

Anoka County

Multi-Family Housing Rehabilitation Policy



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**For the purposes of this policy and program, references to Anoka County are specific to the Anoka County Community Development Program, 2100 3rd Avenue, Ste W250, Anoka, MN 55303
Phone (763) 324-4613.**

Summary / Definition

The purpose of the Multi-family Rehabilitation program is to provide owners of affordable rental housing in Anoka County with a financial tool to maintain the safety, integrity and accessibility of their property. The policy and procedural manual sets forth the policies and uniform procedures under which the program will be administered.

Multi-family Housing Definition To house several different households in separate housing units is the specific design for this type of building or structure. The entire building or structure may be owned by one person, a company or non-profit, or by individuals who have purchased units, as is the case with condominiums. An apartment building is the most common multifamily housing type. Multifamily housing includes duplexes, quadruplexes, and townhouses. This policy also includes group homes, homeless shelters, temporary, transitional housing and related housing serving persons from multiple households.

Under the Rental Rehabilitation program, rehabilitation is for the purpose of providing standard quality rental housing that is affordable to low-moderate income persons. The sources of financing for this program are the Community Development Block Grant Program and the HOME Investment Partnerships Program. Both are federal programs for which provide funds to Anoka County from the U.S. Department of Housing and Urban Development. The Anoka County Community Development department administers these programs.

Application and Selection Process

Applications are accepted on an ongoing basis. Only applicants who meet the eligibility and program requirements will be considered. Participation in the program is limited by the availability of funding. If interest in the program exceeds the available funds, County staff will create a wait list based on the date applications were received. Anoka County reserves the sole right to approve or reject any and all applications for any reason.

Grant / Loan

Eligible CDBG or HOME funded projects are typically large one-time projects are grant eligible and the preferred practice. However, if the applicant is seeking tax credits from other sources, a loan may be granted. The county will work with the applicant to establish terms based on current market conditions.

Property Requirements

- Property rehabilitation must conform to city/township code requirements, have applicable building permits and meet HUD property standards as outlined in CFR §92.251. In the absence of a local code, rehabilitation must meet, as applicable, either the National Building Code (BOCA) or the Uniform Building Code (ICBO).
- Property may be vacant or occupied. If occupied, additional requirements governing tenant protections from involuntary displacement and relocation will apply as applicable under Federal regulations.
- Income restrictions apply; households receiving a benefit are subject to income qualifications that may vary depending on CDBG or HOME funds received. After-rehabilitation rents must be

affordable to low-moderate income households. In some cases (HOME program financing) additional occupancy and rent restrictions will apply for a period of affordability.

- Property taxes, assessment and any other liens on the property must be current.
- Property must be in compliance with applicable zoning ordinances, land use guidelines, and any applicable rental or housing maintenance codes unless loan funds are being used to bring the property up to code.
- If property is located in a city which requires rental licensing, all documentation required must be satisfied in license requirements.

Qualified Property Rehabilitation Expenses

Eligible expenses for this loan program include: the costs of labor and material for project construction. This program does not provide for any refinancing of existing debt. Financing is for eligible rehabilitation costs only. Ineligible rehabilitation work is completed at the expense of the property owner. Prevailing wages may apply to the entire project if underway during the CDBG / HOME funded project.

Funds must be used to complete activities per an executed funding agreement or loan agreement. Anoka County, at its discretion, may adjust priorities or grant an extension if it serves the purpose of the program.

NOTE: No rehab work may start prior to executing a funding agreement and/ or loan closing. Projects started before are ineligible for grant assistance or financing.

Eligible Improvements:

- Improvements made to comply with state, county or municipal health, welfare or safety including conditions that are structurally unsafe, unsanitary or not providing adequate safe exits, or that constitutes a fire hazard, existing use constitutes a hazard to public health, welfare or safety by reason of inadequate maintenance, dilapidation or obsolescence and to comply with housing, building, HQS and housing maintenance codes.
- Remove and repair deficiencies, including installation of egress windows, electrical upgrades, installation of handrails and meet all fire and CO detection requirements.
- Energy related improvements – replacement of heating, cooling and hot water equipment must meet energy star standards.
- Improvements to make the building more accessible to persons with disabilities and compliance with ADA standards.
- Abatement of lead-based paint hazards, asbestos and mold. Walk-away policy may apply if abatement costs are prohibitive.

Non-eligible Improvements:

Certain improvements are not eligible under the Multi-Family Rehabilitation program. Those items include but are not limited to the following:

- Any construction started or completed prior to having an executed funding agreement and/or loan agreement.
- New construction of buildings, additions or additional rental units.

- New construction of decks, fireplaces, outbuildings including garages or recreational or entertainment facilities.
- Improvements related to damages covered by property insurance.
- Luxury items such as air conditioning, fireplaces, humidifiers, etc.

Walk-Away policy

The Community Development department reserves the right to deny eligibility to applicants for the following reasons:

1. If the conditions of the property to be rehabilitated affects or may affect the health or safety of staff or contractors.
2. If any person or animal at or around the property acts in a manner that is threatening to the health or safety of staff or contractors.
3. If proposed health and safety repairs or environmental remediation are deemed cost prohibitive.

Income Qualifications – Low/Moderate Income Households

As part of the affordability requirements of the CDBG program, the owner(s) must collect documentation that 51% of the units in the building are renters whose income must not exceed HUD's Low Income limits of the Area Median Income. *Forms are attached for this purpose- see current HUD INCOME LIMITS for CDBG or HOME funded projects.*

A ratio of 51% of the units in a project (unit structure) must be rented to tenant households who do not exceed maximum income limits. For example:

- One-unit structures must be occupied by a tenant household not exceeding income limits
- Two-unit structures must have at least one unit occupied by a household not exceeding income limits
- Three or more unit structures must have 51% of the units occupied by households not exceeding income limits.

Rent Limits

If HOME Program funds are used, Anoka County must incorporate utility allowances within gross rent. Rent restrictions apply throughout the term of the affordability period of HOME-financed projects, including provisions for annual recalculations based on HUD's periodic updates of income and rent limits. For HOME-assisted properties, the low/moderate income occupancy and rent limitation requirements are governed by the funding agreement. If CDBG and HOME funds are both used, then the most restrictive rent limits apply.

Under the HOME Program, occupancy by a low/moderate income family is required for a specified "affordability period,"- the length of that period being determined by the amount of HOME funds invested. Low/moderate income is defined according to household income and size.

Multi-family property owners / operators are responsible to keep source documents of income and financial assets on each tenant (current and new tenants). Income will be determined annually by using the Part 5/Section 8 definition. These documents must be kept on file and provided to Anoka County upon request.

Processing and Review of Applications

- Preliminary review of application including assessment of assets, income, match (if required), other funds secured, households served. Applications will be processed in the order received and incomplete applications will not be considered.
- Prior to funding a project, an inspection of the property will be made to review needed repairs. This inspection by the county will be compared to the submitted cost estimate in the application to determine if repairs and/or cost estimates are reasonable.
- Prior to funding a project, Anoka County is required to complete an environmental review that examines noise, wetlands, flood risk, historic status, etc. in project area.
- Anoka County will notify applicant if project is ineligible.
- Preliminary approval notices require applicant to submit additional financial and insurance related information.

Property Ownership / Property Insurance

Applicants may be individuals or partnerships; non-profits, corporations, or Housing and Redevelopment Authorities. Property insurance is required for the terms of the funding or loan agreement. Anoka County must be named as mortgagee on the policy. The building must have current risk hazard insurance coverage at the time of the application, throughout the rehabilitation process and the lien term. Coverage must include damage from fire and federal flood insurance (if applicable).

Determining if contract costs are reasonable

At the onset of rehabilitation or new construction, county staff will review and approve project plans, work write-ups and cost estimates. In accordance with 24 CFR 5.703, Uniform Physical Condition Standards (UPCS) are uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair. UPCS is the inspection protocol that is used to evaluate the condition of housing and replaces Housing Quality Standards (HQS). It was effective January 24, 2015.

UPCS includes a more comprehensive list of inspectable items and areas than the former (HQS), which applied to rehabilitation in the absence of State and local codes in the pre-2013 HOME Rule. Anoka County reserves the right to update these standards following additional HUD guidance regarding inspectable items and areas of UPCS must be corrected.

Permitted Approaches to Procurement

Anoka County must be notified of procurement approach used by sub-recipient and receive a copy(s) of the contract(s) to be reviewed by staff. Depending on the scarcity of the item or service desired and the size of the purchase, different methods of procurement are available for use by subrecipients under the Federal regulations.

- Small purchases may be used for procurement of \$100,000 or less in the aggregate: (24 CFR 85.36(d)(1) and 84.44(e)(2))
- Small purchases are made using purchase orders. Competition is sought through oral or written price quotations. A subrecipient must document the receipt of an adequate number of prices or rate quotations from qualified sources.
- A procurement of more than \$100,000 may not be inappropriately separated into smaller components solely to qualify for the less complicated procedures followed under the “small purchases” approach.

Competitive sealed bids (formal advertisement, 24 CFR 85.36(d)(2)):

The procurement must lend itself to a firm, fixed price contract (lump sum or unit price) where the selection can be principally made based on price. The competitive sealed bid method is the preferred approach for procuring construction services.

- A subrecipient must advertise the Invitation for Bid (IFB) in publications of general circulation.
- The IFB must include complete and accurate specifications and pertinent attachments and clearly define items or services needed, in enough detail for the bidders to properly respond.
- Bids must be opened publicly at the time and place stated in the IFB.
- A subrecipient must receive at least two or more responsible bids for each procurement transaction.
- If awarded, the contract must be given to the lowest responsive and responsible bidder (the subrecipient, however, can decide *not* to make the award to *any* of the bidders).

Competitive proposals (24 CFR 85.36(d)(3)):

- A subrecipient should use this method only when conditions are not appropriate for the use of formal advertising.
- The Request for Proposal (RFP) must clearly and accurately state the technical requirements for the goods and services required.
- A subrecipient must publicize the RFP, and to the maximum extent practicable, honor reasonable requests by parties to have an opportunity to compete.
- Proposals must be solicited from an adequate number of qualified sources, consistent with the nature and requirements of the procurement.
- The subrecipient must conduct a technical evaluation of the submitted proposals to identify the responsible bidders.
- As necessary, the subrecipient conducts negotiations with those bidders who are deemed responsive and responsible and fall within a competitive price range, based on the subrecipient's evaluation of the bidders' pricing and technical proposals. After negotiations, these bidders may be given the opportunity to submit a "best and final" offer.
- The subrecipient must award the contract to the most responsive and responsible bidders after price and other factors are considered through scoring the proposals (or "best and final" offers) according to predetermined evaluation criteria. The successful proposal/ bidders must clearly be the "most advantageous" source of the goods and services for the subrecipient.

Architecture or engineering (A/E) services procurement, subrecipients may use competitive proposal procedures whereby competitors' qualifications are evaluated, and **the most qualified competitor is selected**, subject to negotiation of fair and reasonable compensation. In these instances, price is *not* used as a selection factor. Once the most-qualified firm is identified, only that firm is asked for a price proposal that is subject to negotiation of a fair and reasonable price. If negotiations with the selected firm are unsuccessful, this process is repeated with the next highest-ranked firm, until a fair and reasonably priced contract can be awarded. The subrecipient must be careful to document the bases for its determination of the most qualified competitor and the reasonableness of the contract price.

This qualifications-based approach to the competitive proposal's method may *not* be used to purchase other than A/E services. (See 24 CFR 85.36(d)(3)(v).) In addition, the Federal procurement regulations generally *discourage the use of local geographical preferences in the evaluation of bids or proposals (except where mandated by Federal statutes)*, due to the restrictions on open competition which result. However, in procuring A/E services, geographic location is permitted as a selection criterion provided this criterion leaves an appropriate number of qualified firms (24 CFR 85.36(c)(2)).

Noncompetitive proposals/sole source procurement (24 CFR Part 85.36(d)(4)):

Noncompetitive negotiations may be utilized only under very limited circumstances. The subrecipient must show that another method of procurement was unfeasible because:

- The item or service was only available from a single source.
- A public emergency or condition requiring urgency existed which did not permit the use of competitive procurement.

Competition was determined to be inadequate after receiving proposals from numerous sources. Among the procurement approaches described in the preceding section, the *competitive sealed bid* resulting in a firm, fixed price contract is the preferred procurement approach when there are a number of available and qualified providers, when the requirements and specifications are thoroughly detailed and are unlikely to change, and where the subrecipient has the opportunity to make the provider assume a large share of the risk for non-performance. In other instances, for example, complicated rehabilitation projects, or unique human service activities, other forms of competitive and noncompetitive procurement may be necessary or desirable. In cases where price is not the single most important objective, it is still important to try to assure the highest possible quality of procurement at the lowest reasonable price through “open and free competition.”

Fair Housing, Equal Opportunity, Section 3 and Women Minority, and/or Women -Owned

Anoka County is committed to fair housing. The County encourages minority and female qualified businesses to participate as bidders for the various projects. Contractors are subject to Section 3 and Women and Minority Business Enterprise (WMBE) reporting.

Property owners receiving rehabilitation assistance shall ensure that the rehabilitated units will be marketed for rent in a manner to affirmatively further fair housing practices. Owners must agree not to discriminate against tenants solely because they are receiving rental subsidy assistance or qualify for the same.

It is the policy of Anoka County to provide equal access to employment and programs without regard to race, color, religion, creed, sex, national origin, disability, marital status, age, or status with respect to public assistance. If an applicant or loan recipient believes they have been discriminated against they should contact Anoka County Community and Government Relations at 2100 Third Avenue, Suite W250, Anoka, MN 55303.

Use of Local Businesses; Contracting with Small, Minority, and/or Women-Owned Businesses

Federal regulations, both CDBG and non-CDBG, make it very clear that subrecipients should make every effort to use local business firms and contract with small, minority-owned and/or women-owned businesses in the procurement process. Specifically,

- A subrecipient must take affirmative steps to use small firms, minority-owned firms, women-owned firms, or labor surplus area firms in its CDBG-financed activities (24 CFR 85.36(e) or 84.44(b)). The efforts which a subrecipient should make include:
 - Incorporating such businesses in solicitation lists whenever they are potential sources.
 - Ensuring that such businesses are solicited when identified as potential sources.
 - Dividing procurement requirements, when economically feasible, to permit maximum participation of such businesses.
 - Requiring prime contractors, when subcontracts are let, to take affirmative steps to select such firms.
 - In conformance with the requirements of *Section 3 of the Housing and Community Development Act of 1968*, to the greatest extent feasible, subrecipients must award contracts for work to be performed to eligible *business concerns located in or owned by residents of the target area* to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and

community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing (see 24 CFR 570.607(b)).

Subrecipients should note, however, that the desire to award contracts to local firms is *not* a legitimate excuse for avoiding an open and competitive procurement process.

Contractor selection

The standards and procedures for procurement are intended to ensure supplies, construction and other services acquired in whole or in part with Federal funds are:

- Obtained as efficiently and economically as possible.
- Procured in a manner that provides, to the maximum extent practical, open and free competition.
- A minimum of three bids solicited required.
- Awards cannot be made to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension" (24 CFR 85.35).
- Records must be maintained to detail the significant history of a procurement. These records include but are not limited to: files on the rationale for selecting the methods of procurement used, selection of contract type, the contractor selection / rejection process, and the cost or price of a contract (for non-profit subrecipients, 24 CFR 84.46 specifies procurement records and files for purchases in excess of \$100,000 (41 USC 403 ii)), include the basis for contractor selection, justification for lack of competition when competitive bids or offers are not obtained, and the basis for award cost or price).
- As part of its efforts to eliminate unfair competitive advantage, a subrecipient should exclude contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals from competing for such procurement (24 CFR 84.43).

Rehabilitation Work Procurement / Contract Requirements

In awarding contracts, sub-recipients shall comply with all applicable requirements of local and state law for awarding contracts, including but not limited to procedures for competitive bidding, contractor's bonds, and retained percentages. In addition, the Agency shall comply with the requirements of the U.S. Office of Management and Budget Code of Federal Regulations 2 CFR 200 as appropriate, relating to bonding, insurance and procurement standards; and with Executive Order 11246 regarding nondiscrimination bid conditions for projects over Ten Thousand and no/100 Dollars (\$10,000.00). Where federal standards differ from local or state standards, the stricter standards shall apply. The federal standard of Ten Thousand and no/100 Dollars (\$10,000.00) for competitive bidding shall apply only if the applicable state or local standard for competitive bidding is less strict than Ten Thousand and no/100 Dollars (\$10,000.00).

Bids: A minimum of three (3) bids should be solicited. The exception is Noncompetitive proposals/sole source procurement (see page 7). The process and contractors/vendors contacted must be documented. A procurement and vendor file should fully tell the story through the delivery of goods and services to record payments, inspections, change orders and cost/price analysis of all change orders. The sub-recipient must document each potential bidder contacted including: the business name of the contractor / vendor, the person contacted, date, time, method contacted (telephone, email, mail) along with a summary documenting their participation in the bidding process.

Responsible Bidder: A bidder whose reputation, past performance, and business and financial capabilities are such that the bidder would be judged by an appropriate authority as capable of satisfying an organization's needs for a specific contract.

Responsive Bidder: A bidder whose bid does not vary from the specifications and terms set out in the invitation for bids.

If only one Bid is received, and it is a Responsive Bid from a Responsible Bidder, then, prior to any award; a cost or price analysis must be conducted verifying the reasonableness of the price. Awards are to be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the subrecipient, price and other factors considered. Any and all bids may be rejected when it is in the subrecipient's interest to do so. The subrecipient must ensure that the award is only made to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration should be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

General Procurement Standards 2CFR 200.318

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is

unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

(f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(j)(1) The non-Federal entity may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of:

(i) The actual cost of materials; and

(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal

entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction

Contracts: Construction work financed through this program will be undertaken only through a written contract between a Minnesota licensed contractor and the owner(s). The construction contract will consist of a document signed by the contractor and the owner(s) and the following steps will be taken before a contract is signed:

1. All contractors must maintain in effect Personal Liability Insurance of no less than \$1,500,000 including all auto and Workers Compensation Insurance as required, while participating in any rehabilitation projects. Proof of insurance is not required to bid on a project; however, proof of insurance and a copy of the contract will be required before a project contract will be awarded. A copy must be submitted to Anoka County.
2. Only contractors certified for lead and/or asbestos activities with trained workers on the payroll will be eligible to bid on projects containing identified lead or asbestos issues.
3. The contractor will be responsible for all damages to person or property, either on or off the site that occur as a result of his/her work on the project.
4. All contractors must be currently licensed by the State of Minnesota in their respective trades. The County requires a copy of the current license.
5. No contractor on the list of debarred contractors or HUD's Limited Denial of Participation List may participate in this program.
6. The contractor must certify that:
 - a. The work will be performed in accordance with all codes, standards, zoning regulation and specification, subject to clear final inspection by local building inspectors; and
 - b. The contractor will provide and pay for all materials, labor, tools, permits, licenses and fees and shall comply with all laws, ordinances, rules and regulations of the State of Minnesota, Anoka County or City of location; and
 - c. The contractor will abide by U.S. Department of Housing and Urban Development (HUD) regulations pertaining to equal employment and federal prevailing wage requirements.

Completed work must be satisfactory to the owner(s), the contractor and Anoka County. Both the owner(s) and the contractor will give local Building Inspectors access for all inspections. The owner(s) must keep all guarantees and warranties furnished by the contractor on materials and equipment.

Uniform Relocation Assistance (URA) Notice / Occupied Property

Every effort will be made to minimize the need for temporary relocation if it is required during project work. However, it may be necessary to temporarily relocate residents when undertaking hazard abatement (lead paint, asbestos and mold). It is the county's policy to provide relocation benefits to tenants who may need temporary relocation. Tenants and owners will receive reasonable advance, written notification

whether temporary relocation will be necessary and, if so, the kinds of assistance available. Temporary assistance is available on a per diem basis.

ANTI-DISPLACEMENT POLICY

A. Owner-Occupied Relocation Policy: Temporary relocation policy applies to Owner-Occupied rehabilitated homes in which no tenants are involved. Eligible homes will be those that are currently owner-occupied. It is not anticipated that the implementation of the Program will result in the permanent displacement of any persons, households, or families.

B. Owner-Investor Relocation Policy: Owner-Investor projects are not eligible for HOME Program Funds, only CDBG funds may be used. If relocation becomes necessary, the activity will be carried out in compliance with the County's relocation plan. The relocation plan describes how persons permanently displaced will be relocated and paid benefits in accordance with the following Federal Laws:

1. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970. The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contain requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or program for which HUD financial assistance (including CDBG and HOME) is provided. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps regarding tenants of housing to be acquired, rehabbed, or demolished. This regulation also covers tenants who will not be relocated.

2. Section 104(d) of the Housing and Community Development Act of 1974 Section 104 (d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under HOME or CDBG, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a HOME or CDBG assisted project, and it requires the replacement of low-income housing that is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

If an application involves an occupied multi-family property, the existing tenants are afforded certain protections against involuntary displacement. Upon acceptance of an application by Anoka County, the applicant will be required to provide notice to any such tenant-occupant. The form of the notice will be issued by Anoka County. In summary, it provides notice that the property is being considered for rehabilitation and the tenant's right to remain (subject to the tenant remaining in full compliance, with his/her lease). If the applicant intends to temporarily relocate a tenant during the rehab construction, all costs of such relocation must be borne by the owner.

Lead-Based Paint Requirements

Buildings constructed prior to January 1, 1978 and requesting assistance under the Rental Rehab program are subject to HUD's Lead Based Paint (LBP) Regulations at 24CFR Part 35. These standards apply to both the exterior and interior of the structure as well as any outbuildings, soil and garages. Structures that may have an LBP hazard will be evaluated using the following guidelines as required on all federally assisted projects;

A Lead Paint Inspection and Risk Assessment is required for each structure that was built prior to January 1, 1978. Inspection and testing expenses can be reimbursed by Anoka County. A copy of the results of the inspection is to be submitted to the building owner and/or any of his/her employee's, Anoka County, rehabilitation contractors and a copy on site for review. The contractor will be required, at a minimum to use Interim Controls for any LBP hazards that are discovered during the inspection. The owner must

disclose any lead-based paint hazards to renters. An individual unit by unit and common area Lead Clearance will be required before untrained workers or occupants will be allowed back on the worksite.

For properties requiring a lead risk assessment, all owners will be provided with the following documents regarding LBP:

1. A copy of the EPA/HUD “Protect Your Family from Lead in Your Home” brochure
2. A copy of the Lead Inspection and Risk Assessment Evaluation that was completed for their project
3. A copy of the lead-based paint clearance evaluation (if mandated) following renovation
4. A copy of the Anoka County Walk Away Policy if project is cost prohibitive.

All structures built prior to 1978 must be evaluated for LBP unless they qualify for an exemption. The following situations are exemptions from the rule:

- a. An inspection performed according to HUD standards found the property contained no lead-based paint.
- b. According to documented methodologies, lead-based paint has been identified and removed; and the property has achieved clearance.
- c. The rehabilitation will not disturb a painted surface. For example, roof repair, furnace replacement, etc.
- d. Emergency actions. The definition of “imminent danger” must be pre-approved by Anoka County if something other than a natural disaster, fire, imminent structural collapse or absence of functional utilities.
- e. Housing “exclusively” for elderly or persons with disabilities, with the provisions that children less than six years of age will not reside in the dwelling unit.

Documentation supporting an exemption for any property must be submitted to Anoka County.

There is an exception for minimal (“de minimis”) amounts of deteriorated paint or of paint being disturbed by lead hazard control work (e.g., during rehabilitation or maintenance) specified by the Rule [§35.1350(d)]. For de minimis amounts, notice to residents, lead safe work practices, and a clearance examination after the hazard reduction work are not required. The de minimis amounts are for painted surfaces that total up to:

20 square feet on exterior surfaces;
2 square feet in any one interior room or space; or
10 percent of the total surface area on an interior or exterior type of component with a small surface area, such as windowsills, baseboards, and trim. (Note: This amount should not be interpreted as applying to a percentage of the total exterior surface area of the dwelling unit.)

Occupant Protection

Anoka County will ensure that occupants of multi-family housing are adequately protected from the hazards of lead-based paint during lead hazard reduction activities, such as rehabilitation and ongoing maintenance covered by the Lead Safe Housing Rule. Occupant protection requires restricting occupants’ access to the worksite and requires temporary relocation to a unit free of lead hazards except for the following cases: 1) treatment will not disturb LBP; 2) only the exterior of the dwelling is treated, and windows, doors, ventilation intakes and other openings are sealed during work; 3) treatment of the interior will be completed within one 8-hour work period; 4) treatment of the interior will be completed

within 5 calendar days, the worksite is adequately contained, and occupants have safe access to kitchen, bathroom and sleeping areas; 5) unit is secured, occupants' belongings are protected from contamination, and warning signs are posted. Piling belongings in the center of the room and covering with plastic sheeting is not allowable. If needed occupants' belongings will be moved to an on-site or off-site storage unit.

Section 35.1345 outlines the requirements for protecting occupants and their belongings. Anoka County will determine when relocation is required and to relocate people appropriately to lead safe units. Federal relocation requirements apply when occupants are temporarily relocated. In general, temporarily relocated residents must receive reimbursement for reasonable out-of-pocket expenses, advisory services and the offer of a decent, safe and sanitary temporary unit.

The occupant protection section does not exempt the elderly from this relocation requirement. However, elderly residents need not be relocated if they sign an elderly relocation waiver form.

Signs must be posted to warn workers of lead hazards in accordance with the OSHA lead in construction standard (29 CFR 1926.62(m)), as required by §35.1345(b)(2). This signage requirement should appear in construction contracts for work in pre-1978 housing units.

Anoka County project files will include documentation of relocation (e.g., an occupant agreement, identification of the relocation unit, dates relocated and returned to unit) as well as the protection of the occupants' belongings (e.g., in the rehabilitation contract, the owner's agreement, or other appropriate document).

Labor Standards

Federal prevailing wage requirements will apply on the bid process, contract and wage reporting. Prevailing wage requirements would apply to the whole project, not just the CDBG/HOME assisted units. All projects should work closely with Anoka County to ensure all federal funding guidelines are met.

Debarred, suspended and ineligible contractors

Prior to awarding a construction contract for the project, contact Anoka County Community Development 763-323-5714 to verify contractor eligibility in federal programs. Include or request information on potential sub-contractors used for project as they are subject to the eligibility check. Schedule pre-construction meeting.

Resolution for contract disputes

The Multi-Family Housing Rehabilitation Program shall comply with County and HUD approved methods for resolution of complaints and problems. Contracts signed by the contractor and the participant include the following clause, which provides a procedure for resolution of grievances: Any controversy arising out of or relating to this Contract, or the breach thereof, shall be submitted to binding arbitration. If a participating contractor's performance or quality of work is unsatisfactory in the opinion of county staff, the contractor will be issued a written notice describing specific problems with the contractor's work. This notice shall serve as a warning. If the problems, as outlined in this notice, are not addressed, then, based upon a recommendation from the Community Development Manager, the contractor will be removed from the project and potentially barred from working on future projects.

Changes in the scope of work and/or specifications

Any and all change orders to the approved bid specifications shall be signed by the property owner, contractor, and County prior to implementation. No work other than what is specified in bid specifications shall take place in multi-family units being rehabilitated. The change order must clearly state in detail the change in work and include the number of hours and cost of materials necessary to effect this change.

Should it be impossible to accurately detail the time and materials, a "not to exceed" figure shall be included.

Adoption of local housing codes

All repair work will meet Local Building Code standards. For CDBG the priority will be the elimination of health and safety hazards.

Progress Inspections / Davis Bacon Interviews

Following executed funding agreement or loan approval, the construction contract and Notice to Proceed are executed. County staff will monitor date of start-up and perform field inspections on a regular basis (a minimum of a pre-construction, mid-construction and post construction visit) in order to check the scope of work, inspect materials, complete Davis Bacon Interviews (if needed) and to confirm the job is on schedule and within budget.

NOTE: Anoka County will provide a checklist to track key project milestones and receipt of documents to be stored electronically including copies of contracts.

Historic Preservation

If a project qualifies for assistance and is, or potentially is, historically significant or within an historic district, additional state and federal property rehab review requirements must be satisfied before the project can receive assistance.

Conflict of Interest

Anoka County will comply with and enforce all state and federal conflict of interest regulations. A Conflict of Interest disclosure is included in the funding application.

MATCH (HOME Funds)

If HOME Program funds are used, the applicant will provide written documentation of non-federal match in compliance with the HOME program 25% non-federal match requirement specified in 24 C.F.R. (Code of Federal Regulations) §92.218 through §92.222. MATCH contribution must be provided (in writing) by the recipient at the time the recipient requests fund disbursement for payment of eligible costs.

Appeal Process

Appeals may be made in cases where applicants believe they were not treated equitably. It is the responsibility of the applicant to try and resolve the problem informally. If the problem cannot be resolved informally, applicant must put the grievance/s in writing and submit it to the Community Development Manager within thirty (30) days of initial complaint. The Community Development Manager must respond in writing to the client's complaint within ten (10) working days. If a concern remains, a formal grievance may be filed with the Director of Community and Government Relations.

By signing below, the sub-recipient's authorized representative acknowledges this Anoka County Multi-Family Rehabilitation policy has been read, the policy is understood and agreed to.

Signature

Date

Printed Name Authorized Representative

Organization