



**CITY OF MESQUITE  
PROGRAM YEAR 2016  
HOUSING REHABILITATION  
POLICIES AND PROCEDURES**

**TABLE OF CONTENTS**

I. Introduction and Purpose.....1  
II. Designated Authority.....1  
III. Program Eligibility Requirements.....1  
IV. Application for and Selection of Recipients for Assistance.....4  
V. Home Repairs.....5  
VI. Warranty Follow-up Procedures .....12  
VII. Emergency Repairs .....12  
VIII. Waivers and Appeals Provision .....15

**I. INTRODUCTION AND PURPOSE**

This guide represents a summary of the design and operating procedures for the City of Mesquite's housing rehabilitation program. The primary goal of the program is to provide rehabilitation and repairs for low-income Homeowners for substandard deficiencies that make the dwelling unsafe, unsanitary or in need of renewal. Funding for the program is provided by the Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG).

## **II. DESIGNATED AUTHORITY**

1. Administrative authority for implementing the program resides with the Housing and Community Services Department. Staff approves rehabilitation contracts, contractual addenda and change orders, as needed, for project completion.
2. The Manager of Housing and Community Services has the responsibility for final determination of the amount of assistance available to an individual Homeowner, in accordance with the implementing procedures.
3. The Grant Coordinator is responsible for approval of Homeowner eligibility for the program.

## **III. PROGRAM ELIGIBILITY REQUIREMENTS**

Eligibility requirements for assistance are required for both the Homeowner's household and the property.

### **A. Homeowner/Household Eligibility Requirements:**

1. All members of the household must be either a United States citizen or a legal resident alien.
2. No family or household member may have a conviction for drug related criminal activity, violent criminal activity or sexual criminal activity within a period of ten (10) years. ANY criminal activity is grounds for denial if it threatens the health, safety, or right to peaceful enjoyment of the premises by other residents. ALL drug-related criminal activity occurring ON OR OFF THE PREMISES IS CAUSE for denial. An application can be denied if the Homeowner or member of the homeowner's household, or a guest engages in criminal activity.

This policy allows the City of Mesquite to deny assistance to any person determined to be illegally using a controlled substance, or whose illegal use of a controlled substance is determined to interfere with the rights of other residents. Criminal activity is cause for termination of assistance even in the absence of conviction or arrest.

Drug-related criminal activity includes the felonious manufacture, sale or distribution, or the possession of (with intent to manufacture sell, or distribute) a controlled substance. Drug-related criminal activity also

includes the felonious use or possession of (without the intent to manufacture, sell, or distribute), a controlled substance.

Any Homeowner or occupant living in the household who is required to register as a sex offender in any state, or who has produced methamphetamine in federally assisted housing will disqualify the resident from ever being eligible for assistance under the Rehabilitation Program.

3. The Homeowner must own and occupy the dwelling.

4. The Homeowner must hold a Deed of Trust or Warranty Deed to the property. City staff will verify ownership. All persons listed on the deed must reside in the home.

- If the Homeowner is purchasing their home by a “Contract for Deed” (or a like contract), where the homeowner does not gain title to the property deed until all contractual obligations have been met, the homeowner is not eligible for assistance. The seller must provide the purchaser with a filed warranty deed on the property to satisfy this eligibility requirement.
- If the Homeowner inherited the property, a deed of trust to the property must be on file in the County Clerk’s Office. The homeowner must provide proof of financial responsibility for the property (i.e. tax payments, deed of trust, filed affidavit of heirship, etc.).

5. The Homeowner and household must meet program income limits. Total family or household gross income determines program eligibility. Gross annual total household income shall be at or below 80% of the median income for household composition as determined by HUD. Annual income and asset income are calculated using HUD part 5 definition of income. For more information see HUD’s website at: <https://www.hudexchange.info/resources/documents/HOMEGuideForIncomeAndAllowances.pdf>.

**ANNUAL INCOME LIMITS**

Number of household members	1	2	3	4	5	6	7	8
Annual Income Limits*	<b>\$41,100</b>	<b>\$47,000</b>	<b>\$52,850</b>	<b>\$58,700</b>	<b>\$63,400</b>	<b>\$68,100</b>	<b>\$72,800</b>	<b>\$77,500</b>

***\*Annual Income Limits are revised by HUD annually.***

6. The Homeowner must be current on the following basic housing expenses:

- Home Mortgage Payment;
- Property Taxes (City, County, School Taxes) must be current or have payment agreement (a tax deferral is not acceptable)

7. The Homeowner must not have any outstanding judgments or liens. Bankruptcy is allowable as long as home is not subject to liquidation.

#### B. Property Eligibility Requirements

1. The residence (permanent structure only; no mobile homes, travel trailers, etc.) must be located within the Mesquite city limits.

2. The property may not have existing nuisance violations (such as high weeds, trash, debris, junk vehicles, etc). Any liens placed on a property for correcting any past or present violations must be paid in full before the application process can begin.

3. The property must be serviced by or accessible to a City-approved water supply, gas (if applicable), sanitary sewer and electrical systems.

4. The property must comply with and meet all environmental regulations; including but not limited to: historical, floodplain, noise, and lead regulations (Properties located in the 500 year flood plain are ineligible unless flood insurance is provided. **Properties located in the 100 year flood plain are ineligible** .

5. The property must pass a feasibility test: the repair costs cannot exceed 75% of the property replacement costs.

6. Homeowners and/or property addresses are eligible for CDBG funded rehabilitation repairs once every 10 years. Homeowners and/or property addresses are eligible for Emergency rehabilitation assistance once every two years.

#### **IV. APPLICATION FOR AND SELECTION OF RECIPIENTS FOR ASSISTANCE**

A Homeowner can request a rehab application by mail, email, fax, download from the City's website, and/or can pick up an application at the Community Services Building (1616 N. Galloway). The application must be signed by all household members 18 years old and older.

Upon receipt of the intake application, it will be reviewed by the Grant Coordinator for **eligibility**. If the information given meets the income limits and other criteria, the Homeowner will be placed on the waiting list. The date of application completion and eligibility will determine the order of assistance (a waiting list will be maintained in first-come, first-served order).

When the Homeowner's application is next for processing from the waiting list, they will receive a phone call and letter to call the Grant Coordinator for an

appointment to start the application process. The Homeowner will also be given a list of items to bring to the appointment that includes the following:

1. Documentation regarding all types of income (Social Security, pension, employment, retirement, disability, child support, etc.) and other financial contributions.
2. Evidence of property ownership such as Warranty Deed, Deed of Trust, (ownership documentation) must be recorded;
3. Copy of the most recent three (3) months bank statements (checking and savings account);
4. Any other information deemed necessary.

If, at the application appointment, any other information for approval is required, the Homeowner will be given a checklist which states the additional information **needed**. The applicant will have fifteen (15) days from intake date to submit all required **information**. If not received within the fifteen (15) days, a letter will be sent to the Homeowner that their file is closed as ineligible. The Homeowner can call the Grant Coordinator to have their name placed at the bottom of the waiting list for future application consideration. After the Homeowner's information has been verified, it will be reviewed by the Grant Coordinator for **approval**. If approved, the Homeowner will be contacted by an Inspector to schedule a site-visit and work write-up. If denied, the homeowner will be notified **in writing with reason(s) for denial**.

**Any intentionally falsified information will cause the application to be rejected and the homeowner ineligible to apply for future assistance.** Failure to disclose information that may affect eligibility requirements shall also constitute fraud. Homeowners shall be required to make full restitution to the City in the event the rehabilitation services are provided to Homeowners who provide inaccurate or incomplete information in order to meet eligibility requirements.

If a Homeowner does not show up for their scheduled intake appointment (no call, no show), the Grant Coordinator will attempt to reach the homeowner by phone to determine the reason. If the Homeowner is not reached by telephone and does not contact the Grant Coordinator within three (3) days of the missed appointment with a reasonable explanation (ie: emergency situation such as illness or death in the family, etc.) and to reschedule, a letter will be sent to the Homeowner that the file is closed. The Homeowner can call the Grant Coordinator to have their name placed at the bottom of the waiting list for future application consideration.

If, during the application process, including approval, the Homeowner decides to withdraw their application for assistance and forego rehab repairs, a certified letter will be sent to the homeowner confirming such decision (a copy will be sent to the Contractor if the project has already been bid out and awarded). If the Homeowner wants to be considered for assistance at a later time, they will be placed at the bottom of the waiting list.

## V. Home Repairs

The City of Mesquite Housing Rehabilitation program is designed to assist homeowners in Mesquite, that qualify as low-income, with up to a \$30,000 grant for repairs to address interior and/or exterior deficiencies that make the dwelling unsafe, unsanitary or in need of renewal as determined by staff.

A. Acceptable repairs shall be defined as:

- Vinyl siding
- Painting
- Storm windows
- Replacement windows
- Entry doors
- Storm Door
- Roofing
- Sidewalks
- Driveways
- Fencing
- Flooring
- Painting
- Cabinetry and Counter tops
- ADA modifications (including ramps and handrails)
- Appliance replacement
- Extermination Services
- Sinks and faucet fixtures
- Water Heater
- HVAC

This list is not meant to be all-inclusive and each property will have individual needs as determined by the Inspector. Additionally, the repair program does not address foundation repairs or repairs for any other issue(s) caused by foundation instability.

1. Repairs must conform to Housing Quality Standards upon completion of rehabilitation.
2. Reasonable and necessary related soft-costs will be paid by the City of Mesquite. These costs include, but are not limited to:
  - Architectural, engineering, inspection, and scope of work write-ups
  - Costs related to Lead-Based Paint Hazards
4. Staff will provide assistance to the Homeowner in order to facilitate the rehabilitation, including the following:

- a. Information on the program;
- b. Information regarding potential lead-based paint hazards;
- c. Soliciting bids for rehabilitation;
- d. Assistance in contractual compliance between the homeowner and contractor; and,
- e. Inspection of rehabilitation of dwelling:

- i. Property Inspection—After approval, at the earliest convenient time, the Inspector will perform the property inspection, repair write up, and coordinate the lead based paint inspection (applicable only for properties built prior to 1978). The purpose of the inspection is to identify all Housing Quality Standards, and environmental review violations and determine actions necessary to bring the property into compliance.

If the project is not deemed feasible (the cost estimate exceeds the maximum allowable grant amount for the project), the homeowner will be notified by the Grant Coordinator within three (3) business days.

- ii. Lead Based Paint Requirements--If the repair cannot be accomplished without disturbing any painted surface on any portion of the home's exterior, for properties built prior to 1978, the surfaces to be disturbed will be either tested in order to detect the presence of lead-based paint or presumed to have lead-based paint present. If tested, it will be by a certified lead-based paint risk assessor to determine the presence or absence of lead-based paint. If lead-based paint exceeding the acceptable limits is found, then the surfaces disturbed will be repaired utilizing safe work practices. A "Notice of Lead Hazard Evaluation" will be provided to the Homeowner. This notice will summarize the nature, scope, and results of the evaluation.

The lead-based paint hazard reduction work will be performed by a contractor who is certified and licensed in utilizing safe work practices. After the hazard reduction work is completed a clearance examination of the work site will be performed by a certified risk assessor to determine if the affected dwelling is safe for occupancy. This involves a visual assessment, analysis of dust samples and preparation of a clearance report. A "Notice of Lead-Based Paint Hazard Reduction Activity" will be provided to the Homeowner. The Contractor must also obtain a final inspection from the City of Mesquite before invoice payment.

B. CONTRACTOR CRITERIA

Any interested contractor can bid on CDBG Rehab projects. Contracts will be signed with qualified contractors that have:

- Post-consumer satisfaction;
- Acceptable workmanlike skills evidenced through verifiable references of previous rehabilitation, modernization or new construction;
- Guarantee work performed for a period of one year from date of project closeout.
- Ability to obtain and carry commercial general liability, along with any employer’s liability (workmen’s compensation) and auto liability insurance as follows:

TYPE	AMOUNT
1. <u>Workers Compensation - and Employer’s Liability</u>	<u>Statutory Limits</u> \$100,000 per occurrence
2. <u>Commercial (Public Liability), including but not limited to:</u>	<u>Bodily Injury:</u> \$500,000 per person \$1,000,000 per occurrence and
A. Premises/Operations	
B. Independent Contractors	
C. <b>Personal Injury</b>	<u>Property Damage:</u>
D. <b>Products/Complete Operations</b>	\$500,000 per occurrence
E. Contractual Liability (insuring Above indemnity provisions)	with <u>general aggregate</u> of \$1,000,000
3. <u>Business (Commercial) Automobile Policy:</u>	<u>Combined Single Limit/</u> \$500,000

Insurance required herein shall be issued by a company or companies of sound and adequate financial responsibility and authorized to do business in the State of Texas. All policies shall be subject to examination and approval by the City for their adequacy as to form, content, form of protection, and providing company.

The Contractor further agrees that with respect to the above required insurances, the City shall:

1. Be named as the Certificate Holder and as additional insured, on all required insurance except worker's compensation.
2. Be provided with a waiver of subrogation, in favor of the City, on all required insurance.
3. **Be provided with an unconditional 30 days advance** written notice of cancellation or material change.

No Contractor appearing on the System for Award Management (SAM) debarred contractor list will be approved to perform work.

### C. CONTRACT PROCUREMENT COMPETITIVE BID POLICY

The Grant Coordinator will email to contractors, including Historically Underutilized Businesses (HUB's), a scanned copy of the work write-up, which will denote the date/time of the bid opening. The City may withhold awards of jobs to any Contractor with outstanding warranty items. The Homeowners are sent a copy of the work write-up with a transmittal letter stating they are to present any inquiries regarding the scope of the work prior to the date of bid opening.

The invitation for bid must advise the contractor that **bid proposals will be accepted by fax, email or in person** and the contractor and project name must appear on the cover of the bid.

Staff must designate a specific location for return of bid documents, which must be **DATE AND TIME STAMPED**. No response within the required time will be regarded as a **NO BID**.

**NO BIDS WILL BE ACCEPTED IF SUBMITTED ANYTIME AFTER THE SPECIFIED DUE DATE/TIME AND DESIGNATED LOCATION.**

A minimum of two staff persons must be present during bid opening, all witnesses must initial bid log.

Review of the Contractor's proposal by the Inspector will show the proposal to be either acceptable, or unacceptable for one or more of the following reasons:

- The total price exceeds the maximum grant amount approvable by the City of Mesquite;
- Not all work items are bid upon; and/or the Contractor or Contractor's representative failed to visit and inspect the property;

The Inspector is responsible for reviewing all bids and each bid line item prior to bid award. The Grant Coordinator confirms that funding is available for the entire project;

The bid will be awarded to the lowest qualified bidder. Time being of the essence, the bid may be awarded to the next lowest bidder should the Contractor with the low bid been awarded or hold contract for other jobs through the City;

Should all bids for the rehabilitation repairs exceed the \$30,000 grant allowance, the City may elect to delete one or more repair items, if feasible. The City must be able to certify the exterior of the property will still meet HQS standards after such deletions. If deleting one or more repair items is not feasible, the City can elect to increase the allowance for the repairs with the approval of the Manager of Housing and Community Services.

#### D. CONTRACT SIGNING PROCEDURES

The Grant Coordinator will schedule a “pre-construction” conference and contract document signing with the Homeowner, the Contractor and the Inspector in attendance. Before signing a contract, the Inspector will go through the line items on the work write-up and discuss with both parties each item and what construction is required and where it will be applied. This conference is required to ensure a thorough understanding by all parties.

After the pre-construction meeting, the Grant Coordinator will get Homeowner and Contractor signatures on contract documentation. Documents requiring a signature are:

- Homeowner/Contractor Agreement
- Homeowner Acknowledgement
- Notice Regarding Privacy
- Non Exclusion Certification
- Notice to Proceed
- Any other document or certification required by federal, state or local law

#### E. WORK MONITORING

The Inspector will monitor the progress of the construction **project**. All licensed trade work shall be inspected by the City of Mesquite Building Inspection Division and the contractor is responsible for obtaining appropriate permits. The Contractor must begin work no later than five (5) business days from date of contract and complete the work within thirty (30) calendar days. A penalty of \$100 per calendar day will be enforced against the Contractor for each day after the scheduled completion date. Visits to the job site will be made by the **Inspector**.

#### F. CHANGE ORDERS

1. All change orders to the work write-up specifications are to be approved by the Manager of Housing and Community Services prior to the work being initiated. A change order form will be prepared by the Inspector and requires signatures from the Inspector, Homeowner, Contractor and Manager of Housing and Community Services. Additional work contracted between the Homeowner and Contractor during job progress is prohibited without City approval. Additionally, per local government code 252.048(d), the original contract price may not be increased by more than 25%.
2. The Inspector will approve all materials on the job site to assure compliance with specifications.
3. In the event of a dispute between the Homeowner and Contractor concerning satisfactory completion of the job, the Inspector will work with both parties to negotiate a resolution and render a decision. Should either party wish to appeal the Inspector's decision, they may request a hearing with the Grant Coordinator for a final determination.

#### G. CLOSEOUT PROCEDURES

1. The Inspector will review with the Homeowner all completed repairs on work write-ups and execute "Certificate of Final Inspection" and have the Homeowner sign the "Statement of Completion."
2. The Grant Coordinator will obtain from the Contractor all final inspection green tags, manufacturer's/supplier's warranties, certifications required on work write-up, final invoice and subcontractor waiver (if applicable) and "All Bills Paid Affidavit" prior to or upon grant close-out.
3. Payment of work performed for the housing rehabilitation program shall be made payable to the Contractor, in one lump sum. Payment is subject to final approval by the Homeowner and the City before releasing check to the Contractor. Exceptions to this are applicable when the City has found all work to be acceptable and the Homeowner refuses to sign a "Statement of Completion" without valid reason, or lacks understanding of work acceptability.

The Inspector will complete the "Certification of Final Inspection" and acquire Contractor's Final Invoice as applicable for the specific project. The Inspector verifies that the necessary portion of work has been completed and that the quality of workmanship is satisfactory.

Upon approval by the Inspector, the payment request will be prepared by the Grant Coordinator. The Contractor shall receive payment for completed contract within thirty (30) business days after receipt of final invoice.

#### **VI. WARRANTY FOLLOW-UP PROCEDURES**

If a problem with a repair exists, an inspection will be performed and the Contractor will be notified to make repairs. A follow-up call or reinspection will be made by the Inspector to ensure the Contractor has made the requested repairs.

No further inspections will be made by the City unless the Homeowner reports needed repairs or problems within the one year warranty period. HUD may inspect the properties during any CDBG program monitoring visit for compliance purposes.

## **VII. EMERGENCY REPAIRS**

- A. The City of Mesquite Emergency Repair Program is designed to assist low-income Homeowners in Mesquite with repairs to items that pose an imminent threat to the health and/or safety of the Homeowner and the surrounding neighborhood

Acceptable emergency repairs shall be defined as:

- Water leaks that are flooding the structure
- Lack of water to the residence
- Non-functioning hot water heater
- Inoperable toilets
- Inoperable lavatories,
- Raw and standing sewage
- Broken sewer lines/water supply lines
- Gas leaks
- No vented heat
- No functioning air conditioning
- Hazardous and electrical malfunctions that are an imminent danger to the structure
- No window panes in window

This definition also covers repair situations created by accidents or natural disasters that are an imminent danger to the structure and are creating an imminent threat to public health and safety and the surrounding neighborhood. These are only a few examples of potential conditions, which may exist. The examples demonstrated are not all inclusive; staff must evaluate each request on a case-by-case basis.

Under 24 CFR 58.34(a)(10), "Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration" may be classified as exempt from environmental and lead-based paint requirements .

When the City receives a call from a resident inquiring about a potential emergency repair, the Grant Coordinator will create a new application in RehabPro with the date and time of the call. This will establish the beginning of

the 72-hour timeframe in which the City must take action to address the emergency repair.

When repairs are deemed to constitute an emergency, the following approval process will be performed by the Grant Coordinator:

1. Verify ownership of home using abbreviated process.
2. Verify income of all occupants of the home using abbreviated process.
3. Ensure no City and property taxes are owed.
4. Conduct a criminal background check.
5. Obtain Manager's approval.
6. Per the City's Procurement Policies, if repairs are estimated to be greater than \$2,999, send the Manager of Purchasing an e-mail outlining the work to be done and a cost estimate of the repairs to obtain approval
7. Once approval is obtained a contract for the repair can be signed.

All procedures beginning with contract signing through contract closeout will be the same as listed on page 10 of this document.

## B. EMERGENCY REPAIRS OPEN SOLICITATION PROCUREMENT

The City will maintain a list of qualified contractors for each trade used in the housing rehabilitation program, generated through a solicitation of qualified Contractors. The solicitation for qualified Contractors will be conducted on an annual basis through public advertisement that lists the requirements and qualifications needed for emergency repairs on single-family residences. The public advertisement will include, at a minimum, posting on the City's Web site, placing an advertisement in the local newspaper, direct mail to existing Contractors and direct e-mail to existing Contractors.

Any interested Contractor may be added to the list at any time after the solicitation process has ended if the Contractor meets the requirements and qualifications in effect during the current year.

## C. MAINTENANCE AND SELECTION OF EMERGENCY REPAIRS LIST

Each list of trade specific Contractors will be a randomized list and will be generated upon conclusion of the solicitation for qualified Contractors. The randomizing of the lists occurs once during the current year and will remain in the same order for the current year. The lists will be randomized again every year upon conclusion of the solicitation for qualified Contractors.

Selection from the appropriate trade list will begin at the top and proceed in sequential order through the bottom of the list. In instances where the selected Contractor is either not available to sign the contract or is unable to complete the work in the designated timeframe, the City will proceed in sequential order until an available Contractor is selected. For the next emergency, staff will resume

selection from the list choosing the Contractor following the previously chosen company.

Any additions of qualified Contractors to the lists will be placed at the bottom of the appropriate trade list. Further, the inclusion of additional qualified Contractors does not disrupt the sequential order or selection of Contractors at any time.

#### D. WORK MONITORING OF EMERGENCIES

The Inspector will monitor the progress of the emergency rehabilitation **project**. All licensed trade work shall be inspected by the City of Mesquite Building Inspection **Department**. The Contractor must begin work no later than one (1) business day from date of contract and complete the work within five (5) business days. A penalty of \$50 per calendar day will be enforced against the Contractor for each day after the scheduled completion date. Daily visits to the job site will **be made, whenever possible, by the Inspector**.

### **VIII. WAIVERS AND APPEALS PROVISION**

A. Request for Waiver: The CDBG Housing Rehabilitation program has been developed to adhere to federal regulations in order to assure proper administration and management. In the event that a Homeowner feels that his/her circumstances require special consideration, he/she can request, in writing, a waiver from the usual requirements. All requests should specify the requirement(s) to be considered for waiver and state the Homeowner's reason(s) or special circumstances why she/he believes a waiver should be approved. The Manager of Housing and Community Services will review requests on a case-by-case basis. The Homeowner will be notified in writing of the final decision approved by the Manager.

B. Appeals Procedure: Homeowners, who are determined ineligible for assistance, may appeal this decision to the Manager. A written appeal must be submitted within ten (10) calendar days of the date of the notice regarding the decision in question. The Manager shall issue a written response within fifteen (15) business days of receiving the request.

**Revision Date: April 18, 2017**