, and program compliance requirements. The developer will notify OCED of the pre-construction meeting so that the OCED staff can attend.
 - g. **Contract with Contractor:** The developer will be responsible for preparing a contract with the selected contractors. At a minimum, the contract will include:
 - i. Language requiring permits to be acquired when required by state and local building code with copies of permit applications provided to the developer
 - ii. Environmental Compliance, when applicable
 - iii. Scope of work with specifications, and drawings
 - iv. Fixed-price contract
 - v. Construction timeline with milestones
 - vi. Time of Commencement and Completion Clause
6. **Bidding Process, Contractor Selection:** The developer will follow the County's procurement guidelines as well as its own procurement guidelines, as approved by OCED. Projects will not be bid out until the Rehabilitation Staff have approved the work order and cost estimates.
- a. The developer will be responsible for maintaining:
 - i. Copy of all bid advertisements
 - ii. List of contractors that bids were sent to
 - iii. Bid walk-through sign-in sheet
 - iv. Bid tabulation
 - b. These documents will be made available to OCED upon request
7. **Construction**
- a. **Notice to Proceed:** After all the documents are signed at the pre-construction meeting, the developer will issue a notice to proceed with a specified commencement and completion date. A copy of the notice

to proceed must be issued to OCED.

- b. **Construction Oversight:** The developer is responsible for monitoring the project and ensuring that all items signed off on in the work specifications are completed. Any changes to the specifications, including additions, deletions, and changes in costs or time extensions will be noted on a "Change Order" form to be prepared by the developer. For additions to the contract, the developer must prepare an internal specification and cost to determine if the cost is reasonable. For changes in cost, the developer must prepare a cost estimate to determine if the cost is reasonable. ***OCED will approve the Change Order prior to the developer and contractor signing the Change Order.*** Once the project has begun, the developer shall have the ability to authorize emergency work which is discovered by the contractor and requires immediate action necessary for the completion of the work item. This additional work shall be photo-documented and reflected in a "Change Order" and OCED Rehabilitation staff will be notified to receive approval of the change order.
- c. **Permit Inspections:** All work requiring permits shall be inspected and approved by the local building authorities.
- d. **Radon Test:** Prior to, during or after the construction work is completed the developer is required to submit a radon test that meets the required EPA standard for radon of less than 4.0 pCi/l. The radon test is required prior to final payment.
- e. **Progress Payments:** For all projects, the developer shall submit requests for payment of completed construction work to the rehabilitation staff and attach supporting documentation including itemized invoices, permits, lien waivers (contractors and sub-contractors) and final inspections. The rehabilitation staff will inspect the work and then authorize payment ***for the completed work only***. The developer shall sign off on payments to the contractor upon inspection and satisfactory completion of work. Payment requests shall be submitted by the developer based on meeting or exceeding the approved work completion schedule determined at the pre-construction meeting. **The standard payment schedule** to the Contractor is a minimum of three (3) draws as construction work is **completed, inspected and approved** by the Developer and Rehabilitation Specialist in accordance with the following ***Draw Schedule***:
 - First Draw: at least 40% of the construction contract amount
 - Second Draw: at least 80% of the construction contract amount
- f. **Third (Final) Draw:** remaining balance of construction contract amount of Payment requests will be processed within 21 calendar days of receipt by OCED. Developers must pay the contractor within 5 business days of receipt of OCED payment.

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- g. **Advances:** The developer may request an advance on a case by case basis. If an advance was granted, the next draw request must include the back-up documentation and proof of payment for the advance from the previous request. The advance will be deducted from the new draw request.
- h. **Final Payment/Post-Construction Inspection:** Upon completion, a Property Standard (PSI) and post-construction inspections are made to ensure that the entire scope of work is completed, and all supporting documentation including itemized invoices, final permit inspections, sworn statements, lien waivers and warranties must be submitted in order to receive final payment. Final waiver of liens and sworn statements must be on file before release of final payment. A copy of the PSI and post-construction inspection reports will be provided to the developer.
 - i. **Uniform Physical Condition Standards (UPCS)** For projects that use HOME funding that begin on or after January 24, 2015 or until HUD issues additional guidance and provides technical assistance on UPCS to Participating Jurisdictions, the federal UPCS will replace the Property Standard Inspection (PSI) and the federal Housing Quality Standards (HQS). All inspections for projects that use HOME funding that begin on or after this date will follow UPCS and any guidance on the implementation of UPCS standards issued by HUD. UPCS standards apply to all inspections for projects that are funded by HOME. Any reference in this document to “inspection,” such as “draw inspections,” “Property Standards Inspections,” or “PSI,” and “Housing Quality Standards inspections” or “HQS inspections” will be replaced with UPCS inspection(s) for HOME funded projects that begin on or after January 24, 2015. As of the date of these Housing Guidelines, HUD has not issued additional guidance and provided technical assistance to Participating Jurisdictions on the UPCS Standards. Until HUD issues this additional guidance and provide this technical assistance to Participating Jurisdictions, Property Standards Inspections (PSI) and the federal Housing Quality Standards will apply and any reference in this document to “inspection,” such as “draw inspections,” “Property Standards Inspections,” or “PSI” and “Housing Quality Standards inspections” or “HQS Inspections” will only refer to Property Standards Inspections,” or “PSI” and “Housing Quality Standards inspections” or “HQS Inspections” or “draw inspections” and not to “Uniform Physical Condition Inspection” or “UPCS Inspections.”
- i. **Developer Fee: ADR & New Construction:** Up to 20% of County Direct Subsidy
- j. **Developer Draws – rental:** For new construction or acquisition and

rehabilitation, 50% of the developer fee may be drawn at closing, thirty percent when the construction is 80% completed and 20% with the final construction draw. For rehabilitation projects only, the developer fee will be drawn at the same ratio as the construction draws. The final developer fee draw will be at the time of project completion. The rehabilitation must be complete and the homebuyer must own the home.

- k. **Developer Draws – homeowner** - For new construction or acquisition and rehabilitation, 25% of the developer fee may be drawn at closing, fifty-five percent when the construction is 80% completed and 20% with the final construction draw. For rehabilitation projects only, the developer fee will be drawn at the same ratio as the construction draws. The final developer fee draw will be at the time of project completion. The rehabilitation must be complete and the homebuyer must own the home.
- l. **Rehab Services Delivery/Construction Management:** The time the developer's staff is managing the procurement and construction process of outside contractors will be included in the developer fee. If the developer is also acting as a general contractor, a construction management fee, not to exceed 5% of the rehabilitation budget, may be charged in addition to the developer fee. However, the construction management fee must be deducted from the total development costs before the developer fee is calculated. If the developer is completing all or some of the construction work, the developer's staff must track the time spent on the project and may charge prevailing wages or actual wages for staff time.

8. **Complaint Resolution:** See Chapter XIII of the Housing Program Guidelines for more information.

CHAPTER IV

UNDERWRITING OF HOMEBUYER ASSISTANCE

General

Washtenaw County is a Participating Jurisdiction (PJ) under the federal HOME Investments Partnership Program, receiving an allocation of HOME funds from the US Department of Housing and Urban Development (HUD) that is used to support affordable housing activities in the community. As part of the local HOME Program, the County provides assistance to low income homebuyers. This assistance can be used toward an eligible buyer's down-payment or closing costs or can be used as direct financing that reduces the size of a buyer's primary loan (i.e. first mortgage) to a level that is affordable.

In providing homebuyer assistance, the County has to balance potentially competing perspectives. First, the County wants to ensure that participating buyers will be successful homeowners, so the program should target households who are ready for homeownership and provide enough assistance to make the home affordable. At the same time, buyers should only be provided with the assistance they "need" so that the program can serve as many households as possible with limited HOME funds. Finally, the County seeks to ensure that assisted buyers are informed consumers and avoid the use of risky lending products.

To balance these priorities, the County has developed these underwriting guidelines, which are based on the following key principles.

- Assisted buyers should have good credit and qualify for competitive lending products on par with those offered to credit-worthy unassisted buyers in the local market. Buyers who can only qualify for subprime loans are not only less likely to sustain homeownership but also require larger subsidies, reducing the impact of the County's HOME program.
- Assisted buyers should make reasonable and meaningful contributions to their home purchase in terms of both up-front investments and monthly payment without being overburdened by their monthly payment or left without cash reserves after closing. HOME assistance should not be used to artificially reduce buyers' payments, particularly when a buyer's ability to qualify for a loan is the result of excessive consumer debt.

Applicability & Exceptions

This policy is applicable to all homebuyer units supported by the County's HOME program. This includes situations where HOME funds are being used to provide direct buyer assistance (e.g. downpayment and closing costs) supporting a buyer's purchase of a home for sale by a private seller. It also applies to the sale of any home built or rehabilitated by a developer participating in the County's HOME program whether or not the ultimate

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sale to the buyer includes direct assistance.

While there may be individual cases where these requirements may be waived, program participants should request specific exceptions in writing *prior to* making any commitments to prospective buyers who cannot qualify within these criteria. The County's HOME partners are reminded that they will be responsible for representations and/or commitments made to prospective buyers without prior approval by the County.

Maximum Homebuyer Assistance

The maximum HOME-assistance available for a buyer is \$15,000. Not all buyers will qualify for the maximum assistance. The assistance available to any given buyer is based on the County's assessment of the buyer's need, taking into account the additional criteria outlined below.

Income Determination

By regulation, buyers purchasing homes with HOME and CDBG funds must have a household income at or below 80% of the Area Median Income (AMI). Those purchasing City of Ann Arbor Developer/Covenant units must have an income at or below the income established in the unit's covenant. While the County is concerned about the housing needs of lower income households, it also recognizes that homeownership requires buyers to have sufficient discretionary income to maintain their homes over time, absorb increases in taxes and insurance, and otherwise address unexpected expenses. As a result, the County focuses its homebuyer assistance on buyers with incomes in excess of 30% AMI and applies additional underwriting standards to buyers with incomes below 40% AMI.

In all cases, income eligibility will be determined using the "Part 5" definition of income delineated at 24 CFR 5.609. The Part 5 definition of annual income contains income "inclusions" – types of income to be counted – and "exclusions" – types of income that are not considered (for example, most earned income of minors). Eligibility is always determined using the household's gross income (i.e. without deductions for payroll or income taxes, insurance premiums, etc.) projected over the next 12 months. For eligibility purposes, the income of all household members is included.

However, for underwriting purposes (that is to determine the appropriate level of assistance), the following adjustments will be made:

- The income of adults who will not have an ownership interest in the property will be excluded. For example, in a circumstance where an elderly parent is part of the household but is neither being listed on title to the property nor included on the loan documents, that individual's income will not be included in calculations of the income available to make the mortgage payment.

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However, this exclusion for “non-purchasing” adults is not intended to artificially exclude the income of a household member with marginal credit. In the case of married couples, the income of both spouses will always be included for underwriting purposes.

- Significant sources of income such as social security benefits, child support payments, alimony, or the like that will not reasonably be expected to continue for three (3) years will be excluded. For example, while alimony received is included in the Part 5 income definition, if under the divorce decree the alimony will be ending in 12 months, it should not be counted on in sizing the buyer’s mortgage.

Buyer Expectations

To ensure that buyers are likely to sustain homeownership, assisted buyers must:

- Be purchasing the home for a reasonable price that does not exceed the fair market value as determined by an independent appraisal. In the case of home developed with HOME funding, the County will require an appraisal be used to establish the sales price of the home. In most cases of homebuyer assistance for units otherwise for sale in the private market, the County will coordinate with the buyer’s senior lender to obtain a copy of the lender’s appraisal. Additionally, the home must have a sales price less than or equal to the applicable HOME Homeownership Value limit for the type (new or existing) and location of the home. These limits are updated annually by HUD and can be obtained from the County.
- Contribute at least \$1,000 toward down payment and closing costs. Additionally, buyers should have sufficient cash resources (including savings, checking, money market, or other similar non-retirement accounts) such that after closing they have savings of at least ~~three-two~~ (32) times their total monthly payment, including principal, interest, taxes, insurance, and any association fees.

Buyers with liquid assets in excess of \$25,000 will be required to invest assets above \$25,000 toward their purchase before receiving HOME-assistance. For purposes of this requirement, liquid assets are those readily convertible to cash (including but not limited to savings or checking accounts, certificates of deposit, stocks and bonds, etc.). Liquid assets, however, exclude life insurance policies and any savings held in a tax-preferred retirement account (e.g. pension, 401(k), IRA, etc.), college savings plan (e.g. 529 account), or health savings account (HSA) recognized by the Internal Revenue Service.

- Obtain a senior mortgage loan that meets the Responsible Lending policy below for which the buyer’s front end ratio does not exceed 30% and back end ratio does not exceed 42% of underwritten income.
- Obtain a senior mortgage that reasonably maximizes the buyer’s purchase power. Initially all buyers will be expected to make monthly payments equal to 28% of the

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household's underwritten income. The County does not intend to artificially reduce front-end ratios below this target but recognizes that existing consumer debt may reduce some households' ability to qualify for and afford the full target payment of 28% of underwritten income. In such cases, and only to the extent that the payment is reduced to keep the back-end ratio at 42% of income, the County will allow a lower monthly payment. In no case however will the County approve a buyer whose projected monthly mortgage payment is less than 24% of underwritten income.

For example, for a buyer with \$4,000 a month in underwritten income and no consumer debt, the County would expect the buyer to qualify for and take a first mortgage loan with a payment of \$1,120/month (28% of \$4,000). If that would result in a back-end ratio above 42%, the mortgage payment expected could be reduced to bring the back-end ratio down to 42% (but not artificially below) provided buyer can still qualify for a mortgage payment of at least \$960/month (24% of \$4,000). A buyer whose existing debt reduced their housing payment ability to only \$900, for example, would not qualify.

Notwithstanding, when a buyer's senior mortgage is limited by the maximum loan to value ratio applied by the mortgage lender, the minimum 24% front-end ratio will not apply. For example, if the purchase price of a home is \$150,000 and the mortgage product is limited to 97% LTV, the maximum mortgage based on LTV is \$145,500. If the payment on such a mortgage only yields a 20% front-end ratio, that is acceptable since the mortgage was limited by the LTV and not the buyer's payment ability.

- In addition to meeting the front and back end ratio expectations above, for buyers below 40% AMI the projected total monthly mortgage payment cannot exceed their existing rent payment by more than 10%. For example, for a buyer at 35% AMI whose rent is currently \$800, the projected mortgage payment must fall within the minimum and maximum debt to income ratios and not exceed \$880. For buyers whose prior living circumstances did not include full rent (e.g. lived with extended family, split rent with a roommate), the County will consider a demonstrated six (6) month history of savings or combined rent and savings of at least 90% of the projected mortgage payment.
- Complete Pre-Purchase Homeownership Counseling as required below.
- Obtain a mortgage or senior loan that meets the requirements outlined below.

Pre-Purchase Counseling Requirement

In December 2016, HUD published the Final Rule for Housing Counseling Certification which applies to homeownership counseling required by the HOME program. That rule, the final effective date of which has been extended to August 1, 2021, requires that HOME-assisted buyers receive counseling from HUD-certified counselors employed by HUD-

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approved Housing Counseling Agencies.

Every buyer of a HOME-assisted unit must receive counseling, regardless of the manner in which the unit was assisted with HOME. Each buyer must receive housing counseling prior to executing the written agreement for HOME assistance.

To ensure that buyers are informed consumers, the County requires attendance within the past 12 months at a County-approved pre-purchase homeownership counseling course by all adult household members who will hold title and be party to the senior loan.

A list of local Housing Counseling Agencies may be obtained from the County upon request.

Primary Loan Expectations

To ensure that buyers receive high quality loans that are sustainable over time, the County requires that any buyer receiving HOME assistance towards closing costs, downpayment, or a portion of the purchase price receive a senior loan (i.e. first mortgage) meeting the following criteria:

- The loan must be a “Qualified Mortgage” under the requirements of the Consumer Protection Financial Bureau (CFPB) outlined at 12 CFR 1026.43(e). Qualified Mortgages, among other features, limit total points and lender fees to reasonable levels. Qualified Mortgages also strictly limit pre-payment penalties and contain many other features intended to protect consumers.
 - Federal regulations exempt state housing financing agencies from the Qualified Mortgage standard. So, Michigan State Housing Development Authority (MSHDA) Mortgage Revenue Bond loans are not, per se, “Qualified Mortgages” as defined by CFPB. However, MSHDA loans are otherwise subject to strong consumer protections, including limitations on excessive fees and clear underwriting standards that ensure consumers have a reasonable ability to repay the loans. Consequently, MSHDA loans are acceptable first mortgage products despite not technically meeting the Qualified Mortgage definition.

- Interest rates must be competitive with those generally available in the market. In no case may the rate, as of the date of the rate lock, exceed the current national average as published weekly Freddie Mac’s Primary Mortgage Market Survey by more than 100 basis points (i.e. must be within 1.00%).

- Lending products must be fully amortizing 30-year fixed rate loans. While some buyers may prefer shorter (e.g. 15 year) loans, the County will only consider such loans on an exception basis if it determines that the buyer’s payment is sustainable and that the use of a shorter-term product does not require additional HOME

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assistance compared to a 30-year loan. Balloon loans or adjustable rates will not be approved.

- Loan products used must generally allow loan-to-value (LTV) ratios of at least 95%. While assisted buyers are not required to be approved for loan amounts equal to 95% of the purchase price, buyers who use more restrictive lending products (such as those limiting the LTV to 80%) will not receive HOME assistance toward their purchase if they could otherwise afford the monthly payment on a larger loan. In short, buyers should obtain the largest loan they can reasonably afford, and the County will not subsidize purchases more deeply just to avoid mortgage insurance on higher LTV lending products.

Subordination of HOME-Funded Liens

After providing assistance to eligible homebuyers the County has ongoing interests in the success of those buyers from the standpoint of both the HOME program and as a local government concerned about the impact of foreclosures on its residents and neighborhoods. To help prevent future foreclosures and to protect the County's financial investment in assisted units, subordination of HOME-funded liens to future refinancing by assisted buyers will only be considered under the following circumstances. This policy will also apply to HOME-funded liens resulting from homeowner rehabilitation programs and to any of the County's subrecipients, developers, or CHDOs who hold secondary liens securing HOME direct assistance provided to buyers or homeowners.

- The new loan must be for the sole purpose of improving the rate and/or extending the term of the existing loan and must result in a lower monthly payment for the owner. The County (including any of its partners who hold secondary liens securing HOME direct assistance provided to buyers) will not subordinate for "cash out" refinancing

For purposes of this requirement, the new loan may allow the assisted homeowner to finance their closing costs without being considered cash out. Additionally, nominal cash back at closing of less than \$500 resulting from last-minute adjustments to payoff figures, closing costs, tax/insurance escrows and the like will not be considered "cash out."

- The proposed new loan must meet all requirements in the Primary Loan Expectations section above.

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Template of Project Commitment & Timeline

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INITIAL PROJECT COMMITMENT

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<i>Developer Submissions</i>	<i>County Actions</i>	<i>Notes</i>
- Evidence of site control - Appraisal/tax record documenting reasonableness of purchase price - URA disclosures (voluntary sale) - Environmental review documents as appropriate (e.g. site-specific items if a tiered review approach is used) - Plans & specifications - Construction cost estimate(s) - Subject to completion appraisal (may be combined with appraisal for Habitat purchase price purposes) - Initial Project Setup Proforma Sheet - Evidence of other funding commitments for development period cash needs	- Inspect property (assess adequacy of plans/specs, affirm cost estimate(s)) - Draft project-specific agreement - Enter into IDIS	For now, assume County only reimburses costs at completion; otherwise process should include construction note/mortgage

BUYER MATCHED TO UNIT

<i>Developer Submissions</i>	<i>County Actions</i>	<i>Notes</i>
- Buyer income determination package, including all source documents and calculation of both gross income and any adjustments to income for underwriting purposes - Evidence of pre-purchase counseling completion - Buyer Prequal Proforma Sheet	Review and provide preliminary approval	Key is expected monthly payment; mortgage amount could change based on updated tax or insurance figures, interest rate changes, etc.

CONSTRUCTION COMPLETION

<i>Developer Submissions</i>	<i>County Actions</i>	<i>Notes</i>
- Final Development Costs Proforma Sheet, including updated splits on SHOP funding (buyer credit v dev subsidy) and final donation figures - LBP clearances, HERS rating, etc. - Appraisal update as needed	Review and approve proforma	- Only shift in gross development subsidy at this point should be due to updates for actual HHF closing costs - Could reasonably process development subsidy cost reimbursement

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~~Sample Inial Profroma~~

Homeownership Programs

- a) Housing that provided direct subsidy through HOME and/or CDBG funds will either have a recapture formula or a resale formula to ensure that the units remain affordable for a designated period of time.

- b) **LIEN TERMS:** At minimum, a 20540-year 0% interest, deferred lien shall be placed on the property in the amount that the homeowner borrowed ("Direct Subsidy Amount"). If the OWNER sells or transfers Property or an interest therein or discontinues use of Property as a primary residence ~~on or before the 20 year term~~ on or before the County affordability period has passed, the Direct Subsidy Amount shall be repaid according to the following:

1. Lien repayment prior to the 5-year County affordability period and terms would require repayment based on the following:

- a. 5 years – under \$15,000
b. 10 years - \$15,000
c. 15 years – Over \$40,000

- b) i) County (as the fiduciary for the City) Appreciation Percentage. The County Appreciation Percentage shall be determined by taking the Subsidy Amount and dividing it by the After Rehab Value. The County Appreciation Percentage shall then be multiplied times the total amount of Appreciation; and
- ii) Appreciation. Appreciation of Property shall be the difference between the Owner's original After Rehab Value and the appraised value at the time Owner sells, transfers, or discontinues using Property as a primary residence. Owner expenses such as after acquired liens, equity liens, or other encumbrances shall not be considered in computing appreciation; and
- iii) County Repayment Amount. The County Appreciation Percentage shall be multiplied times the Appreciation to determine the amount that must be repaid to County ("County Repayment Amount"). In the event that the County Repayment Amount is equal to or greater than the County lien, then that amount shall be repaid to the County. In the event that the County Repayment Amount is less than the lien, then the Owner shall be responsible for the balance of the Subsidy Amount at the time of closing. In the event that the total amount available to the Owner at the time of closing after paying the first mortgage, closing costs, realtor commissions, and recovering the initial owner cash investment is less than the Subsidy Amount, then that amount shall be paid to County and Owner shall be relieved of any further obligation under the terms of this Lien Agreement.
- iv) Forgiveness of Subsidy Amount. In the event Owner retains and resides in the Property continuously for a period of twenty (20) years, all obligations to repay the Subsidy Amount shall be forgiven and this Lien shall be discharged.

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c) **Special Cases (Covenant Properties):**

The Urban County acknowledges that for sales in high-cost neighborhoods in the City of Ann Arbor, special resale provisions will be applied to ensure affordability, as markets in the county perform differently over time.

In some cases, a resale formula will be used for high cost neighborhoods in the City of Ann Arbor and for units that are required to be permanently affordable through a development agreement. If a unit has an existing permanent resale formula through a Covenant, then a buyer who is also approved for down payment assistance, will have a 20-year lien for the down payment assistance, however, the equity sharing formula will not apply because the unit already has a resale restriction. The recipient will only be required to pay back the principal, from net proceeds of the sale, if the recipient sells the unit within the 20-year term.

Sample Homeowner Recapture Formula:

Amount	Direct Subsidy
	\$15,000
Initial Appraised After Rehab Value (IARV)	\$120,000
County Appreciation Percentage (\$15,000/ \$120,000)	12.5%

d) **Resale Provisions**

The Office of Community and Economic Development defines the Fair Return on Investment as one that provides a percentage of equity to the seller in line with Historic sales activity and historical HUD income trends. That has been further defined as 25% of equity. Details on the calculation are included below. An Appraisal-based formula is utilized to determine the final return, if any.

- i) Appraisal-based Formula: The Washtenaw Urban County plans to utilize resale provisions to preserve the long-term affordability of assisted homeownership units for particular types of projects, which will generally occur in the higher housing cost areas of the Urban County. The resale formula will maintain affordability and provide a fair return to the seller. In practice, the formula will operate as follows:
- ii) An independent appraisal of the building is conducted at the time of the initial purchase or investment;
- iii) An independent appraisal is conducted of the building at the time the owner wishes to sell the unit;
- iv) The difference between the new and the old appraisal determines the increase in appraised value;

- v) The seller retains 25% of the increase in the appraised value (see sample below);
- vi) An initial sales price (for new construction) or an initial resale price is determined based on the market conditions to determine what is affordable to the target income household.
- vii) Please note that the appraised value and the initial sales price (based on the subsidy required) are determined by two different processes and are not necessarily the same.
- viii) The local municipality secures permanent affordability through a deed restriction. Every time the property is transferred or sold, the municipality must ensure that the new buyer is income qualified and the sales price is affordable, and the seller receives their fair return. There are 3 benefits:
 - The owner has an affordable monthly housing cost because the County subsidizes the property to an affordable rate.
 - The Municipality's assessor is allowed under state law, to assess the property based on the restricted sales price, rather than the market value. The result is taxes are significantly decreased for the low-income owner.
 - The unit is permanently affordable.
- ix) Fair Return to Seller- The Office of Community and Economic Development used historical sales activity and historical HUD income trends to determine that a 25% share in the equity was appropriate for this market and provided a fair return to the seller by looking at the average residential sale prices, specific addresses, taxes, utilities, turnover costs, condominium fees, Land Trust fees, interest rates, inflation, varying degrees of equity-sharing, income targeting, Private Mortgage Insurance, and sale price of assisted units. It was determined that 25% was the minimum equity-sharing for sellers that would provide a fair return on their investment, while still protecting the affordability of the units.
- x) Future Affordability- As units are sold; there will be a gap between the appropriate sales price based on the target household size and income, and the sales price based on the seller receiving 25% of the appreciated value in the home. When that gap is positive, the additional funds will be used to close the gap when the gap is negative. The Urban County has a homeownership program that helps pay for closing costs and down payment assistance. This program will also be utilized to close the gap if the unit is unaffordable to the future home buyer.

CHAPTER V

DEMOLITION

A. General

This chapter outlines guidelines for the demolition of private property using CDBG funds. Demolition can occur as either a stand-alone activity or with acquisition. Each demolition project will be bid out to at least 3 qualified demolition contractors. The Office of Community and Economic Development (OCED) will administer the demolition program or contract with a Land Bank or Municipality (applicant) to administer the program.

B. Eligible Properties

- 1) **Physical Condition:** The property must meet at least one of the following conditions:
 - a) The property has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
 - b) The property is an attractive nuisance because of physical condition or use.
 - c) The property is a fire hazard or is otherwise dangerous to the safety of persons or property.
 - d) The property has had the utilities, plumbing, heating, or sewerage disconnected, destroyed, removed, or rendered ineffective for at least one year so that the property is unfit for its intended use.
 - e) The property is tax reverted property owned by a qualified local governmental unit, by a county, or by the state. (The property would retain its “blighted” status, after a sale, lease, or transfer of tax reverted property by a local governmental unit, county, or the state.)
 - f) The property is owned or under the control of a Land Bank Fast Track Authority, whether located within a qualified local governmental unit as that term is defined in the Brownfield Redevelopment Financing Act. (The property would retain its “blighted” status, after a sale, lease, or transfer of the property by the Land Bank Fast Track Authority for purposes of the statute.)
 - g) The property is improved real property that has remained vacant for five consecutive years and that is not maintained in accordance with applicable local housing or property maintenance codes or ordinances.
 - h) The property has code violations posing a severe and immediate health or safety threat and has not been substantially rehabilitated within one year after the receipt of notice to rehabilitate from the appropriate code enforcement agency or final determination of any appeal, whichever is later.
 - i) The existence of any structure or part of such structure which, because of fire, wind or other natural disaster or physical deterioration, is no longer habitable as a dwelling, or useful for any other purpose for which it may have been intended or lawfully used.

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- j) The existence of any vacant dwelling, garage or other accessory building, unless the same is securely locked, with windows intact or neatly boarded up, and otherwise protected to prevent entrance thereto by unauthorized persons.
 - k) The existence of any partially completed structure, unless such structure is in the course of construction in accordance with a valid and subsisting building permit issued by the township and unless such construction is completed within the time specified by existing ordinances.
- 2) **Economic Condition:** Residential properties that are being considered for demolition must also be economically infeasible to rehabilitate.
- a) **Cost Estimate to Rehabilitate:** A cost estimate to rehabilitate the building to bring it up to local code will either be conducted by OCED staff or by the applicant and approved by OCED staff.
 - b) **Value:** The rehabilitation cost estimate must exceed 75% of the value of the property. The value will be determined by either an appraisal that is less than 6 months old, or by multiplying the State Equalized Value (SEV) by 2.0.

B. Contract Processing Steps

Contract Administration: The Office of Community and Economic Development (OCED) will administer the demolition program or contract with an applicant such as a Land Bank or Municipality to administer the program. A municipality must have a condemnation and demolition program that is approved by OCED.

- 1) **Contract:** OCED will prepare a contract (subrecipient agreement) with the Land Bank, if applicable, or Municipality which will include the scope of work, contract amount, program income procedure and a timeline. The applicant will be responsible for preparing a contract with their demolition subcontractor, subject to OCED approval. At a minimum, the following information will be required from the applicant before a contract is signed:
- a) Demolition program guidelines
 - b) General Liability & Property Insurance in compliance with specifications
 - c) Living Wage Compliance
 - d) Copy of the municipality's approved procurement guidelines
- 2) **Property Eligibility Review:** Applicant will contact OCED to discuss the proposed project address and establish the estimated scope of work. The following information will be provided by the applicant at a minimum to determine whether a property is eligible and appropriate:
- a) Evidence of Ownership
 - i) Title Search
 - ii) Deed
 - b) Evidence of Physical Property Condition
 - i) Photos

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- ii) Code Violations
- iii) Court Order or legal consent from the property owner to demolish the property
- c) An Environmental Assessment for HUD funded projects will be conducted by OCED to determine potential environmental impacts from demolition activities. In addition, OCED will use Washtenaw County's GIS site at <http://gisapp.ewashtenaw.org/comdev> to create a map indicating potential environmental issues for each proposed property. The map will ensure the property is eligible for federal funding before demolition commences. The Applicant must ensure that the purchase agreement to acquire a property to be demolished must include the following language: ***"The purchase is contingent upon environmental review clearance and funding approval by the Office of Community and Economic Development."*** The following are potential Environmental Review conditions that may impact eligibility:
 - i) **Floodway or Floodplain:** Properties that are in a floodway are eligible for demolition. **Historic:** Properties that are or may be historic will require additional review:
 - i. Properties **that are** eligible for the National Register for Historic Places are ineligible for demolition under this program.
 - ii. Properties that are 50 years old or greater or in a Historic District will require demolition approval from the local Historic District Commission and the State of Michigan's State Historic Preservation Office (SHPO) before work may commence. The following information must be submitted to SHPO and OCED:
 - (a) A SHPO inventory card and photographs of all elevations and significant features;
 - (b) In addition, the following information may be necessary if the property has historic significance:
 - (i) A brief history of the property including a statement of the historic and/or architectural significance of the resource meeting the criteria for listing in the National Register of Historic Places, and a written opinion regarding the historic significance of the building from the Commission staff;
 - (ii) A structural report by a qualified structural engineer with experience with historic building structural systems or a qualified architect meeting the Secretary of the Interior's Historic Preservation Professional Qualification Standards (48 FR 44716, September 29, 1983);
 - (iii) A summary of efforts undertaken by the City to rehabilitate and reuse the property;
 - (iv) A summary of alternatives to demolition that were considered and why they were not feasible;
 - (v) The views of the local community;
 - (vi) Any proposed mitigation measures which shall be forwarded to the SHPO in a "two-party" Memorandum of Agreement (MOA).
 - ii) **Hazardous Material:** Properties that are in close proximity to hazardous

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materials may not be eligible for redevelopment but would not prohibit a blighted property from being demolished.

- d) Properties that have hazardous or toxic materials such as asbestos must be removed using EPA standards and guidelines for removal and disposal. All abatement activities of hazardous material must be completed in accordance to 24 CFR part 35 of the Code of Federal Regulations. This includes homeowner and State notifications (NESHAP), removal, disposal, cleaning and testing for hazardous material prior to demolition activities.
- e) **Lead-Based Paint:** Unoccupied properties that will be demolished are exempt from the federal Lead Based Paint guidelines per 24 CFR Part 35-115.6.
- f) **Recycling:** Every effort should be made to recycle fixtures and materials from demolition projects. A preliminary assessment of recyclable materials will be made by OCED staff during the pre-inspection of the property.

3) **Eligible Work**

- a) Demolition and Removal of Improvements
- b) Capping Wells
- c) Pumping and Capping Septic Tanks
- d) Filling in recreational features and in-ground foundations
- e) Foundations must be removed if the land will be redeveloped
- f) Abatement activities for Hazardous material

4) **Work Order & Cost Estimates**

- a) **Pre-inspection:** Once a project is selected for funding, the applicant will contact OCED staff to complete a pre-inspection of the property to determine the need for demolition.
- b) **Work Order:** The applicant will prepare a written work order for work to be completed. If the applicant requires assistance from OCED staff, that request for technical assistance needs to be submitted in writing at the pre-inspection stage. All work items shall be clearly spelled out and be in general conformity with OCED's *Master Specifications*. OCED staff will review and approve the work order within 5 business days.
 - i. It is the responsibility of the applicant to have the work order approved by other funding sources, as applicable.

- 5) **Cost Estimates:** The applicant shall prepare an accurate cost estimate for the proposed work, which will be approved by OCED staff. The estimate will be used as a guideline when reviewing bids received. The applicant may request technical assistance from the rehabilitation staff to prepare cost estimates.

- 6) **Bidding Process, Contractor Selection:** The applicant will follow the County's procurement guidelines as well as its own procurement guidelines, as approved by OCED. Projects will not be bid out until OCED staff have approved the work order and cost estimates.

- a) **Approved Contractors:** Prior to bidding, OCED will provide a list of approved contractors to the developer. If the developer wishes to bid a project with a

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contractor that is not pre-approved by OCED, the contractor must apply to OCED for approval before the contract is awarded. Approval of contractors not on the active bidder list is at the discretion of OCED.

- b) **Contractor prohibited from Bidding:** OCED will review all contractors with 3 open OCED-funded projects (excluding emergencies and ramps) or \$100,000 in combined contracts, whichever threshold is reached first and reserve the right to reject bids based on contractor workload and performance.
 - c) **Contracts over \$5,000:** At a minimum, unless work is performed by a qualified employee of the applicant, the applicant shall seek bids from three qualified contractors for all projects over \$5,000 through a sealed bid process.
 - d) **Bid Award:** The bid will generally be awarded to the lowest responsive and responsible bidder. On a case-by-case basis, if the developer determines that the lowest bidder is not responsible and responsive, a written request along with supporting documentation must be provided to OCED for a final determination on the bid award. If the applicant selects a contractor that is not the lowest responsive and responsible bid, the applicant will be responsible for paying the difference in the bids.
 - e) **Pre-Construction Meeting:** The applicant will schedule a pre-construction with the contractor and notify OCED so that OCED staff can attend. At the pre-construction meeting, the applicant, contractor, and OCED will review contract documents, the work order, timeline, and program compliance requirements.
 - f) **Contract with General Contractor:** The applicant will be responsible for preparing a contract with their selected contractor(s). At a minimum, the contract will include:
 - i. Language requiring permits to be acquired when required by state and local building code
 - ii. Fixed-price, prevailing wage, and any applicable pricing standards
 - iii. Commencement and completion date
 - iv. Failure to perform clause
- 7) **Construction**
- a) **Notice to Proceed:** After all the documents are signed at the pre-construction meeting, the applicant will issue a notice to proceed to the contractor. A copy of the notice to proceed must be issued to OCED. Work is to begin as soon as possible, but must be completed within the specified timeframe stated in the Contractor's contract. Copies of permit applications shall be provided to the applicant.
 - b) **Construction Oversight:** The applicant is responsible for monitoring the project and ensuring that all items identified, bid, and approved in the work order are completed. Any changes to the work, including additions to work, deletions, cost changes or time extensions will be noted on a "Change Order" form to be prepared by the applicant. ***OCED will approve the Change Order before the applicant and contractor sign the Change Order.*** Once the project has begun, the applicant shall have the ability to authorize unforeseen work which is discovered by the contractor and requires emergency action necessary

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for the completion of the project. This additional work shall be reflected in a "Change Order" and OCED staff will be notified immediately for approval.

- c) **Permit Inspections:** All work requiring permits shall be inspected by the local building authorities as needed.
- d) **Payments:** For all projects, the applicant shall submit requests for payment of completed construction work to OCED staff and attach supporting documentation including itemized invoices, permits, lien waivers and inspections. Per CDBG regulations, payments are on a reimbursement basis only. OCED staff will inspect the work and then authorize payment *for the completed work only*. The applicant shall sign off on payments to the contractor upon inspection and satisfactory completion of work. Payment requests shall be submitted by the applicant based on meeting or exceeding a 40%/40%/20% work completion schedule. Applicants must pay the contractor within 5 business days of receipt of OCED payment.
- e) **Post-Construction Inspection:** Upon completion, a final inspection is made by OCED staff, and all supporting documentation including itemized invoices, permits, sworn statements, lien waivers and inspections must be submitted in order to receive final payment. Final waiver of liens and sworn statements must be on file before release of final payment. A copy of the final inspection report will be provided to the applicant.

CHAPTER VI

HOUSING REHABILITATION LOAN - TERMS AND CONDITIONS

A. General

This chapter outlines the requirements for Housing Rehabilitation loans including the terms and conditions to which an applicant must agree in order to obtain financial assistance, as well as references to income limits for eligibility.

B. Terms and Conditions

Upon approval, the applicant will be required to sign documentation stipulating the following:

- 1) **Civil Rights:** The applicant agrees not to discriminate upon the basis of race, color, creed, sex, ethnic background, national origin, veteran status, sexual orientation or religious preference in sale, lease and use of occupancy.
- 2) **Use of Proceeds:** The applicant agrees to use the proceeds only to pay for costs of services and materials necessary to carry out the rehabilitation work.
- 3) **Inspection:** The applicant agrees to progress inspections by the Rehabilitation Specialist of the property, the rehabilitation work, and all contracts, materials, equipment, payrolls and conditions of employment pertaining to the work.
- 4) **Bonus, Commission or Fee:** The applicant agrees not to pay any bonus, commission, or fee for the purpose of obtaining approval of the application, or any other approval or concurrence, required by OCED to complete the rehabilitation work, financed in whole or in part, with the rehabilitation deferred loan.
- 5) **Equal Employment Opportunity:** The applicant agrees to abide by the provisions of the federal, state or local Human Rights Ordinance governing equal employment opportunity.
- 6) **Preservation of the Security:** The applicant agrees to maintain the property and permit periodic inspections of the property during the term of the deferred loan. The homeowner agrees to the maintenance requirements as outlined in the contractual documents.
- 7) **Property Insurance:** The applicant agrees to secure and maintain, in an amount equal to the replacement value of the structure, property and casualty insurance policies during the term of the lien, naming the applicable municipality as a lien holder.
- 8) **Deferred Loan Structure:** The applicant agrees to repay the deferred loan balance in full upon any change of ownership of said property including but not limited to: transfer

by gift, mortgage, sale, and sale by land contract, inheritance, conversion to rental property, or change of homeowner's primary residence. The applicant agrees to immediately notify OCED of any of the above changes.

- 9) **Cancellation:** In the event that the applicant shall not complete the improvements in accordance with the contract documents, the total amount referenced in the Jurisdiction/*Homeowner agreement* shall become due and payable upon sixty (60) days' notice by the appropriate jurisdiction.
- 10) **Property Security Interest:** Prior to the initiation of work, the applicant will execute an initial Promissory Note and Mortgage for the contracted amount of the rehabilitation agreement. If an emergency contracted amount is less than \$5,000 then there will be no security document filed on the property. Upon completion of the rehabilitation work, if the contracted amount has changed, then the recipient agrees to execute a final Promissory Note and Mortgage for the final amount of the rehabilitation work.

CHAPTER VII

ELIGIBLE AND INELIGIBLE WORK

A. General

The purposes of the housing rehabilitation programs are to eliminate code violations, make energy improvements, eliminate architectural barriers, and correct safety problems. Upon completion of work, the condition of the property shall comply with federal, state, and local codes. It is **not** the policy of the housing programs to undertake cosmetic rehabilitation. All work will be completed according to current local codes including but not limited to the Michigan Building Code, Michigan Residential Building Code and the International Property Maintenance Code. Once the homeowner or homebuyer is accepted into the program, the Rehabilitation Specialist and/or the Developer will discuss the specific repairs and improvements that will be made to the house.

B. Eligible Work Categories

The following work items are eligible and are prioritized as follows:

- 1) **Hazardous Violations:** Conditions which present an immediate danger to the occupants. Examples include exposed bare wiring, leaking gas lines, furnaces with cracked heat exchangers, inoperable furnaces, severely leaking roofs, missing handrails, broken steps, severely deteriorated structural members and doors, windows which cannot be secured, lead based paint hazard remediation.
- 2) **Existing Code Violations:** All work, including permit changes, necessary to eliminate existing violations of the Housing Codes as cited by the Rehabilitation Specialist.
- 3) **Incipient Code Violations:** An incipient violation is a condition which will, in the opinion of the Rehabilitation Specialist, deteriorate to an actual violation within twelve (12) months.
- 4) **Barrier-Free Improvements:** Examples include ramps, grab bars, and chair lifts to provide accessibility for handicapped persons as well as provision of additional bathrooms or storage facilities on the first floor or grade level for household members with limited mobility.
- 5) **Lead-Based Paint:** Examples include all work associated with the control of lead-based paint hazards.

C. Eligible Single Family Rehabilitation Program Home Improvements

The following list includes specific home improvements that may be provided through the Single Family Rehabilitation Program:

Exterior Improvements:

Installation of new windows Approved for installation where existing windows are broken, single pane or severely deteriorated.

Installation of new doors Approved for repair or replacement where existing doors are broken, pose a safety hazard or are severely deteriorated.

Install new exterior siding Approved to help make structure weather tight. Not approved for aesthetic reasons. Fascia and Soffit maybe considered to be wrapped in metal where exposed wood is deteriorated.

Installation of grading Approved for installation where a home has grading issues that directly cause moisture issues such as water intrusion into a structure.

Installation of concrete Approved for installation where a home has drainage issues related to improperly sloped concrete which leads to a moisture issue such as water intrusion into a structure.

Installation of gutters Approved for installation where no gutters exist or existing gutters are deteriorated or have caused a water intrusion problem.

Brick repair or tuck pointing Approved for repair where existing brick is deteriorated and is causing or may soon cause a problem structurally.

Roof replacement or repair: Approved for repair or complete replacement where shingles are deteriorated the home has a roof leak or other structural roofing concerns exist.

General Interior Improvements:

Staircase Handrails: Approved for installation where none exist or existing handrails are deficient.

Floor covering, carpet or vinyl: Approved for installation where existing flooring is severely deteriorated and allowing moisture intrusion into subsurface materials or poses a trip hazard.

Electrical Improvements

Approved Electrical repairs may include correction of code violations, replacement of deteriorated electrical panels, wiring, outlets, switches and fixtures. Installation of hardwired smoke/carbon monoxide detectors.

Plumbing Improvements

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Approved plumbing repairs may include correction of code violations, replacement of deteriorated supply or drainage piping, fixtures and faucets.

Mechanical Improvements

Approved mechanical repairs may include correction of code violations, replacement of deteriorated or unsafe gas supply lines, venting, furnaces, boilers or water heaters.

Accessibility Improvements

Approved accessibility improvements may include grab bar, shower bars or entryway improvements related to safety concerns. The program does not provide modifications to structures such as widening doorways etc.

Energy Efficiency Improvements

Approved Energy Efficiency related improvements may include installation of insulation (attic, wall or foundation) air sealing work, high efficiency furnaces. Energy efficiency work shall be justified by an approved program energy audit which documents that eligible improvements have a savings to investment ratio of 1.0 or greater.

Miscellaneous Improvements

Radon Mitigation Systems: Installation of sub-slab radon mitigation systems shall be approved where a radon level above the EPA recommended level is documented.

Plastic Vapor barrier: Installation of 6 mil Visqueen vapor barrier shall be approved where exposed ground is present in a crawlspace.

Dryer Vents: Clothes dryer vents are approved for installation when existing are deteriorated or not present.

Lead based Paint: Remediation of lead based paint is approved per relevant HUD guidelines. Treatment of lead based paint will generally be identified through a Risk Assessment.

Mold remediation: Mold remediation will be approved in cases where low to moderate mold conditions exist. The intent of mold work is to address conditions that may lead to mold growth. The program does not offer 'whole house' mold remediation.

Other possible improvements may be considered on a case by case basis. Critical cases will be covered by the Critical Repair Program. Possible critical cases may include sewer

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system collapse, inoperable furnace or a leaking water heater. The Rehabilitation Specialist has the final authority to determine which home improvements are necessary and therefore eligible for the home rehabilitation program as defined by these guidelines.

C. Demolition and Replacement

If, in the opinion of the Rehabilitation Specialist, a structure that is beyond reasonable repair, demolition and possible replacement may be recommended. In such cases, notification of the appropriate local, state jurisdiction and/or the Historic District Commission will be completed and all appropriate HUD procedures will be followed prior to a final decision being made on any demolition. Relocation assistance may also be provided according to the conditions of the Uniform Relocation Act.

- 1) **Accessory Structure:** Accessory structures such as garages and sheds beyond reasonable repair or are a hazard may require demolition and may not necessarily be replaced.

D. Ineligible Work:

- 1) Where there is evidence that abuse, malicious destruction or willful neglect by the applicant created the need for such work.
- 2) Where the general condition of the property indicates that the owner has not or will not take reasonable action to preserve the value of the existing property and proposed improvements or where the owner has not maintained the property in conformance with applicable city housing, zoning and nuisance codes.
- 3) In cases of reapplication, no work previously financed through this program will be contracted for again unless the Rehabilitation Specialist determines that the need to redo the work was not the fault of the owner.
- 4) General improvements, unless deemed appropriate by the Rehabilitation Specialist. Housing developers may include general improvements in the scope of work if the developer utilizes non-OCED funds to pay for the general improvements.
- 5) The difference in cost to upgrade materials in the specifications will be the responsibility of the property owner.
- 6) Appliances other than those required by federal, state, and local code.
- 7) Enclosing of open areas, such as porches and decks
- 8) Purchase, installation, or repair of furnishings.
- 9) Sweat equity owner labor.

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- 10) Delinquent taxes, penalties or special assessments.
- 11) Commercial structures, with the exception of code related improvements in mixed use, rental structures.
- 12) Patios, general landscaping and air conditioning (unless medically necessary).
- 13) Any work otherwise eligible but substantially completed prior to the start of OCED contract work.

E. Utilizing Developer Staff to Complete Rehabilitation Work

For single-family and multi-family projects, the developer may act as the general contractor, oversee the procurement process, inspect the performance of sub-contractors, and/or utilize their maintenance staff to complete rehabilitation work. All work performed by the developer under this section still requires approvals by OCED rehabilitation staff.

- 1) **Oversight of Rehabilitation:** The agency will have oversight of the specification writing, bidding, and procurement process including inspections of work done by sub-contractors and staff. This oversight can include pulling permits and setting up code inspections. All developer staff that performs oversight of rehabilitation must be paid from the developer fee. If the developer hires an outside consultant to oversee the rehabilitation process, the consultant must be paid from the developer fee.
- 2) **Developer as General Contractor:** An applicant must demonstrate considerable experience and ability to the satisfaction of OCED rehabilitation staff in order to act as a general contractor and to utilize staff to complete the work. The scope of work will be determined under the same program guidelines as contracted work. All work must be performed and will be inspected on the basis of the same material standards and installation procedures as contracted work. OCED rehabilitation staff will review and approve all work orders which shall be included with the developer's bid documents. The developer's staff must track their time for each rehabilitation component and may charge the contract for eligible staff cost. Payroll documentation must be provided to determine the hourly cost of each employee.
- 3) **Reservation of Funds:** The rehabilitation staff will insure that sufficient funds are reserved within the loan amount so that in the event the contract expires or is terminated before all code violations are corrected, a general contractor can be contracted to complete the work within the approved recoverable grant amount.
- 4) **Leveraged Funds:** Agencies may leverage OCED contracted funds with additional funds, private or public. The agency may complete rehabilitation beyond the scope of OCED contract with the developer's funds, and under the developer's procurement rules and regulations, after completion of the work OCED has contracted for.

- 5) **Expense Reimbursement:** All payments will be made to the agency on a reimbursement basis *only*. Under certain circumstances when the owner does not have sufficient resources to make an initial payment, a maximum amount determined by OCED staff may be advanced against the final payment on the contract so that an owner can begin the purchasing of materials.
- a) The owner is expected to have installed all materials for which he/she has been reimbursed before approval of additional payment can be approved.
 - b) No payment will be made on materials without proper receipts. Receipts must be noted as to the material purchased. Original receipts will be submitted with the corresponding “Application for Payment.”
 - c) At the time of submission of the final “Application for Payment” and waiver of liens, a final “Change Order” will be prepared to adjust for any discrepancies between estimated and actual costs.

CHAPTER VIII

CONTRACTOR QUALIFICATIONS AND BIDDING PROCEDURES

A. General

It is intended that construction work be carried out in a timely manner, be of acceptable workmanship and be fairly priced. Participation in the housing programs is open to all State licensed building contractors pending approval from OCED staff. An acceptable building contractor must be of good reputation, financially sound, have adequate financial resources to carry out his/her bid proposal and be qualified to do the required work. The term “Contractor” applies to the firm bidding on work or receiving an award. This section sets forth requirements and procedures with respect to contractor qualifications for participation in the housing programs. OCED will maintain a list of contractors eligible to bid on work financed through the housing programs.

B. Policy

All contractors will be subject to the following requirements:

1. **Contractor Qualification:** For all homeowner rehabilitation and developer projects, general contractors must be qualified by OCED rehabilitation staff prior to bidding on rehabilitation projects. OCED will hold an annual training session that is mandatory for potential contractors and active contractors already approved to work with OCED. Application packets will be distributed at the contractor training session. ***The minimum requirements for contractor approval are:***
 - a. The general contractor must be a licensed builder with no violations on file with the Michigan Department of Labor and Economic Growth (DLEG) for a period of 3 years. The status of the contractor’s license will be verified with DLEG by the Operations Manager. Sub-contractors shall be licensed in their trade, if required. OCED rehabilitation staff will verify and document that he/she is not on the list of Federally Debarred Contractors.
 - b. At the time of application, all potential contractors must provide proof of Worker’s Compensation Insurance, General Liability Insurance and Comprehensive Automobile Liability Insurance up to the limits specified in the general contract terms and conditions.
 - c. All potential contractors must be able to demonstrate evidence of his/her rehabilitation/construction experience, ability to complete projects in a workmanlike manner, ability to work with the homeowner and OCED staff, and ability to complete projects on time. The contractor must submit a minimum of four (4) customer references for projects underway and/or completed within twelve (12) months at the time of application.

- d. The contractor must be approved by OCED for Living Wage requirements. The contractor must receive Human Rights and Living Wage approval from the City of Ann Arbor.
 - e. The contractor is required to submit a current 3-in-1 merged credit report, DUNS report, or verification of a line of credit from his/her financial institution with the application.
2. **Bidding Procedures:** Projects up to \$2,000 may be negotiated between the contractor and the Rehabilitation Specialist. All contracts between \$2,000 and \$5,000 require a bid or quote by telephone or in writing. All contracts above \$5,000 will follow the sealed bid process below. Any licensed contractors may be allowed to bid on the project. At the discretion of OCED, one of the following procedures will be used to select prospective bidders from the list of approved contractors.
- a. Qualified contractors will be selected at random from the list of approved contractors to receive an Invitation to Bid (ITB).
 - b. All qualified contractors on OCED list of eligible contractors may receive bid packages.
 - c. All bids must be returned in a sealed envelope to OCED or Purchasing by the specified date and time. Bids received after the deadline will be rejected.
 - d. Bids shall be opened at the specified date and time, reviewed and awarded.
3. **Contractor Restrictions:** Housing rehabilitation contractors are permitted no more than 3 (three) awarded concurrent contracts or a maximum of \$100,000 in rehabilitation contracts, unless it is determined that it is in the best interests of OCED programs, to waive these requirements.
4. **New Contractors:** Newly approved contractors to the Housing Program will be placed under *probation status* meaning they will only be able to have one awarded 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 construction project at any given time. Removing the contractor from the probation status is at the discretion of OCED rehabilitation staff.
5. **Bonding:** Contractors may be required to provide a labor, material and/or performance bond on any rehabilitation or construction contract at the discretion of OCED.
6. **Performance Standards:** Contractors proven to provide poor service or quality of workmanship and/or exhibit behavior that is not professional in the opinion of OCED will be debarred or suspended from any future work with OCED. Contractors will be

informed of this decision in writing with the opportunity to appeal to the OCED Director or his/her designee.

7. **Permits:** Participating general contractors must 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 Michigan and Washtenaw County in order to perform such functions that are subject to licensing. Each contract between a contractor and a property owner shall contain language excluding participation to contractors who fail to perform work in a satisfactory manner.

CHAPTER IX

SUBORDINATION POLICY FOR ALL PROGRAMS

General Policy

The subordination of a loan made by OCED under the housing programs is granted at the discretion of OCED and in accordance with the Housing Program guidelines, and only after consideration of a recommendation made by the Operations and/or Housing Manager. Factors considered for subordination include the homeowner's current primary residence, the appraised value of the property for which the mortgage will be subordinated, the outstanding balance of all mortgages, the proposed use of the proceeds of the new mortgage, impact on the housing programs, the need of the applicant, and other pertinent facts.

It is the policy of OCED that each request to subordinate to a refinanced primary loan will be reviewed based on whether the provisions of the request are in accordance with all subordination program criteria. All requests shall be subject to an underwriting review, in accordance with established program guidelines.

HOMEOWNER - Permissible Subordinations

- 1) Refinance an existing primary mortgage solely to obtain a reduced (fixed) interest rate resulting in a lower monthly payment for the borrower, without the withdrawal of equity (except for any amount needed to pay settlement costs on the new refinance loan which could include costs for points, recording, an appraisal and a title report).. An exception will be allowed when the purpose of refinancing is to reduce the term of the primary mortgage from 30 to 20, 15 or 10 years, which usually causes an increase in monthly mortgage payments. This would include when a balloon or ARM matures and the client switches to a fixed product.
- 2) Refinance an existing primary mortgage to obtain a comparable (fixed) interest rate and extended payment terms resulting in a lower monthly payment for the borrower (no cash out). This would include when a balloon or ARM matures and the client switches to a fixed product.
- 3) Refinancing that entails the withdrawal of equity, without requiring the repayment of the outstanding loan balance, if the purpose of the refinancing is to undertake home repairs on the property assisted with OCED funding (as distinguished from general improvements or remodeling).
 - a) OCED may approve such a subordination request as a means of protecting the assets on which OCED has a mortgage.
 - b) OCED may approve such requests only under the following conditions:
 - i) The Borrower signs an affidavit stating that he or she will use the proceeds for home repair.

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- ii) The Borrower provides OCED with a copy of a contractor's estimate that justifies the withdrawal of equity.
 - iii) The Borrower demonstrates that the repairs are necessary for maintaining the home according to local housing codes.
 - c) As a further condition of approval, OCED will permit a withdrawal of equity only for the amount needed to pay for housing-code related repairs. OCED will determine the reasonableness of the amount requested.
 - d) Withdrawal of equity beyond the reasons listed above will be considered for a home where the loan to value ratio is 40% or lower.
- 4) Refinance an existing mortgage to halt foreclosure proceedings by a lender or halt tax deed foreclosure proceedings.
- 5) Obtain a loan to pay for medical emergencies not covered by insurance.

For any of the above circumstances, actual customary and reasonable costs required to close the new loan may be included in the new principal mortgage.

HOMEOWNER - Non Permissible Subordinations

Subordination requests for purposes other than those stated above are not permitted, unless approved by the Director in writing for good cause. In addition, OCED will not permit subordinations that result in a reverse equity mortgage, home equity loan or line of credit, or that require OCED to subordinate into a third position. As such OCED will not consider requests to subordinate for cash out or the consolidation of consumer debt. (such as credit cards).

OCED will not subordinate in a transaction where the Loan to Value ratio (including outstanding OCED dollars) exceeds 100% of the appraised property value. This requirement may be waived at the Director's discretion for good cause.

HOMEOWNER - Important Subordination Limitations

It is the duty of OCED to manage its housing programs loan portfolio in a responsible manner, not subject federal and taxpayer dollars to unnecessary risk and maintain the integrity of the housing programs intent to assist low income homeowners.

At the time of the subordination request, the premises for which OCED made the original loan must also be and remain the household's primary residence, unless the specific loan documents provide for a lesser period of occupancy as the Borrower's primary residence.

An approved subordination will not change the original terms of the loan being subordinated unless the Director determines that changes are necessary to protect the investment of funds in the property.

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OCED will closely scrutinize and may deny a subordination request that reflects excessive closing costs or suggest either a predatory lending practice, or effect.

The new loan amount must not exceed 3% in closing fees and/or 6% in settlement fees. It may not include excessive closing costs or broker's fees.

Conditions for Consideration

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A complete “Request for Subordination” form shall be submitted to OCED directly from the Borrower or new primary mortgage lender or broker with a written authorization from the Borrower. The form must include each of the following documents before OCED will begin the subordination process:

1) For all applicants, an executed commitment letter or similar document showing the following:

- a) Name and address of the lender.
- b) Proposed loan terms.
- c) Expiration of the interest lock-in rate.
- d) Monthly principal and interest payment amount.
- e) Clear statement of any cash out amount and purpose.
- f) Any other conditions imposed by the Lender.
- g) A copy of the borrower’s refinancing loan application that corresponds with information in the commitment letter.
- h) For homeowners, a copy of the HUD-1 Form to be executed at closing.
- i) For homeowners, a copy of the Borrower’s credit report demonstrating the Borrower’s ability to support the proposed debt.
- j) For all rentals and for homeowners if required by the provider of the refinanced mortgage, a complete copy of the appraisal showing the current appraised value of the property by a qualified appraiser (no older than 90 days before the date of application).
- k) Copies of the title report/tile commitment (no older than 30 days before date of application).
- l) A copy of the home inspection report or detailed contractor’s estimate (if any).
- m) Evidence that all property taxes and municipal fees have been paid.
- n) If applying for subordination to pay for medical emergencies, copies of medical bills and/or estimates to be paid with loan proceeds, and evidence that expenses are not covered by insurance, such as private insurance, Medicaid, Medicare, etc.
- o) If applying for subordination to halt foreclosure proceedings, evidence from the lender or other lien holder that foreclosure proceedings are threatened or underway.

2) Rental property owners:

- a) Non-refundable \$150 application fee by cashier’s check or money order
- b) Sources and uses statement
- c) 10 year operating pro forma

3) Homeowners:

- a) Household income with supporting documentation and family size.
- b) Non-refundable \$75 application fee by cashier’s check or money order.
- c) Purpose of the subordination and use of new recoverable loan.

Satisfactory Conditions for Subordination

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1) **Rental Properties**

- a) The total secured indebtedness on the subject property, including the City of Ann Arbor or Washtenaw County lien, may not exceed 100% of the appraised value of the property.
 - i) The appraised value will be the sales value, not the value based on income due to the rent restrictions on the property.
 - ii) The purpose must be refinancing due to loan maturation, refinancing for a lower interest rate or better terms, a line of credit and/or additional funds for property improvements on the property requesting subordination.

2) **Homeowner**

- a) At minimum, a two-year period must have lapsed from the date of execution of OCED's interest in the applicant/subject property, prior to application for subordination. If the loan to be refinanced is less than two (2) years old, the refinance must result in an interest rate reduction of at least two (2) points or a monthly principal and interest savings of \$100.00.
- b) The total secured indebtedness on the subject property, including the City of Ann Arbor or Washtenaw County lien, does not exceed 100% of the appraised value of the property.
- c) The total debt-to-income ratio for the applicant does not exceed 50% of the household income.
- d) If the applicant is no longer income-eligible for the program the applicant will not be eligible for subordination. If the applicant decides to pursue the private loan, the applicant will need to pay off the deferred loan provided by OCED.
- e) OCED will agree to subordination for a refinance no more than once in any 24-month period.

Timeline for Processing

- 1) Application, fee and supporting documentation are received by OCED and materials are reviewed.
- 2) The applicant must allow a physical inspection of the property by the Rehabilitation Specialist to determine the condition of the property.
- 3) The Operations Manager reviews the documentation to determine whether the proposed terms and uses meet the policies stated in the subordination guidelines. The Operations Manager will make a decision within fourteen (14) working days of receiving a complete application. Upon approval, the Operations Manager notifies the Lender of OCED's approval or denial of the request.
 - a) If the conditions meet the policy and the application is approved, the Intake Specialist will prepare a Subordination Agreement and notify the Lender and the

Intake Specialist will mail the Subordination Agreement to the applicant's title company or loan officer for recording.

- b) The Subordination Agreement must be signed by OCED Director and notarized by the Intake Specialist.
- c) If the subordination is not approved, the Operations Manager will notify the applicant in writing as to the reason for denial.
- d) All filing costs associated with the new subordination agreement shall be the responsibility of the borrower.

Subordination Appeals

If the borrower is unsatisfied with OCED staff recommendation, they may request an appeal by writing a letter of appeal to the OCED Director that includes a copy of the subordination determination letter. See Chapter XIII for further details.

Office of Community and Economic Development

415 W. Michigan Avenue, Suite 2200

Ypsilanti, MI 48197

Attn: Homeowner Rehabilitation Program – Subordination Request

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CHAPTER X

AFFIRMATIVE MARKETING AND OUTREACH REQUIREMENTS

OCED, or its designee, will administer HOME and CDBG programs in accordance with Affirmative Marketing requirements for all projects over 5 units, including:

- 1) Establish an Affirmative Marketing Plan which details:
 - a) Methods for informing the public and homebuyers of the availability of the program, including the proposed types of commercial media and community contacts to be used. Methods of informing the public should include those that are likely to inform and solicit applications from persons in the housing market (“service”) area who are not likely to apply for the housing assistance without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies).

At a minimum, OCED outreach efforts and selection procedures should include the following:

- b) Publication in a newspaper of general circulation in the area in which housing activities are proposed, notifying potential eligible homebuyers of the opportunity to apply for the homebuyer assistance, and soliciting applications for activities.

The notice should, at a minimum include the following:

- i) Instructions as to with whom and where the applicant must apply.
 - ii) Minimum eligibility criteria, i.e., income restriction, owner-occupancy, value limitation, etc.
 - iii) Maximum assistance available per household.
 - iv) Establish a fixed period of time (for example, 45 days) in which potential eligible homebuyers/tenants should apply.
 - c) Based on applications received by the developers in response to the public notice and other marketing efforts, OCED should prioritize the applications received, based on a written policy they have established for this purpose. Project set-ups should reflect, as closely as possible, the prioritization of applications.
 - d) In the event insufficient eligible homebuyers are identified through this application process to commit and expend all funds available, OCED may elect to re-advertise the public notice, or utilize remaining available funds on a first-come, first-serve basis.
 - i) Records must be retained by OCED regarding all applications received, and application prioritization, approval or denial.
 - ii) OCED’s affirmative marketing policy must include the use of the Equal

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Housing Opportunity logo, type or slogan in press releases and solicitations for program participation, and display of fair housing posters in common space(s) of OCED offices. OCED's affirmative marketing policy may further include, but may not be limited to, other forms of advertisements, Public Service Announcements, press releases and informational mailings.

- 2) Annually assess the success of its Affirmative Marketing Plan and take corrective actions where it is determined that affirmative marketing requirements have not met. OCED's Affirmative Marketing Plan and annual assessment conclusions must be retained at the administrative offices, and made available upon request.

CHAPTER XI

APPLICABLE FEDERAL REGULATIONS

The local governing bodies, contractors, sub-contractors, vendors, and applicants for rehabilitation assistance are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.

- The Civil Rights Act of 1974
- Executive Order 11246 concerning Equal Employment Opportunity
- Standards of Conduct for CDBG Recipients – Conflict of Interest
- Notice of Requirement for Action to Ensure Equal Employment Opportunity
- Standard of Equal Opportunity Construction Contract Specifications
- Certification of Non-Segregated Facilities for Contracts over \$10,000
- Title VI of Civil Rights Act of 1964 Provisions
- Section 109 of Housing and Community Development Act of 1974 Provisions
- Section 3 Compliance Provisions (Housing Act of 1968)
- Age Discrimination Act of 1975 Provisions
- Section 504 Affirmative Action for Handicapped Workers Provisions
- Lead-based Paint Hazard Provisions (Title X)
- Federal and Local Procurement Requirements
- Access to Records/Maintenance of Records Provisions
- Conflict of Interest Provisions
- Davis-Bacon Act Provisions
- Uniform Relocation Act
- National Environmental Policy Act of 1969
- Americans with Disabilities Act of 1990
- Federal and State Fair Housing Laws

Any contractor selected to receive CDBG funds or HOME funds must comply with all requirements of the CDBG regulations issued by HUD under 24 CFR Part 570 or the HOME requirements issued by HUD under 24 CFR Part 92, including but not limited to the following:

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A. Nondiscrimination and Equal Opportunity. An entity selected to receive federal funds must comply with the following:

The requirements of Title VIII of the Civil Rights Act of 1968 and Title VI of the Civil Rights Act of 1964 relating to the prohibitions against discrimination in housing and the denial of benefits of federally funded programs because of race, color, religion, sex, national origin, disability, or familial status;

The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973;

The requirements of Executive Order 11246 relating to equal employment opportunity in connection with federally funded programs, as amended by 11375, as supplemented by 41 CFR Part 60.

The requirements of Section 3 of the Housing and Urban Development Act of 1968 relating to the training and employment of individuals and the contracting of businesses from the metropolitan area in which the federally funded program is located. Section 3 of the Housing and Urban Development Act of 1968 shall apply to Rehabilitation Contract. To the greatest extent feasible, the contractor shall give opportunities for employment to lower income persons residing within the County, and shall award contracts for work in connection with the Rehabilitation Contract to business concerns which are located in or owned in substantial part by persons residing in the County.

The requirements of Executive Orders of 11625, 12432, and 12138 relating to the use of minority and women's business enterprises in connection with federally funded programs (Affirmative Action), as specified in Executive Order 11246 and the implementing regulations (41 Code of Federal Regulations, Chapter 60). The contractor shall agree to take affirmative action to insure fair treatment in hiring, employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay, or other forms of compensation and selection for training and apprenticeship.

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B. Applicability of Uniform Administrative Requirements. The entity shall comply with the policies, guidelines, and requirements of 24 CFR 570 and 24 CFR Part 92, as applicable.

C. Conflicts of Interest. In addition to conflict of interest requirements in 24 CFR Part 84, no person who is an employee, agent, consultant, officer, or elected or appointed official of the County and/or Community Development, state recipient or non-profit recipient (or of any designated public agency) that receives federal grant amounts and who exercises or has exercised any functions or responsibilities with respect to assisted activities or who is in position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereof, or the proceeds there under, either for himself or herself

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or those with whom he or she has family or business ties, during his or her tenure or one (1) year thereafter.

- D. **Lead Based Paint Notice & Verification(s).** Rehabilitation work must comply with the HUD regulations and Lead Based Paint Procedures, as amended from time to time.
- E. **Debarment and Suspension.** The requirements set forth in 24 CFR Part 5 apply to all OCED programs.
- F. **Section 3 of the Housing and Urban Development Act of 1968.** Bidders shall be required to comply with all applicable provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, and the regulations issued pursuant thereto, as set forth in C.F.R. Part 135, and all applicable rules, directives and orders issued by HUD there under. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment generated by a Section 3 covered contract be given to public housing residents and other low income persons residing in the metropolitan area, and subcontracts in connection with such contracts be awarded to Section 3 covered business concerns which are located in, or owned in substantial part by persons residing in the areas of the project. The successful bidder shall be required to insert in any subcontract resulting from the proposed contract, the Section 3 clause set forth in general terms and conditions of the OCED construction contracts.

CHAPTER XII

DEVELOPER REFINANCING GUIDELINES

Multi-family projects developed by housing organizations that receive HOME or other funds for rehabilitation through the Office of Community and Economic Development may apply for HOME or other funds to refinance existing debt, consistent with the HOME regulations at 24 CFR 92.206(b)(2), if they meet the following guidelines:

- 1) Refinancing is necessary to permit or to continue affordability under 24 CFR 92.252 for HOME funds and if HOME funds are not eligible, then other funds may be used;
- 2) Rehabilitation is the primary eligible activity. A minimum of \$5,000 of rehabilitation per unit is required;
- 3) The grantee must demonstrate management capacity and practices that ensure that the long term needs of the project can be met and the targeted population can be served over an extended affordability period;
- 4) The grantee must demonstrate that the new investment is being made to maintain current affordable units, to create greater affordability in current affordable units; or to create additional affordable units;
- 5) Refinancing will be limited to projects that have previously received an investment of public funds;
- 6) The minimum HOME affordability period shall be 15 years;
- 7) HOME and other funds may be used for refinancing anywhere in the Urban County;
- 8) HOME funds cannot be used to refinance multi-family loans of 5 units or more, made or insured by any Federal program, including CDBG.

CHAPTER XIII

WAIVER and REVIEW GUIDELINES

A. General

Complaints concerning the housing programs should be made to the OCED Director first. The City of Ann Arbor Housing and Human Services Advisory Board and the Washtenaw Urban County Executive Committee are responsible for reviewing the activities, policies, and administration of the OCED housing programs. Complaints and/or waiver requests may be made to the appropriate decision-making body. No federal, state or local statutory guidelines or regulations may be waived. However, the City of Ann Arbor and Washtenaw

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County have established complaint and waiver procedures; *please refer to Complaint section of the [Washtenaw Urban County Citizen Participation Plan \(Effective 3/26/13\)](#). (See Appendix 2, page 71 of linked document).*

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B. City of Ann Arbor Complaint & Waiver Requests

The Housing and Human Services Advisory Board is responsible for hearing individual complaints and considering waivers about the City of Ann Arbor Housing Programs. A guideline waiver is formal approval of a request to set aside guidelines in the case of extenuating hardship circumstances. Requests must be submitted in writing to the OCED Director (or his/her designee). OCED staff will attempt to resolve the concern(s). If no resolution is reached in a reasonable amount of time as determined by OCED, the request is submitted to the Housing and Human Services Advisory Board at its next scheduled meeting. The applicant will be notified of the meeting. Decisions of the board are based on actions taken by a majority of members present when there is a quorum. Housing and Human Services Advisory Board decisions may be appealed to the City Administrator and the Department of Housing and Urban Development (HUD), when HUD funds are involved.

C. Washtenaw Urban County Complaint & Waiver Requests

Complaints and waiver requests about Washtenaw County Housing Programs shall be put in writing, and submitted to OCED Director (or his/her designee). Program staff will attempt to resolve the concern within a reasonable period of time. If no resolution is reached, the complaint or waiver request shall be submitted to the Urban County Executive Committee at their next meeting. Notice of and invitation to the meeting shall be provided to the applicant. Decisions of the board are based on actions taken by a majority of members present when there is a quorum or by polling the members. Urban County Executive Committee decisions may be appealed to HUD, when HUD funds are involved.

Variances from the policies and procedures contained within this document shall only be granted by the Washtenaw Urban County Executive Committee (UCEC), under extraordinary and extenuating circumstance and, upon recommendation of the OCED Director and/or his/her designee. The Washtenaw Urban County Executive Committee will consider a variance to the existing policies that document specific hardship on the part of the property owner or other parties involved in the project, and that granting a variance will further the goals, purposes, and effectiveness of the Housing Programs and will conform to all applicable HUD guidelines.

Some factors that the UCEC may wish to consider when making a determination to grant a variance to existing policies include:

- 1) Medical and/or health reasons specific to the homeowner(s)
- 2) Financial impact on the sustainability of the Rehab Program (i.e. how large is the lien amount in question, lien amount relative to total funding for Rehab Program)

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- 3) Client's overall utilization of OCED's homeowner Rehab Programs (i.e. total number and dollar amount of loans over time)

D. Dispute Resolution

In the event a dispute arises with the property owner and the contractor; and OCED, the Housing and Human Services Advisory Board, or the Urban County Executive Board are unsuccessful in resolving the dispute; the dispute may be resolved through arbitration with the Washtenaw County Dispute Resolution Center.

CHAPTER XIV

OTHER HOUSING RESOURCES

Depending upon the availability of funding, OCED may oversee programs and projects that function according to federal, state or locally approved guidelines. Full program descriptions can be reviewed in OCED. These include:

- 1) **Ann Arbor Housing Fund:** These funds are designed to promote, retain and create long-term affordable housing for very low, low, and moderate income residents within the City of Ann Arbor.
- 2) **Technical Assistance:** provided for projects such as demolition, acquisition and redevelopment of commercial properties, economic development, housing projects or other projects as they arise.
- 3) **Community Infrastructure:** For an activity to be eligible for Public Facility and Improvements funding, the activity must include the acquisition, construction, reconstruction or the installation of public facilities and improvements. HUD defines "public facilities" and "public improvements" as all improvements and facilities that are either publicly owned or traditionally provided by the government, or owned by a nonprofit and operated to serve the general public, such as a recreation center, library, parking lots, senior center, or day care center. Buildings for the general conduct of government are not eligible. When nonprofit entities or developers own such facilities, they must be open for use by the general public during all normal hours of operation.

APPENDIX A

DEFINITIONS

The following definitions shall be used with respect to the housing programs:

Codes and Standards: Includes local housing codes, the Michigan Residential Building Codes, and federal Uniform Physical Condition Standards (UPCS) and federal Housing Quality Standards (HQS).

Conversion: An alteration of a property so as to change either its number of dwelling units, or to eliminate a non-conforming use.

Cooperative: An organization, legally constituted as a cooperative for the purpose of providing housing to its members.

Dependent: A person under the age of eighteen (18) years or enrolled full-time in school or as defined by the IRS.

Developer: A legally organized entity receiving funding from the Office of Community and Economic Development under an agreement defining services to be provided.

Development Subsidy: The difference between the total development budget and the appraised value in a homeownership development project. This subsidy is an additional subsidy above and beyond the market value of the property that is invested to improve the neighborhood and/or to purchase long-term affordability (in the case of the use of a resale formula).

Disabled Household: 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 long of 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)).

Director: The Director of the Office of Community and Economic Development, and/or his/her designee.

Duplex: A property of two (2) units used for residential purposes.

Dwelling Unit: A self-contained unit, containing at a minimum sleeping, cooking and bathroom facilities.

Elderly Household: Household of one or more persons with the head of the household sixty two (62) years or older.

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Emergency Conditions: Housing conditions which present an immediate hazardous threat to the building or its occupants, including, but not limited to failure of heating, sanitary, domestic hot water, electrical, roofing or structural systems and other conditions deemed as emergency as the result of an inspection by the rehabilitation staff.

Fair Return on Investment: A return that provides a percentage of equity to the seller in line with historic sales activity and historical HUD income trends. That has been further defined as 25% of equity. An Appraisal-based formula is utilized to determine the final return, if any. Details on the calculation can be found on page 45.

Fixed Income: Income derived from social security, pensions, federal, local, or state subsistence funds or support payments.

Gross Income: Anticipated annual earnings of the applicant, based on annualized weekly or monthly income as of the date of application.

Hazardous Violation: A violation of the building code standards which presents an immediate danger to the life and/or safety of the building occupants.

Homebuyer Subsidy: The difference between the appraised value and the loan amount of the homebuyer. This is the amount of subsidy that is secured in a recapture lien agreement because it is direct subsidy to the homebuyer to make the housing unit more affordable.

Household: An individual, or a group of two or more persons related by blood, marriage, adoption, and living together as a single housekeeping unit in a dwelling unit.

Household Income: The combined income of all persons residing in the household.

Housing Expenses: Will include principal and interest on a recorded mortgage or a land contract; hazard insurance; real property taxes; special assessments; reasonable maintenance costs and utility expenses, including gas, electricity, and water.

Incipient Violation: A condition that exists that could deteriorate within a year to an actual violation.

Land Sales Contract: A transaction in which the purchaser/occupant obtains fee title only if he completes a series of installment payments over a term of years.

Low Income: Household with incomes less than eighty (80%) percent of median income for the Ann Arbor Metropolitan Statistical Area, as determined by the U.S. Department of Housing and Urban Development.

Manufactured Homes: Dwelling that is factory build on a permanent, steel frame chassis, constructed in conformance with the National Manufactured Housing

Construction and Safety Standards established by the Department of Housing and Urban Development (HUD).

Master Specifications: The construction specifications promulgated by Washtenaw County OCED which governs material, labor and workmanship for residential rehabilitation. This term is specifically referring to the Washtenaw County Office of Community and Economic Development's *Contractor's Manual and All Trades Master Specifications for the Office of Community & Economic Development Housing Programs* and are intended to meet the requirements of 24 CFR 92.251(b)(1). The following terms for the Master Specifications include not only the complete title outlined in the previous sentence, but also to "Written Rehab Standards", "Rehab Standards", "Methods and Materials Standards", "Contractor's Handbook" and "Contractor's Manual".

Multi-family Dwelling: A property of four (4) or more units used for rental residential purposes.

Owner: One or more persons who hold title to a property including those purchasing through a mortgage or land sales contract.

Owner/Occupant: An owner(s) of a 1-4 unit property who occupies and uses the property primarily for residential purposes.

Personal Assets: Cash, cash deposits, negotiable bonds, stocks or other financial instruments, business equity, or equity in real estate other than property being considered for rehabilitation.

Primary Residence: It is the residence of that the owner will spend most of his/her time and would use as a residence for tax purposes, driver's license, and other functions.

Rehabilitation Cost: The total cost of work necessary to bring a property up to code and energy standards, plus any additional costs specified as part of the work order.

Rehabilitation Fund: Consolidated funds for the Office of Community and Economic Development are various financial assistance programs. It is operated under provisions of the Federal Administrative regulations governing the CDBG Program (24 CFR570).

Relocation: Assistance provided to individuals as defined under the Uniform Relocation Act.

Renter: The lessee or tenant of residential property.

Responsible Bidder: Contractor, supplier, or vendor, qualified on the basis that it (1) has adequate financial resources to perform a contract, (2) is able to comply with the associated legal or regulatory requirements, (3) is able to deliver according to the contract schedule, (4) has a history of satisfactory performance, (5) has good reputation regarding integrity.

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(6) has or can obtain necessary data, equipment, and facilities, and (7) is otherwise eligible and qualified to receive award if its bid is chosen.

Responsive Bidder: Responsible bidder whose solicited bid is determined to be in substantial conformance with the conditions, completion or delivery requirements, and specifications detailed in the invitation-to-bid (ITB), request for proposals (RFP), request for quotations (RFQ), or request for tenders.

Security Interest Lien: A document to be recorded with the Washtenaw County Register of Deeds which describes the terms and conditions of the recoverable grant.

Single/Multi-unit: A single family unit, two-family unit, or multi-family units which are renter occupied and qualify for housing assistance.

Substandard: Housing which lacks basic plumbing and/or is physically dilapidated, and does not meet Uniform Physical Condition Standards (UPCS) or Housing Quality Standards (HQS) as applicable.

Substantial Improvement: Refers to the term found at 24 CFR Part 55.2(10)(i) for Floodplain Management and Protection of Wetlands, which is specifically the following:

- 1) *Substantial improvement* means either:
 - a. Any repair, reconstruction, modernization or improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure either:
 - i. Before the improvement or repair is started; or
 - ii. If the structure has been damaged, and is being restored, before the damage occurred; or
 - b. Any repair, reconstruction, modernization or improvement of a structure that results in an increase of more than twenty percent in the number of dwelling units in a residential project or in the average peak number of customers and employees likely to be on-site at any one time for a commercial or industrial project.
- 2) *Substantial improvement* may not be defined to include either:
 - a. Any project for improvement of a structure to comply with existing state or local health, sanitary or safety code specifications that is solely necessary to assure safe living conditions; or
 - b. Any alteration of a structure listed on the National Register of Historical Places or on a State Inventory of Historic Places.
 - c. Structural repairs, reconstruction, or improvements not meeting this definition are considered "minor improvements".
- 3) **Substantial Rehabilitation:** Refers to projects that have a total rehab costs of 75% or more of the post-rehab value of the property. This term is applicable for categorizing projects using this term for the purposes of defining

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environmental review requirements under 24 CFR Part 58 and related laws and authorities.

Sweat Equity: Rehabilitation work performed by qualified homeowners under contract with the city through the Housing Rehabilitation program.

Two Family Dwelling: Detached building containing only two residential units.

Very Low Income: Household with incomes less than fifty (50 %) percent of median income for the Ann Arbor PMSA, as determined by the U.S. Department of Housing and Urban Development.

Urban County: The Urban County is a formal collaboration between local units of government in Washtenaw County to receive federal funding from HUD for affordable housing and community development projects to serve the needs of low- and moderate-income residents. All members of the Urban County have signed cooperation agreements with Washtenaw County to administer this funding.

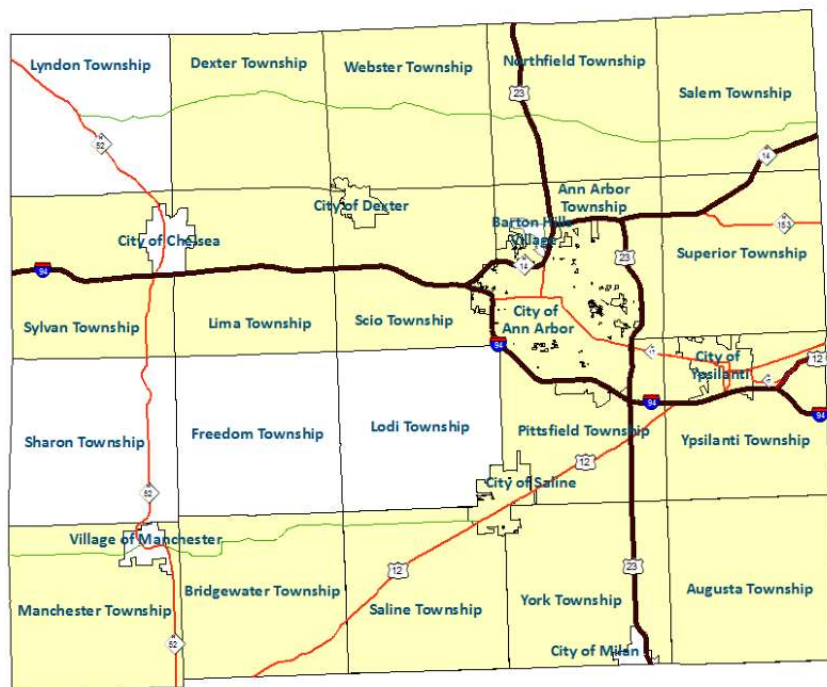
Urban County Executive Committee: The Urban County is governed by the Urban County Executive Committee, which is a board that is comprised of the chief elected official of each member of the Urban County and/or their designee. In partnership with the County, this board makes all decisions about the allocation of funding for the Urban County HUD funding.

Work Order: The document prepared by the Rehabilitation staff itemizing work to be done on the property to be used by the contractor through the bid submission and contract process.

APPENDIX B

URBAN COUNTY PARTICIPANTS MAP

Washtenaw County, Michigan
Urban County Participants



- Urban County Participants
- Current Members: (Year Joined)
- Ann Arbor Township (2003)
 - Bridgewater Township (2003)
 - Northfield Township (2003)
 - Pittsfield Township (2003)
 - Salem Township (2003)
 - Superior Township (2003)
 - Ypsilanti Township (2003)
 - Scio Township (2006)
 - York Township (2006)
 - City of Ypsilanti (2006)
 - City of Ann Arbor (2009)
 - Dexter Township (2012)
 - Lima Township (2012)
 - Manchester Township (2012)
 - City of Saline (2012)
 - Saline Township (2012)
 - Webster Township (2012)
 - Augusta Township (2015)
 - City of Dexter (2018)
 - Sylvan Township (2018)

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Washtenaw Urban County 2015-16 Planned Activities DRAFT			
2015-16 Allocations			
Community Development Block Grant (CDBG)	\$	1,846,994	
HOME Investment Partnership Program (HOME)	\$	866,608	
Emergency Solutions Grant (ESG)	\$	163,362	
TOTAL	\$	2,876,964	
Community Development Block Grant (CDBG)			
Activity	Agency	Jurisdiction	Allocation
Single Family Rehabilitation	OCED	All	\$ 252,245
Single Family Rehabilitation Service Delivery	OCED	All	\$ 147,760
Priority Project - Sidewalk Improvements	Pittsfield Township	Pittsfield Township	\$ 77,800
Priority Project - Sidewalk Improvements	Pittsfield Township	Pittsfield Township	\$ 53,499.50
	Ypsilanti Township	Ypsilanti Township	\$ 53,499.50
Community Based Development Organization (CBDO)	CAN Southeast	City of Ann Arbor	\$ 70,000
Community Based Development Organization (CBDO)	Peace Neighborhood Center	City of Ann Arbor	\$ 44,000
Saline Area Social Service Building Improvements	Saline Area Social Service, Inc.	City of Saline	\$ 40,000
ADA Ramps	City of Ypsilanti	City of Ypsilanti	\$ 50,000
Parkridge Park Accessibility Improvements	City of Ypsilanti	City of Ypsilanti	\$ 7,646
Affordable Housing	City of Ann Arbor	City of Ann Arbor	\$ 167,038
Park Improvements	City of Ann Arbor	City of Ann Arbor	\$ 5,000
Washtenaw Avenue Sidewalk Improvements	Ypsilanti Township	Ypsilanti Township	\$ 60,258
Park Improvements	Ypsilanti Township	Ypsilanti Township	\$ 45,000
Sidewalk Improvements	Northfield Township	Northfield Township	\$ 12,202
Ypsilanti Township Community Center	Ypsilanti Township	Ypsilanti Township	\$ 31,355
Road Improvements	Superior Township	Superior Township	\$ 21,743
Washtenaw Avenue Sidewalk Improvements	Pittsfield Township	Pittsfield Township	\$ 61,600
Human Services		All	\$ 277,049
CDBG Administration	OCED	All	\$ 369,399
TOTAL			\$ 1,847,094
HOME Investment Partnership Program (HOME)			
Activity	Agency	Jurisdiction	Allocation
Multi-Family Rehabilitation - Parkridge	Ypsilanti Housing Commission	City of Ypsilanti	\$ 525,000
Homebuyer Assistance	Habitat for Humanity	All	\$ 75,117
CHDO Rental Rehabilitation - Arbordale	Avalon Housing	City of Ann Arbor	\$ 136,500
CHDO Operating	Avalon Housing	City of Ann Arbor	\$ 43,330
HOME Administration	OCED	All	\$ 86,661
TOTAL			\$ 866,608
Emergency Solutions Grant (ESG)			
Activity	Agency	Jurisdiction	Allocation
Homeless Prevention, Shelter & Rapid Re-Housing	OCED	All	\$ 151,927
ESG Administration	OCED	All	\$ 11,435
TOTAL			\$ 163,362

Revised 4-29-21

Washtenaw Urban County 2016-17 Planned Activities

Dark red = revisions made 10-31-19

Blue = revisions made 4-29-21

2016-17 Allocations

Community Development Block Grant (CDBG)	\$	1,858,189
HOME Investment Partnership Program (HOME)	\$	926,551
Emergency Solutions Grant (ESG)	\$	166,266
TOTAL	\$	2,951,006

Community Development Block Grant (CDBG)

Activity	Agency	Jurisdiction	Allocation
Single Family Rehabilitation	OCED	All	\$ 381,875
Single Family Rehabilitation Service Delivery	OCED	All	\$ 148,655
Priority Project - Riverside Park Playground	City of Ypsilanti	Ypsilanti City	\$ 125,000
Bryant Community Center Improvements	City of Ann Arbor	Ann Arbor City	\$ 80,340
Community Based Development Organization (CBDO)	Peace Neighborhood Center	Ann Arbor City	\$ 84,000
Community Based Development Organization (CBDO)	Community Action Network	Ann Arbor City	\$ 110,000
<i>Exterior-Only Homeowner Beautification</i>	<i>City of Ypsilanti</i>	<i>Ypsilanti City</i>	<i>\$ 2,947</i>
<i>Parkridge Park Accessibility Improvements</i>	<i>City of Ypsilanti</i>	<i>Ypsilanti City</i>	<i>\$ 6,491</i>
ADA Curb Cuts	City of Ypsilanti	Ypsilanti City	\$ 45,851
Main Street Sidewalk Improvements	Northfield Township	Northfield Township	\$ 11,703
Washtenaw Ave. Sidewalk	Pittsfield Township	Pittsfield Township	\$ 19,684
<i>Mid-Block Crossing - Packard St/Hawks Ave</i>	<i>Pittsfield Township</i>	<i>Pittsfield Township</i>	<i>\$ 39,397</i>
Panama Avenue Project	Superior Township	Superior Township	\$ 20,854
Washtenaw Ave. Sidewalk	Ypsilanti Township	Ypsilanti Township	\$ 60,000
Bud & Blossom Park	Ypsilanti Township	Ypsilanti Township	\$ 20,000
Bus Shelter Improvements	Ypsilanti Township	Ypsilanti Township	\$15,246
Community Center ceiling repair	Ypsilanti Township	Ypsilanti Township	\$35,780
Human Services - Coordinated Funding	Interfaith Hospitality Network of Washtenaw County	OCED	\$ 98,728
Human Services - Coordinated Funding	Shelter Association of Washtenaw County (Residential and Non-Residential Programs)	OCED	\$ 160,000
Human Services - Coordinated Funding	Unified - HIV Health and Beyond	OCED	\$ 20,000
CDBG Administration	OCED	All	\$ 371,638
TOTAL			\$ 1,858,189

HOME Investment Partnership Program (HOME)

Activity	Agency	Jurisdiction	Allocation
HOME	Habitat for Humanity (ADR Project)	Ypsilanti Township , Superior Township and City of Ypsilanti	\$ 412,568
HOME CHDO Reserve (15%)	Avalon Housing (Gott Project)	Ann Arbor City	\$ 375,000
HOME CHDO Operating (5%)	Avalon Housing	Ann Arbor City	\$ 46,328
HOME Administration	OCED	All	\$92,655
TOTAL			\$ 926,551

Emergency Solutions Grant (ESG)

Activity	Agency	Jurisdiction	Allocation
Homeless Prevention, Shelter & Rapid Re-Housing	OCED	All	\$ 153,796
ESG Administration	OCED	All	\$ 12,470
TOTAL			\$ 166,266

Revised 4-29-2021

Washtenaw Urban County 2017-18 Planned Activities

Blue = revisions made 10-30-19

Dark red = revisions made 12-29-20

Green = revisions made 4-29-21

2017-18 Allocations

Community Development Block Grant (CDBG)	\$	1,846,861
HOME Investment Partnership Program (HOME)	\$	902,878
HOME 2016 Program Income	\$	39,771.23
Emergency Solutions Grant (ESG)	\$	167,288
TOTAL	\$	2,956,798

Community Development Block Grant (CDBG)

Activity	Agency	Jurisdiction	Allocation
Single Family Rehabilitation	OCED	All	\$ 329,549
Single Family Rehabilitation Service Delivery	OCED	All	\$ 147,749
Affordable Housing Project - Swift Lane	City of Ann Arbor	Ann Arbor City	\$ 177,201
Community Based Development Organization (CBDO)	Peace Neighborhood Center	Ann Arbor City	\$ 84,000
Community Based Development Organization (CBDO)	Community Action Network	Ann Arbor City	\$ 110,000
Parkridge Park Accessibility Improvements	City of Ypsilanti	Ypsilanti City	\$ 25,841
ADA Curb Cuts	City of Ypsilanti	Ypsilanti City	\$ 50,000
Mid-Block Crossing	Pittsfield Township	Pittsfield Township	\$ 80,002
Panama Road Project	Superior Township	Superior Township	\$ 1,094
Community Park Tennis Court resurfacing	Superior Township	Superior Township	\$ 21,855
Fireman's Park Playground renovation	Superior Township	Superior Township	\$ 3,217
Washtenaw Ave Sidewalk - Priority Project	Ypsilanti Township	Ypsilanti Township	\$ 129,000
Ypsilanti Township Community Center Flooring - Priority Project	Ypsilanti Township	Ypsilanti Township	\$ 29,659
Human Services - Coordinated Funding	Interfaith Hospitality Network of Washtenaw County	OCED	\$ 97,029.15
Human Services - Coordinated Funding	Shelter Association of Washtenaw County (Residential and Non-Residential Programs)	OCED	\$ 160,000
Human Services - Coordinated Funding	Unified - HIV Health and Beyond	OCED	\$ 20,000
CDBG Administration	OCED	All	\$ 369,372
TOTAL			\$ 1,835,568

HOME Investment Partnership Program (HOME)

Activity	Agency	Jurisdiction	Allocation
HOME	Habitat for Humanity of Huron Valley		\$ 339,982.99
HOME Program Income	Habitat for Humanity of Huron Valley		\$ 39,771.23
HOME CHDO Reserve (15%)	Avalon Housing - Maple/Hickory Way Apartments (Acquisition/New Construction)		\$ 427,463.45
HOME CHDO Operating (5%)	Avalon Housing		\$ 45,143.90
HOME Administration	OCED	All	\$ 90,287.80
TOTAL			\$ 942,649.37

Emergency Solutions Grant (ESG)

Activity	Agency	Jurisdiction	Allocation
Homeless Prevention, Shelter & Rapid Re-Housing	OCED	All	\$ 156,544
ESG Administration	OCED	All	\$ 10,744
TOTAL			\$ 167,288

Washtenaw Urban County 2018-19 Summary of Planned Activities

Blue = revisions made 10-30-19

Dark red = revisions made 12-29-20

Green = revisions made 4-29-21

2018-19 Allocations	
Community Developpent Block Grant (CDBG)	\$2,109,235
HOME Investment Partnership Program (HOME)	\$1,390,533
Emergency Solutions Grant (ESG)	\$166,259
TOTAL	\$3,666,027

AFH Goal	Project	Activity	Agency	CDBG	HOME	HOME Program Income	ESG	Goal Outcome Indicator	Quantity	Measure
All AFH & CPD goals	CDBG Admin	CDBG Administration	OCED - Urban County wide	\$421,847				Other	1	Other
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	Demolition	Augusta Township	\$8,220				Buildings Demolished	1	Buildings
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	Demolition (448 S. Huron)	City of Ypsilanti	\$21,813				Buildings Demolished	2	Buildings
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	Parkridge Park Accessibility Improvements	City of Ypsilanti	\$5,434				Public Service activities other than low/mod income housing benefit	3050	Persons Assisted
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	ADA Curb Cuts	City of Ypsilanti	\$50,000				Public Service activities other than low/mod income housing benefit	2867	Persons Assisted
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	Mid-Block Crossing-Packard St./Hawks Ave.	Pittsfield Township	\$78,916				Public Service activities other than low/mod income housing benefit	4243	Persons Assisted
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	Panama Road Project	Superior Township	\$11,972				Public Service activities other than low/mod income housing benefit	1664	Persons Assisted
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	Community Park Tennis Court Resurfacing	Superior Township	\$12,581				Public Service activities other than low/mod income housing benefit	600	Households Assisted
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	MacArthur Blvd LED Street Lights	Superior Township	\$6,402				Public Service activities other than low/mod income housing benefit	450	Households Assisted
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	Road Projects	Ypsilanti Township	\$154,280				Public Service activities other than low/mod income housing benefit	8357	Persons Assisted
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	CDBG Program income spent in R/ECAPs	City of Ypsilanti and Ypsilanti Township	\$260,700				TBD		
AFH: Coordinate investment in low opportunity areas	Public Facilities & Infrastructure	Demolition - Swift Lane	Ann Arbor Housing Commission (City of Ann Arbor)	\$178,701				Buildings Demolished	4	Buildings
AFH: Add and preserve affordable housing stock	CDBG Single Family Rehab	Single Family Rehabilitation (SFR)	OCED - Urban County wide	\$479,945				Homeowner Housing Rehabilitated	60	Household Housing Unit
		SFR Accessibility Ramp Program	OCED - Urban County wide (Resources captured in SFR amount above)					Restart Accessibility Ramp Program	10	Ramps installed
AFH: Add and preserve affordable housing stock	CDBG Single Family Rehabilitation Service Delivery	Single Family Rehabilitation Service Delivery	OCED - Urban County wide	\$168,739				Homeowner Housing Rehabilitated	60	Household Housing Unit
AFH: Support youth growth in low opportunity areas	CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Peace Neighborhood Center (City of Ann Arbor)	\$84,000				Public Service activities for low/mod income housing benefit	186	Persons Assisted
AFH: Support youth growth in low opportunity areas	CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Community Action Network (City of Ann Arbor)	\$110,000				Public Service activities for low/mod income housing benefit	127	Persons Assisted
CPD: Public Service	CDBG Public Services	Coordinated Funding - Interfaith Hospitality Network of Washtenaw County	Interfaith Hospitality Network of Washtenaw County	\$107,250				Tenant-based rental assistance / Rapid Rehousing	150	Persons Assisted
CPD: Public Service	CDBG Public Services	Coordinated Funding - SafeHouse Center	SafeHouse Center	\$78,972				Emergency housing/Transitional Housing/Homeless Outreach	300	Persons Assisted
CPD: Public Service	CDBG Public Services	Coordinated Funding - Shelter Association of Washtenaw County Residential and Non-Residential Programs	Shelter Association of Washtenaw County Residential and Non-Residential Programs	\$84,072				Homeless Prevention	1,300	Persons Assisted
CPD: Public Service	CDBG Public Services	Coordinated Funding - SOS Family Shelter	SOS Family Shelter	\$25,000				Emergency housing/Transitional Housing/Homeless Outreach	100	Persons Assisted
CPD: Public Service	CDBG Public Services	Coordinated Funding - Unified-HIV Health and Beyond: Mobile Health Program	Unified-HIV Health and Beyond	\$21,091				Homeless Prevention	250	Persons Assisted
AFH: Add and preserve affordable housing stock	Home Administration	HOME Administration	OCED		\$139,053			Other	1	Other
AFH: Add and preserve affordable housing stock	HOME Homeownership program	Habitat for Humanity of Huron Valley Acquisition Development Resale (ADR) Program	Habitat for Humanity of Huron Valley		\$483,879	\$146,121		Homeowner Housing Rehabilitated	14	Household Housing Unit
AFH: Add and preserve affordable housing stock	HOME CHDO Reserve (15%)	Avalon Glendale Rehabilitation	Avalon Housing		\$565,402			Rental units rehabilitated	4	Household Housing Unit
AFH: Add and preserve affordable housing stock	HOME CHDO Operating Costs (Avalon Housing)	HOME CHDO Operating (5%)	Avalon Housing		\$69,527			Other	1	Other
AFH: Add and preserve affordable housing stock	Reserved for 2019 HOME RFP	TBD	TBD		\$132,672			TBD	1	TBD
CPD: Homeless Assistance	HESG17 Washtenaw County	Homeless Prevention, Shelter & Rapid Re-Housing	Awarded to nonprofit service providers through RFP process in Summer 2018				\$156,283	Tenant-based rental assistance / Rapid Rehousing	25	Households Assisted
		ESG Administration					\$9,976	Homelessness Prevention	680	Persons Assisted

Washtenaw Urban County 2020-21 Summary of Planned Activities - FINAL

[Click here to view the full 2020 Annual Action Plan:
https://www.washtenaw.org/ArchiveCenter/ViewFile/Item/1020](https://www.washtenaw.org/ArchiveCenter/ViewFile/Item/1020)

<i>Actual 2020-21 Allocations</i>		
Community Development Block Grant (CDBG)	\$2,155,094	HUD adjustment (from \$2,155,422). CDBG Admin reduced by \$328.00
HOME Investment Partnership Program (HOME)	\$1,276,598	HUD adjustment (from \$1,276,912). HOME Admin reduced by \$314.00.
Emergency Solutions Grant (ESG)	\$186,587	
TOTAL	\$3,618,279	Adjusted total (from \$3,618,921)

Dark red = revisions made 12-22-20

Blue = revisions made 4-29-21

Project	Activity	Agency	CDBG	HOME	HOME Program Income	HOME 2019-20 Carry over	ESG	Goal Outcome Indicator	Quantity	Measure
CDBG Admin	CDBG Administration	OCED - Urban County wide	\$430,756					Other	1	Other
Public Facilities & Infrastructure	ADA Curb Cuts	City of Ypsilanti	\$50,000					Public Facilities & Infrastructure Improvements	2867	Persons Assisted
Public Facilities & Infrastructure	Parkridge Park Accessibility Improvements	City of Ypsilanti	\$24,445					Public Facilities & Infrastructure Improvements	3,050	Persons Assisted
Public Facilities & Infrastructure	Solar Roof Project	City of Ypsilanti	\$9,799					Public Facilities & Infrastructure Improvements	100	Households
Public Facilities & Infrastructure	NE Pittsfield Green Corridors Phase I - Design/Engineering/Construction	Pittsfield Township	\$81,797					Public Facilities & Infrastructure Improvements	9,318	Persons Assisted
Public Facilities & Infrastructure	MacArthur Blvd Pedestrian Crosswalk	Superior Township	\$35,004					Public Facilities & Infrastructure Improvements	450	Households Assisted
Public Facilities & Infrastructure	Schooner Cove - Bus Shelter/Sidewalk Linkages	Ypsilanti Township	\$160,463					Public Facilities & Infrastructure Improvements	1,359	Persons Assisted
Public Facilities & Infrastructure	Russell Street Paving/Stormwater Improvements (adjacent AAHC property - Maple Meadows)	City of Ann Arbor	\$215,963					Public Facilities & Infrastructure Improvements	40	Households Assisted
Public Facilities & Infrastructure	ADA Curb Cuts	City of Dexter	\$21,655					Public Facilities & Infrastructure Improvements	707	Households Assisted
TBD	CDBG Program income spent in R/ECAPs - details pending community engagement process	City of Ypsilanti and Ypsilanti Township	\$44,305					TBD	TBD	TBD
CDBG Home Improvement Programs	Home Improvement Programs (HIP)	OCED - Urban County wide	\$350,000					Homeowner Housing Rehabilitated	45	Household Housing Unit
CDBG Home Improvement Programs - Service Delivery	Home Improvement Programs - Service Delivery	OCED - Urban County wide	\$140,000					Homeowner Housing Rehabilitated	45	Household Housing Unit
CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Peace Neighborhood Center (City of Ann Arbor)	\$88,500					Public Service activities for low/mod income housing benefit	70	Persons Assisted
CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Community Action Network (City of Ann Arbor)	\$91,500					Public Service activities for low/mod income housing benefit	180	Persons Assisted
CDBG Public Services	COVID-19 Response - Shelter expansion, diversion and eviction prevention, rapid rehousing and housing support services	OCED and community partners, Urban County wide	\$136,687					TBD	TBD	TBD
CDBG Public Services	Coordinated Funding - Interfaith Hospitality Network of Washtenaw County	Interfaith Hospitality Network of Washtenaw County	\$116,207					Tenant-based rental assistance / Rapid Rehousing	130	Persons Assisted
CDBG Public Services	Coordinated Funding - SafeHouse Center	SafeHouse Center	\$90,801					Emergency housing/Transitional Housing/Homeless Outreach	300	Persons Assisted
CDBG Public Services	Coordinated Funding - Shelter Association of Washtenaw County Residential and Non-Residential Programs	Shelter Association of Washtenaw County Residential and Non-Residential Programs	\$51,414					Homeless Prevention	1,025	Persons Assisted
CDBG Public Services	Coordinated Funding - SOS Family Shelter	SOS Family Shelter	\$35,853					Emergency housing/Transitional Housing/Homeless Outreach	100	Persons Assisted
CDBG Public Services	Coordinated Funding - Unified-HIV Health and Beyond: Mobile Health Program	Unified-HIV Health and Beyond	\$24,250					Homeless Prevention	1,000	Persons Assisted
Home Administration	HOME Administration	OCED		\$127,377				Other	1	Other
HOME Homeownership program	Habitat for Humanity of Huron Valley Acquisition Development Resale (ADR) Program (Ypsilanti Township)	Habitat for Humanity of Huron Valley		\$325,086	\$27,000	\$169,801		Housing Rehabilitated for Homeownership	12	Household Housing Unit
HOME CHDO Reserve (15%)	Veridian at County Farm North Acquisition/New Construction (Ann Arbor)	Avalon Housing		\$750,000				New Units Constructed	50	Household Housing Unit
HOME CHDO Operating Costs (5%)	HOME CHDO Operating	Avalon Housing		\$63,846				Other	1	Other
Reserved for 2021 Affordable Housing RFP	TBD	TBD		\$10,289				TBD	TBD	TBD
HESG20 Washtenaw County	Homeless Prevention, Shelter & Rapid Re-Housing	Awarded to nonprofit service providers through Funding Review Team (FRT) process in Summer 2020					\$174,459	Tenant-based rental assistance / Rapid Rehousing	TBD	TBD
HESG20 Washtenaw County	ESG Administration						\$12,128	Homelessness Prevention	1	Other