



COMMUNITY DEVELOPMENT BLOCK GRANT EMERGENCY/ ENERGY-EFFICIENT REHABILITATION GRANT PROGRAM

The Emergency/Energy-Efficient Home Rehabilitation Program is designed to assist low- to moderate- income families with the purchase and installation of energy-efficient products.

This program is funded through the Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG).

The City of Ashland considers applicants without regard to race, color, religious preference, gender, handicap, gender identity, marital status, familial status, sexual orientation, or national origin (Ordinance 29-2013). Individuals should contact Community & Economic Development at 606-327-2030 to request accommodation(s) or alternative formats as required under the Americans with Disabilities Act (ADA). Please allow five (5) days to process.

GOALS OF THE PROGRAM

- Assist low- and moderate-income property owners in maintaining safe and sanitary dwelling units through the elimination of code violations;
- Encourage the preservation of existing housing stock through rehabilitation;
- Prevent neighborhood blight and deterioration.

PROJECT TIERS

Applicants meeting the following requirements will be in Tier 1:

Applicants living in the Target Areas of City Central (Census Tract 303, Block Group 2), East Central Census Tract 303, Block Group 3), and Pollard Mills (Census Tract 308, Block Group 1).

Applicants meeting the following requirements will be Tier 2:

All other applicants living within the City of Ashland are first come, first served.

ELIGIBLE APPLICANTS

To be eligible, applicants must own and reside in the residential dwelling, for at least one year before the date of application, for which an application is processed. Properties that include a rental unit or rent space to unrelated individuals are not eligible for the program.

Eligible applicants must submit an application to the Department of Community & Economic Development. Applications will be accepted by first come, first serve basis.

To be eligible, an applicant's annual gross household income cannot exceed eighty (80%) percent of the median-income limits, based on annual income limits published by the Department of Housing & Urban Development (HUD).

2018 Income Limits	
Persons in Family	Maximum Income Allowed (per year)
1	\$30,750
2	\$35,150
3	\$39,550
4	\$43,900
5	\$47,450
6	\$50,950
7	\$54,450
8	\$57,950

- The applicant must provide proof of ownership, active homeowner insurance, proof of current mortgage payments, and current paid property taxes.
- Taxes on the property must be current and there cannot be outstanding judgements or non-mortgage liens.
- Applicant(s) may have been recipients of rehabilitation services from the City of Ashland within the past five (5) years.

An applicant will not be eligible for assistance if applicant is:

- A non-elderly family who has real property (other than home to be rehabilitated) or cash assets or recently disposed of assets in excess of five thousand dollars (\$5,000.00);
- An elderly family who has real property (other than home to be rehabilitated) or cash assets or recently disposed of assets in excess of ten thousand dollars (\$10,000.00);
- Head of household in which a disabled individual resides and has real property (other than the home to be rehabilitated) or cash assets or recently disposed of assets over ten thousand dollars (\$10,000.00);
- Residing in property located within a 100-year flood plain according to current FEMA Flood Insurance Rate Maps;
- Persons with a “lease option to buy” or a “land contract” on the property; or
- Delinquent in City of Ashland property tax payment.

Applicants whose current mortgage is in default (three (3) or more months in arrears) are not eligible.

AVAILABLE ASSISTANCE

Grant awards will be available to selected homeowners to provide replacement of energy efficient HVAC (Heating Ventilation Air Conditioning) and hot water tank replacement and installation. Window and door installation may be included in the program as funding allows.

Any project that is less than \$5,000 will be granted to the homeowner.

Any project that is \$5,000.00 or greater will be in the form of a five year (60 month) forgivable mortgage to the homeowner. The award will be a secured zero percent (0%) deferred payment loan (DPL). A five (5) year lien will be placed on the property to protect the investment of the public funds. Payment of the DPL will only be due upon the sale or transfer of the property within the 5-year lien period. The amount owed on the DPL will decrease annually for a period of five (5) years.

The payback schedule will be as indicated in the chart below.

TRANSFER BEFORE THE END OF YEAR	PAYMENT RECEIVED
ONE	100%
TWO	80%
THREE	60%
FOUR	40%
FIVE	20%
AFTER FIVE YEARS	FORGIVEN

If the property is inherited by a blood relative who is eligible under the program guidelines or sold to an eligible person under the guidelines, repayment may be deferred. If the owner dies during the five year period of the grant and the heir(s) sell the dwelling, then repayment will follow the same schedule as if the owner were alive and selling the dwelling.

INSTALLATION /SCOPE OF WORK

Installation of energy-efficient HVAC units and hot water tanks.

GENERAL REQUIREMENTS

Beneficiaries of the program shall be low- and moderate-income applicants, as defined by the Department of Housing & Urban Development (HUD).

City building codes and the general specifications for the City of Ashland Housing Rehabilitation program and all applicable Federal, state, and local laws shall be followed in all worked performed.

Qualified and licensed contractors shall perform and complete all work.

The City shall select the contractor(s) required for the project, pursuant to its ordinances and policies.

Before payment is remitted to the contractor(s), the City shall inspect construction work to ensure that the contractor(s) fulfilled the requirements of the program.

City Commission members, City employees and other City officials shall not be eligible for grant assistance or have any personal interest, direct or indirect, in any contract under the program, unless granted a waiver by HUD.

The current appraised value of the property, as reflected in a recent professional appraisal or the current Boyd County Property Valuation Appraisal, plus the cost of the rehabilitation project, shall not exceed the City of Ashland Purchase price Limits for single-family property.

The total indebtedness on the property, including any indebtedness resulting from the proposed rehabilitation project, shall not exceed the total of the current appraised value of the property.

OWNER RESPONSIBILITIES

In order to participate in the Home Rehabilitation Program, property owners must agree to the following conditions:

- Sign a Rehabilitation Agreement with the City regarding the responsibilities of the parties under the program.
- Complete a Note and Mortgage, if the rehabilitation exceeds \$2,000.
- Provide access to the property for the contractor to do the work.
- Provide access to the property for the city to conduct inspections of the work before, during, and after the completion of the repair(s), until the expiration of the note and mortgage.
- Approve, in writing, final inspection of repair work.
- Occupy and continue ownership of the property for five (5) years from the date of completion, without leasing, renting or subletting any portion of the property.
- Pay all property taxes when due.
- Comply will all City and state laws regarding the maintenance of the property.
- Pay all utility accounts when due. If payment agreement is in force, payments must be made in compliance with such an agreement.
- Notify the program if requests for rehabilitation assistance have been or are intended to be submitted to other agencies.

PRE-CONSTRUCTION REQUIREMENTS

Debris removal is a pre-construction requirement to program participation. The property must be in a clean and sanitary condition before a contract can be approved.

APPLICATIONS

Applications for assistance under the housing rehabilitation program will be processed and reviewed by the department. Applications will be taken on a “first come, first serve” basis, and urgent need has been determined by the department. All homeowners interested in receiving housing rehabilitation funding must complete an application form. The application must include all documentation and information requested. The applicant will be required to sign release forms necessary to acquire information from other agencies, employers, banks, etc.

All applications for assistance will be formally accepted or rejected based on meeting program requirements. The applicant will be notified of application eligibility following completion of the application process. Should the applicant fail to meet any requirements of the program, the applicant will receive a notice of ineligibility stating the reason the application was determined to be ineligible for funding.

An ineligibility notice that is due to the applicant household exceeding income limits will include the amount by which the actual gross income exceeded the limits. Should the applicant fail to meet other requirements of the program, the notice of ineligibility will include the reason. The approval letter will list the actual gross income and the portion of the rehabilitation costs the homeowner will be responsible for.

Each applicant will have the right to appeal any action taken by the department. Any appeal must be filed with the department for review. The appeal must be filed within fifteen (15) days from the date the applicant was informed of the decision. If applicant is not satisfied with the decision, the complainant may then write to the Regional Office of HUD.

Once an applicant is determined to be eligible for funding, the application will be placed on the waiting list. Applicants will be chosen for program participation from the waiting list. At that time, the applicant will be required to submit recent verifications of all information gathered in the initial application and sign a statement stating comprehension of program regulations and requirements. The number of units to be rehabilitated will be determined by the amount of funding budgeted for the fiscal year.

The department will take photos of the property which will be submitted to the State Historical Preservation Office (SHPO) for determination of historical significance. Should the structure be found a listed and contributing structure with SHPO, activities must follow the requirements specified in the Secretary of Interior’s Standards for Rehabilitation. All plans and specifications for rehabilitation activities on the structure must be submitted to the SHPO for review and approval prior to initiation of construction. Then the department will completed the environmental review process to

determine if the property meets the environmental review criteria to be able to complete the project using federal funds.

Since the availability of rehabilitation programs may vary from time to time, rehabilitation activities will be determined based on the specific needs of the applicant and the programs that are active at the time the application is selected from the waiting list.

An applicant who is accepted for assistance must first remove all abandoned appliances, junked vehicles, trash, rubbish, etc., from the property before assistance is rendered.

DETERMINATION OF PROGRAM ACTIVITIES

Once applicant eligibility has been determined, the department will make arrangements to conduct an inspection of the property to determine what project activities are needed. Lead-based paint testing is also conducted at this time. The test samples taken are assessed by an independent laboratory. Once lead sampling and laboratory assessments have been conducted, an inspection report is prepared and the application is forwarded for approval to proceed with the work write-up and cost estimate.

LEAD-BASED PAINT REQUIREMENTS

The housing rehabilitation program is subject to state and federal lead-based paint regulations. These regulations apply to all homes built prior to 1978. Homeowner will be given the "Protect Your Family From Lead in Your Home" Booklet at time of application. The building inspector will complete the lead testing if applicable and give results of lead levels to the homeowner. If applicable the building inspector will complete a lead clearance test and the results will be given to the homeowner. All work performed on lead-containing surfaces must conform to lead-safe practices and be completed by workers who are either supervised by an EPA- or state-certified abatement supervisor or be performed by workers trained in lead-safe work practices. If work is primarily intended to permanently eliminate lead-based paint hazards or HUD requires abatement, the contractor must be an EPA- or state-certified abatement contractor and submit proof of the current EPA license.

All contractors are expected to familiarize themselves with HUD's Regulation on Lead-Based Paint Hazards in Federally Owned Housing and Housing Receiving Federal Assistance (24 CFR Part 35), the HUD Guidelines and all other relevant policies, and to follow procedures, instructions and standards which will lead to high-quality work and efficient operation.

WORK WRITE-UP AND COST ESTIMATE

The department prepares the work write-ups and cost estimates. Costs are limited to twenty-five thousand dollars (\$25,000.00). The work write-up must address all components described in the inspection report and include a detailed description of the work to be completed. The department will prepare a work write-up and cost estimate to determine if the costs are within program limits. The cost estimate will be determined by obtaining local data on current prices of materials as well as comparable of prior rehabilitation projects reasonable will be done. The office staff cost estimate will have and 15% +plus/-minus estimate. When the proposal is approved, staff meets with the homeowner to discuss final details

The homeowner will acknowledge agreement to the project by signing an authorization to bid and reviewing the acceptable contractor list supplied by the department.

The department prepares the bid packet. The packet includes an invitation to submit a bid on the project by the specified bid deadline date and time, a contractor's bid and proposal sheet, and the prepared work write-up. One packet is mailed to each contractor accepted by the homeowner. A bid opening is held at approximately 3:15 P.M. on the bid deadline date. The bids are opened, recorded and calculated for accuracy and forwarded for review and the selection of the contractor.

Typically the contractor with the lowest responsible bid amount will be selected, but the Planning & Community Development Director has the right to accept or reject any bid.

CONTRACTOR REQUIREMENTS

Basic Requirements OF THE CONTRACTOR

- Must be a EPA certified renovator.
- Have current City of Ashland Business License
- Current on City of Ashland Net Profits
- Must not be on the Excluded Party's List System (EPLS)

Insurance Requirements

The selected contractor must provide a certificate showing the insurance coverage listed below is in force:

CLASS OF COVERAGE	AMOUNT OF COVERAGE
Liability and Property	\$ 300,000/\$1,000,000
Bodily Injury Liability	100,000/300,000
Worker Compensation	Statutory

The certificate of insurance must be presented prior to any contract award. In addition, the City of Ashland Community Development Department must be added to the commercial liability coverage as an “additional insured” for the project.

This information must be received by the department within ten (10) days of notification to the contractor or that bid will be vacated and a new contract will be processed with the next lowest responsible bidder.

SUBCONTRACTORS

Contractors must provide evidence that licensed subcontractors are being used to perform trade work that requires licensed contractors. Subcontractors shall be bound by the terms and conditions of the contract insofar as it applies to their work. However, the contractor has full responsibility to the owner for the proper completion of the work. Each contractor must examine work done by the subcontractor to determine satisfaction of scope, location and quality.

PERMITS

The general contractor is responsible for obtaining all required permits prior to starting construction and for all required building department inspection sign-offs during the project activities.

Plumbers and electricians hired by the contractor must have master license for their respective trades and have a current City of Ashland business license. Plumbers must obtain a permit for rehabilitation activities at the FIVCO Area Health Department. Electricians must obtain permits in person through the City Of Ashland Code Enforcement Office. The general contractor cannot provide this service.

REHABILITATION CONTRACT

Once the contractor has been approved and awarded the project, the contract and closing documents are processed. The contract is a multi-party contract between the homeowner, the contractor and the department. The department will be part of the contract to monitor the agreement to ensure both parties meet their contract obligations.

The department will determine all costs of the project and have a promissory note and mortgage prepared if required. The attorney under contract with the department prepares and returns a Five (5) year, Sixty (60) month forgivable promissory note and mortgage. This mortgage is forgiven by 20% annually if the property passes exterior inspection and city taxes and insurance have been paid. If said property is sold prior to the Five (5) year, Sixty (60) month release date, the prorated balance of the mortgage would be recaptured at that time.

PRE-CONSTRUCTION CONFERENCE

Once the note and mortgage are received, the contract and all closing documents are processed. The department makes arrangement to meet with the contractor and the homeowner at the property to approve, finalize and sign all documents. The conference will address the following:

- Scope of work---review proposal, materials to be used, quality of work, etc.
- Payment procedures.
- Inspection procedures.
- Start and completion dates.
- Local building construction permits.

At completion of the pre-construction conference, the homeowner authorizes construction by signing a Notice to Proceed Order. The order must include the starting date, the number of days allowed to begin the project and the number of days needed to finish project.

The homeowner has three working days to rescind the agreement. If the homeowner rescinds his decision, the contractor is contacted immediately that the contract has been vacated. The next acceptable contractor will be contacted and the process repeated. If the contract is not rescinded, the department then issues the signed Notice to Proceed Order and have the note and mortgage recorded.

The approved contractor cannot begin work before the three-day rescission period has concluded, but not more than ten days following the closing date of the contract.

The completion date of the project will be not more than sixty (60) days following the closing date of the contract. If the project is not finished within sixty (60) days, an amount of one-hundred dollars (\$100.00) shall be withheld from the final payment for each day beyond the sixtieth (60th) day. Proof of completion will be the issuance of a Certificate of Occupancy or Conditional Use Permit.

WAIVER OF LIENS

The contractor must submit a Contractor's Affidavit and Waiver of all Mechanics, Laborers, Subcontractors, and Material Suppliers Lien prior to final payment of the contract.

REHABILITATION STANDARDS

Except as otherwise noted, the contractor must provide and pay for all materials, labor, tools, and any other items needed to complete the project. Unless otherwise specified,

the materials shall be new and both workmanship and materials must be of good quality. All work specified must be performed skilled workers and be in accordance with the latest requirements of the City of Ashland PMC and other federal and state codes for residential housing. It is the intent of this program that all properties shall be brought up to code standards. The AUR Board shall have sole discretion to determine what improvements are permitted and what is required. Applicants refusing to correct substantial code deficiencies shall not be eligible for any assistance under this program.

The agency has the right to declare the owner to be in default should the contractor submit a written notice and the department agrees that:

- The owner fails to arrange satisfactory working conditions
- The owner refuses to allow contractor to use existing utilities in performance of work
- There is evidence of an unjust case prohibiting the contractor to perform the work

The contractor is responsible for removal of all rubbish, waste and construction materials and for keeping the premises as clean as possible during the process of the work.

PROJECT MONITORING

The homeowner is expected to monitor the day-to-day progress of the project. However the department will require notification for certain critical inspections. The department will monitor the project by making scheduled as well as unscheduled inspections as work progresses to ensure contract compliance. Should any questions or concerns arise, the department is to be contacted.

INSPECTIONS

During the construction phase, the department will inspect materials, workmanship, and other details of the project to insure work is completed in a satisfactory manner and to insure compliance with specifications, codes, and other terms and conditions of the contract. A detail that is found to be in noncompliance must be promptly corrected. The contractor shall bear all costs of correcting any rejected details and any damages occurring from the defective detail.

RESOLVING DISPUTES

If homeowner and contractor are unable to reach a mutual agreeable solution to a dispute, the matter will be brought before the department. Housing development staff will review the situation and attempt resolution. If the resolution is unacceptable by either party, the matter will be referred to the Code Enforcement Department. If the resolution

is still unacceptable, either party may see legal recourse. The City of Ashland will not be party to such litigation. Under no circumstances should the homeowner attempt to change the scope of the work or have the contractor perform work not stated in the contract without the written approval of the department.

DEFECTS IN MATERIALS OR WORKMANSHIP

In the event of any defect in materials or workmanship, the owner shall contact the contractor and the agency. The agency will notify the contractor to correct the defect and repair any damages resulting from the defect. The contractor has five (5) working days to respond to the complaint unless other arrangements are made that are agreeable to the owner.

Defects must be corrected within ten (10) working days from notification unless a danger exists to the homeowner. In this case the repairs are to be done immediately upon receipt of the notice. If the contractor fails to repairs within the ten (10) day period, the homeowner has the option of submitting a written request for the department to hire another contractor to make repairs and pay them from the original contractor's retained funds.

Should the owner question work in process, the department shall conduct an inspection and require work to be uncovered if necessary to conduct the inspection. If such work is found in accordance with the contract documents, the owner shall pay the cost of the inspection and replacement of materials. If the work is found to be not in accordance with the contract specifications, the contractor shall correct such work and pay the related costs. If it is shown that the defect was caused by another contractor, not associated with the contract, the owner will pay all related costs.

The inspection of the work shall not relieve the contractor of any obligations to fulfill the contract. Defective work shall be made good and unsuitable materials shall be replaced even though the defects have been previously overlooked and accepted for final payment.

PROJECT PAYMENTS

Contractors may submit a maximum of two (2) progress payments and one (1) final payment. When the general contractor has progressed in accordance with the payout schedule as agreed to in the contract, the homeowner is to request a payment be made to the contractor. Progress payments will be made only after a payment request is received from the contractor, inspection of the work items has been performed and the work has been completed satisfactorily.

The contractor must submit all pay requests in writing, no less than five (5) working days before payment is to be issued. Requests for payment will not be processed until all documents for payment have been signed by homeowner, contractor and the department. Such payments shall not exceed eighty percent (80%) of the contract amount less any previous payments. The final twenty percent (20%) will be withheld pending final inspection.

Final payment will be made after the work has been completed, the unit has passed lead-based paint clearance, and all warranties and guarantees have been received by the property owners.

Payment may be withheld any part of the contract amount as determined necessary to protect the owner from loss on account of the following reasons:

- Defective work not remedied.
- Failure of the contractor to make payment properly to subcontractors, laborers, or materials suppliers.
- A reasonable doubt that the contract cannot be completed for the unpaid balance.
- Damage to another contractor.
- Performance of work in violation of terms of the contract.

CLEARANCE EXAMINATIONS

The contractor is responsible for cleaning the work sites after lead hazard reduction work and achieving clearance. Cleaning includes removal of visible debris and dust, using a HEPA vacuum and wet cleaning as recommended in the HUD guidelines and HUD-approved training courses in lead-safe work practices. Clearance can only be demonstrated by a certified laboratory's report on its analysis of dust samples collected by a trained and certified individual.

The contractor is responsible for all additional cleaning operations required to attain the mandated clearance thresholds as well as any additional cost assessed by the sampling technician for repeated dust testing and laboratory fees.

FINAL INSPECTION AND PROJECT CLOSE-OUT

When the contractor has completed the project and requests final payment, final inspection, including lead-based paint clearance, of the project will be performed. If the work has not been completed as per the written specifications or if lead-based paint clearance has not been achieved, final payment will not be processed until the project has been completed.

If the project has been completed satisfactorily, the homeowner will:

- Receive warranties and guaranties for products used, where applicable.
- Sign a statement approving completion of project.
- Sign a statement acknowledging the disposition of funds spent on the rehabilitation.

DEFECTS ENCOUNTERED AFTER COMPLETION OF PROJECT

The contractor shall remedy any defect due to faulty material and/or workmanship, and pay for any damages to other details resulting from defects, that appear within the period of twelve (12) months after the date of final payment. The contractor must submit to the department all manufacturers' and suppliers' written guarantees and warranties as applicable. A copy will be retained in the project file and the originals will be forwarded to the homeowner. Items that carry a warranty will be covered only to the extent of that warranty and will not be a part of the contractors warranty unless workmanship on the part of the contractor is involved.

EQUAL OPPORTUNITIES

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

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

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

The contractor is encouraged to participate in the hiring of Section 3 workers.

CONFLICT OF INTEREST

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

- No contract or procurement will be made with any organization in which any person in an administrative capacity may benefit unless specifically authorized by the AUR in conformity with applicable federal, state, and local laws.
- No contract or procurement will be made to any organization in which an immediate family member of a person in an administrative capacity with the department may benefit unless authorized in writing to do so by the AUR.
- No employee or board official shall solicit or accept gratuities, favors, or anything of monetary value from contractors, providers or potential sub-contractors.