

NEZ PERCE TRIBAL HOUSING AUTHORITY

HOUSING REHABILITATION

POLICY

(NPTHA REHAB)

FINAL

*Adopted by the Board of Commissioners
January 21, 1999
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NPTHA HOUSING REHAB POLICY

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1. Programs Available

The NPTHA's housing rehabilitation programs are designed as a means to increase the livability of housing units across the Nez Perce Reservation. The four types of assistance that are available are as follows:

PROGRAM	SOURCE OF FUNDS	OWNERSHIP STATUS	INCOME REQUIREMENTS	CEILING AMT.*	REQUIREMENTS
NPTHA RENTAL REHAB	Nez Perce IHP	NPTHA	Very Low & Low Incomes	\$35,000	Rehab to standard, housing & maintenance counseling
NPTHA MH REVOLVING LOAN	Nez Perce IHP	NPTHA	Low Income	\$5,000 for repairs; \$10,000 for addition	Major repairs, payments must be current, permanent residence, maintenance & housing counseling; additions based on occupancy standards & no available transfer.
NP HIP	NP BIA Contract	Owner Occupied	Very Low Income	\$35,000	Rehab to standard, housing & maintenance counseling, \$35,000 ceiling amount
NPTHA SR. REPAIR ASSISTANCE	FY 99 NAHASDA	Owner Occupied	Very Low Income & Low Income	\$4,500	Senior Citizens only. Major repairs essential to health & safety of occupants
NPTHA HOME REPAIR	NAHASDA	OWNER OCCUPIED	LOW-INCOME	\$6,000	HOME REPAIR ESSENTIAL TO HEALTH & SAFETY OF OCCUPANT.

*Amount indicated is per applicant based on affordability analysis and funds available.

Application for assistance will be made at the NPTHA office as follows:

- NP BIA HIP
- NPTHA MH Revolving Loan
- NPTHA Senior Repair Assistance
- **NPTHA APPLICATION**

The application procedures and the standards for the above mentioned programs are basically the same. The NPTHA Senior Repair Assistance will require essentially the same process, although the repairs can not exceed **THE NPTHA GRANT CEILING AMOUNT \$4,500** and are one time assistance only for major repairs essential to the health and safety of the senior citizen occupants.

2. Reconstruction

Reconstruction is defined as building a new structure on the site, in approximately the same "footprint" of a previous structure. Reconstruction is considered replacement and is not permitted under any rehabilitation assistance.

3. Relocation/Displacement

Any tenant who is required to move to accommodate the rehabilitation of his or her unit (displacement) or whose rent increases as a result of the rehabilitation (economic displacement) is a potential candidate for relocation benefits. Rental assistance must be factored into the rehabilitation cost when relocation is necessary. This does not apply to assistance under the BIA HIP program and the NPTHA Senior Repair Program.

4. Eligible Applicants

Priority 1-NPTHA Rentals: NPTHA owned rental units are the first priority for rehabilitation funds under the Indian Housing Plan funded through NAHASDA.

Priority 2-NPTHA MH Homebuyers: Mutual Help homebuyers are required to be maintained by the homebuyer. In the event that serious maintenance problems are identified that are not addressed by the homebuyer, depending on the circumstances, any of the following options will be used:

- Proceed with eviction due to breach of contract;
- Apply for a loan from NPTHA revolving loan pool for rehab assistance; or
- Provide assistance through a loan from homebuyer equity.

Priority 3 - Senior Citizen Owner Occupied: Once all NPTHA units are brought to standard, owners of non-HUD assisted units will be served who meet the following criteria:

<u>CATEGORY</u>	<u>ELIGIBILITY CRITERIA</u>
Tribal Affiliation	Enrolled Nez Perce Tribe Member
Special Needs	Senior Citizen (55 +)
Property Location	On the Nez Perce Reservation (according to the 1855 Treaty)
Ownership Status	<ul style="list-style-type: none">● Have fee simple title to the property; or● Proof of Individual Trust or Tribal Trust ownership; or● Maintain a 50 year undivided leasehold interest in the property; or● Have shared ownership interest in the property.
Income	Can not exceed HUD National Low-income standards

Serviceability	Must permit inventory to determine unit condition
Counseling	Must agree to participate in home & maintenance counseling
Debt	Must have no outstanding obligations to the NPTHA
Residence	Must be permanent residence (at least 9 months per year)

PRIORITY 4 - NON SENIOR OWNER OCCUPIED - HOME REPAIR:

<u>CATEGORY</u>	<u>ELIGIBILITY CRITERIA</u>
TRIBAL AFFILIATION	ENROLLED NEZ PERCE TRIBE MEMBER
PROPERTY LOCATION	ON THE NEZ PERCE RESERVATION (ACCORDING TO THE 1855 TREATY)
OWNERSHIP STATUS	<ul style="list-style-type: none"> ● HAVE FEE SIMPLE TITLE TO THE PROPERTY; OR ● PROOF OF INDIVIDUAL TRUST OR TRIBAL TRUST OWNERSHIP; OR ● MAINTAIN A 50 YEAR UNDIVIDED LEASEHOLD INTEREST IN THE PROPERTY; OR ● HAVE SHARED OWNERSHIP INTEREST IN THE PROPERTY.
INCOME	CAN NOT EXCEED HUD NATIONAL LOW-INCOME STANDARDS
SERVICEABILITY	MUST PERMIT INVENTORY TO DETERMINE UNIT CONDITION
COUNSELING	MUST AGREE TO PARTICIPATE IN HOME & MAINTENANCE COUNSELING
DEBT	MUST HAVE NO OUTSTANDING OBLIGATIONS TO THE NPTHA
RESIDENCE	MUST BE PERMANENT RESIDENCE (AT LEAST 9 MONTHS PER YEAR)

5. Eligible Property Type

The following property types will receive assistance according to the availability of funds:

<u>PRIORITY</u>	<u>ELIGIBLE APPLICANT</u>	<u>DWELLING TYPE</u>
1	NPTHA Low-income rentals	single family dwelling units, duplexes, apartments, quads
2	NPTHA MH units	single family dwelling units
3	Sr. Citizen-Owner Occupied	A one family property, two family property, a modular home.
4	NON SENIOR OWNER OCCUPIED	

6. Property Value

The appraised value of the assisted property, after rehabilitation, may not exceed the 203(b) mortgage limit for the area for the type of property being assisted (single family, condominium, etc.). Verification of the estimated value of the property after rehabilitation must

be provided before the work is started.

The cost of rehabilitation can not exceed the cost of replacement of a similar type of dwelling.

7. Property Standards

At the completion of each rehabilitation project assisted, the following minimum property standards must be met.

- Section 8 Housing Quality Standards (HQS) cited in 24 CFR 982.401
- Requirements which address child safety measures
- The Uniform Building Code, and
- Standards that ensure the provision of the following:
 - ▶ that the house is safe, in a physically sound with all their systems performing their intended design functions;
 - ▶ a livable home environment;
 - ▶ an energy efficient building & systems which incorporate energy conservation measures; and
 - ▶ adequate space and privacy for all intended household members.

Costs under the NPTHA Senior Citizen **AND NON-SENIOR** Repair Program are for repairs that are essential to the health and safety of the ~~senior citizen~~ occupants. This repair assistance is not designed to bring a substandard unit to standard condition. However, all repairs must be done in accordance with Section 8 HQS and the prevailing code.

8. Eligible Rehabilitation Costs

Development hard costs are the actual rehabilitation costs for labor and materials for the following:

- Essential improvements
- Energy-related improvements
- Lead-based paint hazards
- Improvements for handicapped accessibility
- Repair or replacement of major housing systems.
- Demolition Costs - When part of a rehabilitation project.
- Site Improvements and Utility Connections

Related Soft Costs are reasonable and necessary costs (paid to a third party), including:

1. Finance Related Costs

- Origination fees
- Credit reports
- Title reports and updates
- Recordation fees
- Preparation and filing legal documents
- Appraisal
- Attorney's fees
- Loan processing fees
- Other customary fees

2. Construction Related Costs

- Architectural fees
- Engineering fees
- Preparation of work write-ups and cost estimates
- Surveys

9. Eligible Senior Repair AND NON SENIOR HOME REPAIR Costs

Costs under this program are for repairs that are essential to the health and safety of the ~~senior citizen~~ occupants. This repair assistance is not designed to bring a substandard unit to standard condition. However, all repairs must be done in accordance with Section 8 HQS and the prevailing code. Assistance is a one-time assistance for that specific repair. In other words, an applicant can only apply for roof assistance once. If the requested repair can not be done within the **GRANT CEILING AMOUNT \$4,500 NPTHA ceiling amount**, it will not be done unless matching funds are secured.

<ul style="list-style-type: none"> • Roof • Plumbing • Flooring • Windows 	<ul style="list-style-type: none"> • 504 needs • Energy Efficiency • Electric • Heating
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10. Financing

Repayment terms will be based on the local design of the program including such factors as the income levels of the households targeted to receive the assistance and the homeowner's "ability to pay," the average expected size of the loan of rehabilitation funds and whether other rehabilitation loan funds will be used to leverage the NPTHA funds. Options for repayment of the NPTHA loans include but is not limited to

- repayment on a monthly basis with a low interest rate,
- repayment after other rehab loan funds are paid in full,

- repayment due upon transfer of ownership of the home, or
- in certain hardship cases deferred loans whereby the principal amount of the loan is forgiven over a period of time and after satisfaction of any stipulated conditions.

11. Model Process

A well run Rehabilitation Program addresses the rehabilitation needs of individual properties and neighborhoods and requires close involvement with the homebuyer or homeowner receiving the assistance. The following table lists the minimum steps that must be implemented to ensure program success.

GENERAL STEP	INVOLVEMENT
Intake	Meet home owner, take a pre-application, determine type of assistance, explain program and counseling requirements
Initial Inspection	Schedule property inspection, inspect property, write deficiency list prepare detailed work write-up and cost estimate (scope of work)
Verification	Prepare and submit verification forms, order title search, order appraisal
Verify Home Owner Income	Prepare and submit verification forms
Schedule Counseling	Discuss during initial contact, insurance requirements, maintenance counseling
Finalize Agreement	Complete all application documents
Construction	Force account or conventional method of construction will be utilized. Activities include but is not limited to the following: Schedule construction, Mobilize force account crew, Owner preconstruction conference, Owner sign notice to proceed and scope of work,
Contracting	Solicit bids for electrical, heating, or other speciality items. Negotiate price and contract terms when applicable.
Construction Management	Conduct progress inspections, conduct final inspection, owner approval

12. Construction Activity

The NPTHA will act as the contractor and perform and manage the construction work when using the NPTHA Force Account Crew with supervision provided by a qualified Construction Superintendent/Manager. Work will be inspected by a licensed residential building inspector. The NPTHA can also exercise the option to contract all work out. Specialized areas will be performed under through a contract in accordance with the NPTHA procurement policy. Work will be completed in accordance with Section 8 HQS and the Uniform Building Code. NPTHA is to use at no cost to the NPTHA, recipient's existing utilities to carry out and complete

work under this contract.

13. Warranty

The work to be completed by NPTHA will be guaranteed for One (1) Year from the date of completion. Recipients of rehab or repair assistance must be informed that problems with any of the items covered by a warranty or warranty certificate must contact the supplier/manufacturer directly to obtain assistance. No part of any warranty will cover damage to an item which has been deemed damaged through negligence or by lack of maintenance.

14. Documentation

All activities associated with the NPTHA's Rehabilitation Programs must be documented. The following documents will be used as required. Additional documents may be developed and approved by the NPTHA Executive Director to track a specific requirement associated with a specific type of assistance. Tracking of documentation will be recorded on the NPTHA Rehabilitation Checklist designed for that particular program and can include, but is not limited to, the following documents.

- Preliminary Application
- Formal Application
- Housing Counseling Agreement
- Loan Agreement
- BIA Title Search Report
- BIA Credit Verification
- Verification of Trust Income/Assets
- Release of Information
- Verification of Ownership, Land Status
- Property Inspection Form: Lists deficiencies and work needed (May use Section 8 Housing Quality Inspection Form)
- Program Description: Description of what to expect
- Verification of Employment: Verifies applicant employment
- Verification of Public Assistance: Verifies applicant receipt of public assistance
- Verification of Deposits: Verifies applicant savings and checking accounts
- Verification of Mortgage or Deed of Trust: Verifies presence of other liens on applicant property
- Authority to Verify Credit Information
- Preconstruction Conference Form: A statement of the understanding of the terms under which the work is to be performed and the responsibilities of each party
- Change Order Form: Statement that documents the need to change a work specification
- Certificate of Final Inspection: Indicates all work has been completed to expectations

- Warranty Information

15. Monitoring Requirements

Project monitoring is required only for the duration of rehabilitation work or the close out of a particular grant program. There are no long term monitoring requirements except for loan servicing, conditional grants, and where continued counseling is required.

16. Application

Application procedures are to be developed and implemented by the NPTHA Executive Director. All application information is to be completed, processed, and verified utilizing forms developed by the Executive Director. Intake, processing, and verification procedures must be consistent with standard financing and underwriting practices. Additionally, applications for NPTHA Rehab Programs must indicate the income levels and any other special characteristics of the targeted population.

Involvement in the NPTHA Rehab Programs will require the NPTHA to apply practices and documentation that require an understanding of underwriting procedures and quality control measures. Underwriting procedures will be developed and implemented by the NPTHA Executive Director.