

CITY OF HIGH POINT

AGENDA ITEM

**Title: Adoption of Policies for the 2015 URGENT REPAIR PROGRAM****From:** Michael E. McNair, Director**Meeting Date:** July 20, 2015**Public Hearing:** No**Advertising Date** N/A
Advertised By:**Attachments:** Procurement and Disbursement Policy 2015 Urgent Repair Program
Assistance Policy Urgent Repair Program – 2015 Cycle

PURPOSE:

The City has been awarded \$100,000.00 from the North Carolina Housing Finance Agency (NCHFA) to fund the Urgent Repair Program (URP) for the 2015-16 fiscal year; this is the second \$100,000.00 URP grant awarded to the city. The NCHFA requires awardees to adopt a procurement policy and an assistance policy in order to receive the funds. The procurement policy outlines requirements that the City must adhere to when providing services utilizing URP funds. The assistance policy outlines eligibility requirements that the City must adhere to when screening and approving service recipients.

BACKGROUND:

Homeowners with household incomes less than or equal to 50% of the area median income may qualify for a grant through the URP if they are elderly, handicapped or disabled, a single parent, have a household of five or more, or have children in the household with elevated blood lead levels.

URP funds are used to correct housing conditions that threaten life or safety, such as failing septic systems, dangerous heating systems, or rotten floors. The program can also pay for ramps and other accessibility modifications that enable service recipients to continue living in their homes after an injury or illness, such as a stroke. In accordance with grant requirements, repairs costs are limited to \$8,000.00 per unit.

Last fall, Council adopted a procurement policy and an assistance policy in order for the City to receive \$100,000 for the 2014-15 Urgent Repair Program.

BUDGET IMPACT:

None. Funds have been appropriated in the 2015-16 budget.

RECOMMENDATION / ACTION REQUESTED:

The Community Development and Housing Department recommends approval of the two policies and that the appropriate City official and/or employee be authorized to execute all necessary documents.



City of High Point
Procurement and Disbursement Policy
2015 URGENT REPAIR PROGRAM

PROCUREMENT POLICY

1. To the maximum extent practical, the City of High Point (the City) promotes a fair, open and competitive procurement process as required under the North Carolina Housing Finance Agency's Urgent Repair Program (URP). Bids are invited from Contractors who are part of the City's approved contractor registry. (To be on the registry, a contractor must complete an application, have their recent work inspected, reviewed and approved by the Project Manager and submit proof of insurance.) Any contractor listed with and approved by the City and in good standing will receive automatic approval status on the contractor registry.
2. At least three eligible contractors on the City's approved contractor registry shall be invited to bid on each job and the lowest responsive and responsible bidder shall be selected for the contract. "Responsive and responsible" means (a) the contractor is deemed able to complete the work in a timely fashion, (b) that the bid is within 15% on the low end of the City's nominal amount or 15% on the high end of the City's nominal amount and that (c) there is no conflict of interest (real or apparent).
3. If the lowest bid is more than 15% below the project manager's estimate, the contractor shall have the option of withdrawing the bid. If the contractor wishes to maintain the bid, the project manager will analyze the bid with the contractor line item by line item to be certain the contractor properly understands the scope of work and the expected level of quality. If the contractor affirms to the project manager that he/she can and will satisfactorily meet the terms of the work write-up at the bid price, the bid shall be treated as valid. If not, the project manager shall negotiate a contract with the next lowest bidder.
4. Although bid packages may be bundled for multiple job sites, the bids for multiple job sites may be considered separate and apart when awarded and may be awarded to the lowest responsive and responsible bidder(s) for each job site.
5. Bid packages shall consist of an invitation to bid, work write up(s) and bid sheet(s) for each job.
6. Bids must include a cost-per-item breakdown with line item totals equaling the submitted bid price. Discrepancies must be reconciled prior to a contract being awarded.

7. Any change to the original scope of work must be reduced to writing in the form of a change order to be agreed upon and signed by all parties to the original contract and two representatives of the City. The change order must also detail any changes to the original contract price.
8. No work may begin prior to a contract being awarded and a written order to proceed provided to the contractor. In addition, a pre-construction conference and “walk thru” shall be held at the work site prior to commencement of repair work.
9. The City reserves the right to reject any or all bids at any time during the procurement process.
10. In the event of a true emergency situation, the City reserves the right to waive normal procurement procedures in favor of more expedient methods, which may include seeking telephone quotes, faxed bids and the like. The City of High Point will call the first three responsive contractors on the approved contractor's list who have indicated on their application a desire to be on the telephone call list. The City of High Point will track who has been called and responsive and will rotate through the list before starting through the rotation again. Should such methods ever become necessary, the transaction will be fully documented.
11. All sealed bids will be opened publicly at a time and place to be announced in the bid invitation. All bidders are welcome to attend.
12. The City of High Point is an equal opportunity employer, implements non-discriminatory practices in its procurement/disbursement and will make special outreach efforts to include M/WBE (Minority/Women Business Enterprise) businesses within its contractor and subcontractor pool.

DISBURSEMENT POLICY

1. All repair work must be inspected by (a) the City’s Project Manager, and (b) the homeowner prior to any payments to contractors. If all work is deemed satisfactory and all other factors and written agreements are in order and copies of local inspection approval documents are submitted (when permits are required), payment shall be issued upon presentation of an original invoice from the contractor. Contractor should allow 21 business days for processing of the invoice for payment.
2. If any of the work is deemed unsatisfactory, it must be corrected prior to authorization of payment. If the contractor fails to correct the work to the satisfaction of the City’s Project Manager, payment may be withheld until such time as the work is deemed satisfactory. (Contractors may follow the City’s Urgent Repair Program Assistance Policy complaint process if a dispute occurs; however, contractors shall abide by the final decision as stated in the policy).

- 3. The City assures, through this policy, that adequate funds shall be available to pay the contractor for satisfactory work.
- 4. All contractors, sub-contractors and suppliers must sign a lien waiver prior to disbursement of funds.

The Procurement and Disbursement Policies are adopted this the _____ day of _____ 20____.

City of High Point

BY: _____

ATTEST: _____

CONTRACTORS STATEMENT:

I have read and understand the attached Procurement and Disbursement Policy.

BY: _____

COMPANY NAME: _____

WITNESS: _____



Assistance Policy

Urgent Repair Program – 2015 Cycle

What is the Urgent Repair Program? The City of High Point has been awarded \$100,000 by the North Carolina Housing Finance Agency (“NCHFA”) under the 2015 cycle of the Urgent Repair Program (“URP15”). The City shall contribute an additional \$10,000 from General Funds that are allocated toward affordable housing on an annual basis to supplement URP15 project activities. This program provides funds to assist very-low and low-income households with special needs in addressing housing conditions which pose imminent threats to their life and/or safety or to provide accessibility modification and other repairs necessary to prevent displacement of very-low and low-income homeowners with special needs such as frail elderly and persons with disabilities. A total of 20 households are projected to be assisted under URP15.

This Assistance Policy describes who is eligible to apply for assistance under URP15, how applications for assistance will be received, what the form of assistance is and how the repair/modification process will be managed. The City has tried to design this URP15 project to be fair, open, and consistent with the City’s approved application for funding and with NCHFA’s URP Program Guidelines.

The funds provided by NCHFA come from the North Carolina Housing Trust Fund.

Eligibility: To be eligible for assistance under URP15 applicants must meet the following requirements.

- 1) Must reside within the City of High Point and own and occupy the home in need of repair.
- 2) Must have a household income which does not exceed 50% of the State median income for the household size (see income limits below).
- 3) Must have one or more fulltime household members with special needs (i.e., be elderly (≥ 62 years old), handicapped or disabled, a large family with ≥ 5 household members or a household with a child below the age of six with an elevated blood lead level (between 10 $\mu\text{g}/\text{dl}$ and 19 $\mu\text{g}/\text{dl}$).
- 4) Must have urgent repair needs, which cannot be met through other state or federally-funded housing assistance programs.

URP Income Limits (Statewide)*

<i>Number in Household</i>	<i>30% of Median Income (very low income)</i>	<i>50% of Median Income (low income)</i>
1	\$12,150	\$20,250
2	\$13,900	\$23,150
3	\$15,650	\$26,050
4	\$17,350	\$28,950
5	\$18,750	\$31,250
6	\$20,150	\$33,600
7	\$21,550	\$35,900
8	\$22,950	\$38,200

**Income limits are subject to change based on annually published HUD HOME Limits.*

Selection of applicants: The City shall select recipients on a first-come, first-served based on applications received from eligible applicants. NOTE: For a true emergency situation (e.g., tree falls on roof, sewer backup, etc.), the application and eligibility assessment shall be expedited and work shall begin as soon as feasibly possible (see Item #10 of Procurement Policy for more information).

The NCHFA Program guidelines require that a minimum of 50% of the households assisted must have incomes which are less than 30% of the area median income for the household size, and no household with an income exceeding 50% of the area median income will be eligible. This guideline will be adhered to strictly and will be a key factor in selection of those households served under the grant.

Recipients of assistance under the URP15 will be chosen by the above criteria without regard to race, creed, sex, color, or national origin.

The definitions of special needs' population under the URP15 are as follows:

- **Elderly:** An individual aged 62 or older.
- **Disabled:** A person who has a physical, mental or development disability that greatly limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment.
- **Large Family:** A large family household is composed of five or more individuals, with at least four being immediate family members.
- **Head of Household:** The person or persons who own(s) the house.
- **Household Member:** Any individual who is an occupant (defined below) of the unit to be rehabilitated shall be considered a "household member" (the number of household members will be used to determine household size and all household members are subject to income verification).
- **Occupant:** An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of the household, regardless of the time of

occupancy); or non-immediate family member who has resided in the dwelling at least three month prior to the submission of the family's application.

- Child with elevated blood lead level: A child below the age of six with an elevated blood lead level between 10 µg/dl and 19 µg/dl.
- Emergency: A situation where a household member has an immediate threat of being evicted or removed from a home due to health or safety issues within a time frame that the program can complete a repair to stop eviction or removal.

To complement the City's marketing infrastructure (e.g., the City's website – www.highpointnc.gov), the City shall utilize its referral relationships to identify applicants, including the following organizations:

- City of High Point Customer Service Department – relief for utility payments
- Housing Consultants Group – MPP, budgeting, homeownership counseling
- Guilford County Public Health Department – children tested for lead-based paint
- NC World Relief – unique needs of immigrant/refugee populations
- Piedmont Triad Regional Council (Weatherization Program) – eligible program rehabilitations
- United Way of Greater High Point – variety of services

What is the form of assistance under URP15? The City will provide assistance to homeowners, whose homes are selected for repair/modification in the form of a loan. Homeowners will receive an unsecured deferred, interest-free loan, forgiven at a rate of \$1,000 per year, until the principal balance is reduced to zero.

What is the amount of the loan? The amount of the loan will depend on the scope of work necessary to address the identified imminent threats to life and/or safety, and that will be determined by the City's rehabilitation specialist. There is no minimum to the amount of the loan; however, the maximum life-time limit according to the guidelines of the City's program is \$8,000.

What kinds of work will be done? Only repairs that alleviate housing conditions which pose an imminent threat to the life and/or safety of occupants of the dwelling unit or accessibility modifications will be performed under the City's URP. It should be noted that all deficiencies in a home may not be rectified with the available funds.

All work that is completed under URP15 must meet or exceed NC State Residential Building Code standards and be done in compliance with all state or local permitting, inspections, licensing and insurance requirements.

Who will do the work on the homes? The City is obligated under URP15 to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open and competitive process. To meet those very difficult requirements, the City will invite bids only from contractors who are part of an approved contractors' list.

The City has an existing approved contractors' list for its existing rehabilitation programs. If other contractors wish to apply they are welcome to do so through the following process:

- 1) Fill out a contractor's questionnaire form which includes references, financial information, and recent jobs completed (contact: Ed Brown @ 336-883-8522).
- 2) Provide appropriate documentation, including licenses and liability insurance.

The City of High Point is an equal opportunity employer, implements non-discriminatory practices in its procurement/disbursement and will make special outreach efforts to include M/WBE (Minority/Women Business Enterprise) businesses within its contractor and subcontractor pool. For additional information about the approved contractor registry and other contractor procurement information, please refer to Exhibit A: Procurement and Disbursement Policy, attached.

What are the steps in the process, from application to completion? Now that you have the information about how to qualify for the City of High Point's URP15, what work can be done, and who will do it, let's go through all the major steps in the process:

- 1) **Completing an Application form:** Homeowners who wish to apply for assistance should contact April Jones, Office Support, at (336) 883-3349 or visit the City's website at www.highpointnc.gov/cd. Proof of ownership and income will be required. Those who have applied for housing assistance from the City in the past will not automatically be reconsidered. A new application will need to be submitted.
- 2) **Preliminary inspection:** The City's Project Manager will visit the homes of applicants to determine the need and feasibility of repairs/modifications.
- 3) **Screening of applicants:** Household income will be verified for program purposes only (information will be kept confidential). Ownership of property will be verified along with other factors.
- 4) **Applicant interviews:** Approved applicants will be provided detailed information on assistance, program repair/modification standards and the contracting procedures associated with their project at this informational interview.
- 5) **Work write-up:** The City's Project Manager will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the

attic and crawlspace, if any. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks and the like. The Project Manager will prepare complete and detailed work specifications (known as the "work write-up"). The Project Manager shall review the work write-up with the homeowner and obtain written acceptance of the work write-up from the homeowner. A final cost estimate will also be prepared by the Project Manager and held in confidence until bidding is completed.

- 6) **Bidding:** The work write-up and bid documents will be sent to a minimum of three contractors on the Approved Contractors' Registry who will be given one week in which to inspect the property and prepare bid proposals. Each will need access to those areas of the house, in which work is to be performed, in order to prepare a bid. Bids will be opened in the City's Purchasing Department.
- 7) **Contractor selection:** Within 24 hours of the bid opening, after review of bid breakdowns and timing factors, the winning bidder will be selected. All bidders and the homeowner will be notified of (1) the selection, (2) the amount, (3) the amount of the City's cost estimate, and (4) if other than the lowest bidder is selected, of the specific reasons for the selection. If the lowest bid is more than 15% below the project manager's estimate, the contractor shall have the option of withdrawing the bid. If the contractor wishes to maintain the bid, the project manager will analyze the bid with the contractor line item by line item to be certain the contractor properly understands the scope of work and the expected level of quality. If the contractor affirms to the project manager that he/she can and will satisfactorily meet the terms of the work write-up at the bid price, the bid shall be treated as valid. If not, the project manager shall negotiate a contract with the next lowest bidder.
- 8) **Execution of loan and contract:** The loan will be executed as well as the repair/modification contract. This contract will be between the contractor and the homeowner, with the City serving as the homeowner's agent. The total loan amount will never exceed \$8,000 for project hard costs.
- 9) **Pre-construction conference:** A pre-construction conference will be held at the home. At this time, the homeowner, contractor and program representatives will discuss the details of the work to be done. Starting and ending dates will be agreed upon, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home (such as old plumbing, etc.). Within 24 hours of the pre-construction conference, the City will issue a "proceed order" formally instructing the contractor to commence by the agreed-upon date. NOTE: A "proceed order" will not be issued until the contract between the contractor and the homeowner has been executed.
- 10) **Construction:** The contractor will be responsible for obtaining any required building permits for the project before beginning work. The permit must be posted at the house during the entire period of construction. Program staff will closely monitor the contractor during the construction period to make sure that the work is being done

according to the work write-up (which is made a part of the rehabilitation contract by reference) and in a timely fashion. Code Enforcement Officers will inspect new work for compliance with the State Building Code as required by the guidelines of URP15. The homeowner will be responsible for working with the contractor toward protecting personal property by clearing work areas as much as practicable.

- 11) **Change Orders:** All changes to the scope of work must be reduced to writing as a contract amendment ("change order") and approved by all parties to the contract: the owner, the contractor, the Project Manager and the City's Community Development and Housing Director (or his designee). If the changes require an adjustment in the loan amount, a loan modification stating these changes in the contract amount must be completed by the City, and executed by the owner.
- 12) **Payments to contractor:** The contractor will be paid following the inspection and satisfactory completion of all items on the work write-up, as well as, the receipt by the City, of the contractor's invoice and a release of liens, signed by all sub-contractors employed on the job and by all material suppliers from whom materials for the job were purchased.
- 13) **Post-construction conference:** Following construction the contractor and the Project Manager will sit down with the homeowner one last time. At this conference the contractor will hand over all owner's manuals and warranties on equipment. The contractor and Project Manager will go over operating and maintenance requirements for any new equipment installed and discuss general maintenance of the home with the homeowner. The homeowner will have the opportunity to ask any final questions about the work.
- 14) **Closeout:** Once each item outlined in section 13 has been satisfied and the homeowner has signed a Certificate of Satisfaction, the job will be closed out.

What are the key dates? If, after reading this document, you feel that you qualify for this program and wish to apply, please keep the following dates in mind:

- Applications shall be available to the public starting on the date the NCHFA URP15 Funding Agreement is executed. It is anticipated that the execution of the Funding Agreement will occur on or before October 1, 2015.
- Resources for this program shall be available through November 30, 2016 or when resources have been spent, whichever occurs first.

How do I request an application? Please contact:

April Jones, Office Support
City of High Point, Community Development and Housing Department
211 S. Hamilton Street, Room 312
High Point, NC 27260
336-883-3349 OR april.jones@highpointnc.gov

Is there a procedure for dealing with complaints, disputes and appeals? Although the application process and repair/modification guidelines are meant to be as fair as possible, the City of High Point realizes that there is still a chance that some applicants or participants may feel that they are not treated fairly. The following procedures are designed to provide an avenue for resolution of complaints and appeals.

During the application process:

- 1) If an applicant feels that his/her application was not fairly reviewed and would like to appeal the decision made about it, he/she should contact Housing Specialist, Toni Jackson, within five days of the initial decision and voice their concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing.
- 2) A written appeal must be made within 10 business days of the initial decision on an application.
- 3) The City of High Point will respond in writing to any complaints or appeals within 10 business days of receiving written comments.

During the repair/modification process:

- 1) If the homeowner feels that repairs or modifications are not being completed according to the contract, he/she must inform the contractor and the Project Manager.
- 2) The Project Manager will inspect the work in question. If he finds that the work is not being completed according to contract, the Project Manager will review the contract with the contractor and ask the contractor to remedy the problem.
- 3) If problems persist, a mediation conference between the homeowner and the contractor may be convened by the Project Manager and facilitated by the City's Community Development and Housing Director ("Director") or his designee.
- 4) Should the mediation conference fail to resolve the dispute, the Director will render a written final decision.
- 5) If the Project Manager finds that the work is being completed according to contract, the complaint will be noted and the Project Manager and the homeowner will discuss the concern and the reason for the Project Manager's decision.

Will the personal information provided remain confidential? Yes. All information in applicant files will remain confidential. Access to the information will be provided only to City employees who are directly involved in the program, the North Carolina Housing Finance Agency and auditors.

What about conflicts of interest? No officer, employee or other public official of the City, or member of the City Council, or entity contracting with the city, who exercises any functions or responsibilities with respect to URP15 shall have any interest, direct or indirect, in any contract or subcontract for work to be performed with program funding, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Relatives of City employees, Council Members and others closely identified with the City, may be approved for rehabilitation assistance only upon public disclosure before the City's Community Development and Housing Director and written permission from NCHFA.

What is the marketing and referral process of the program? The City will market the program through its own website, develop a press release, publish in the local newspaper and through other partners, including United Way, Latino Family Center and other local non-profits and agencies.

Who can I contact about URP15? Any questions regarding any part of this application or program should be addressed to:

Richard C. Fuqua
Affordable Housing Manager, CD&H Department
211 S. Hamilton St., Rm. 312
High Point, NC 27260
336-883-3349
richard.fuqua@highpointnc.gov

This Assistance Policy is adopted this ____ day of _____ 2015.

Mayor Bill Bencini _____

******TO BE PLACED IN PROJECT FILE******

Acknowledgement of Receipt

I acknowledge receipt of a copy of the URP15 Assistance Policy and was provided the opportunity to review the document with City staff.

Owner

Date