

***NEZ PERCE TRIBAL HOUSING AUTHORITY***

***HOUSING REHABILITATION***

***POLICY***

***(NPTHA REHAB)***

**FINAL**

*Adopted by the Board of Commissioners*

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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. <sup>1</sup>	REQUIREMENTS
NPTHA Rental Rehab	Nez Perce IHBG	NPTHA	Very Low & Low Incomes	\$35,000	Rehab to standard, housing & maintenance counseling
NP HIP	NP BIA Contract	Owner Occupied	Very Low Income	\$35,000	Rehab to standard, housing & maintenance counseling,
Senior Repair Assistance	Nez Perce IHBG	Owner Occupied	Very Low Income & Low Income	\$4,500	Senior Citizens only. Major repairs essential to health & safety of occupants
NPTHA Home Repair	NAHASDA <sup>2</sup> ICDBG <sup>3</sup>	Owner Occupied	Low Income	\$10,000	Home Repair Essential to Health & Safety of Occupant.
Handicap Accessibility Assistance	Nez Perce IHBG	Owner Occupied	Low Income	\$10,000	Rehab to Handicap Accessibility

The application procedures and the standards for the above listed programs are similar. The repairs cannot exceed the NPTHA grant ceiling amount but are one time assistance only for major repairs essential to the health and safety of the 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 assistance does not apply to the BIA HIP program and the NPTHA Owner Occupied Repair Program.

<sup>1</sup> Amount indicated is per applicant based on affordability analysis and funds available.

<sup>2</sup> Native American Housing Assistance & Self Determination Act

<sup>3</sup> Indian Community Development Block Grant

**4. ELIGIBILITY:**

**A. NPTHA Rentals:** Low income Families and/or subject to NAHASDA or other funding regulations.

**B. SENIOR HOME REPAIR-OWNER OCCUPIED:**

<u>CATEGORY</u>	<u>ELIGIBILITY CRITERIA</u>
	<b>OWNER MUST BE:</b>
Tribal Affiliation	Enrolled Nez Perce Tribe Member
Special Needs	Senior Citizen (55 +)
Property Location	On or near the Nez Perce Reservation
Ownership Status	<ul style="list-style-type: none"> <li>• Have fee simple title to the property; or</li> <li>• Proof of Individual Trust or Tribal Trust ownership; or</li> <li>• Maintain a 50 year undivided leasehold interest in the property; or</li> <li>• Have shared ownership interest in the property.</li> </ul>
Income	Can not exceed HUD National Low-income standards
Serviceability	Permit inventory to determine unit condition.
Counseling	Participate in home & maintenance counseling.
Debt	Have no outstanding obligations to the NPTHA.
Residence	Be permanent residence (at least 9 months per year).

**C. HOME REPAIR - OWNER OCCUPIED:**

<u>CATEGORY</u>	<u>ELIGIBILITY CRITERIA</u>
	<b>OWNER MUST BE:</b>
Tribal Affiliation	Enrolled Nez Perce Tribe Member
Special Needs	None
Property Location	On or near the Nez Perce Reservation
Ownership Status	<ul style="list-style-type: none"> <li>• Have Fee Simple Title to the Property; or</li> <li>• Proof of Individual Trust or Tribal Trust Ownership; or</li> <li>• Maintain a 50 Year Undivided Leasehold Interest in the Property; or</li> <li>• Have Shared Ownership Interest in the Property.</li> </ul>
Income	Can not exceed HUD National Low-income Standards ICDBG: Can not exceed 80% of the median income for the area as determined by HUD.
Serviceability	Permit inventory to determine unit condition.
Counseling	Participate in home & maintenance counseling.
Debt	Have no outstanding obligations to the NPTHA.
Residence	Be permanent residence (at least 9 months per year).

**D. HANDICAP ACCESSIBLE-OWNER OCCUPIED:**

<b><u>CATEGORY</u></b>	<b><u>ELIGIBILITY CRITERIA</u></b>
	<b>OWNER MUST BE:</b>
Tribal Affiliation	Enrolled Nez Perce Tribe Member
Special Needs	Disabled or Elder Occupant Requiring Handicap Accessible Features (Preference Will Be Given to Enrolled Nez Perce.)
Property Location	On or near the Nez Perce Reservation
Ownership Status	<ul style="list-style-type: none"><li>● Have Fee Simple Title to the Property; or</li><li>● Proof of Individual Trust or Tribal Trust Ownership; or</li><li>● Maintain a 50 Year Undivided Leasehold Interest in the Property; or</li><li>● Have Shared Ownership Interest in the Property.</li></ul>
Income	Can Not Exceed HUD National Low-income Standards
Serviceability	Permit Inventory to Determine Unit Condition
Counseling	Participate in Home & Maintenance Counseling
Debt	Have No Outstanding Obligations to the NPTHA
Residence	Be Permanent Residence of Owner & Occupant Requiring Assistance.

**5. 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.).

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

**6. Property Standards**

- A) At the completion of the NPTHA rental rehabilitation projects 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 International Residential Code and ADA Guidelines;

- Standards that ensure the provision of the following:
  - that the house is safe and physically sound with all systems performing their intended design functions;
  - a livable home environment;
  - an energy efficient building & systems that incorporate energy conservation measures; and
  - adequate space and privacy for all intended household members.
  
- B) Costs under the owner occupied Repair Programs are for repairs that are essential to the health and safety of the occupants. The repair assistance is not designed to bring a substandard unit to standard condition. All repairs must be done in accordance with Section 8 HQS and the prevailing building code.

## 7. Definition 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

**8. Eligible Repairs for Owner Occupied Units**

<ul style="list-style-type: none"> <li>• Roof</li> <li>• Plumbing</li> <li>• Flooring</li> <li>• Windows</li> </ul>	<ul style="list-style-type: none"> <li>• Handicap Accessibility</li> <li>• Energy Efficiency</li> <li>• Electric</li> <li>• Heating</li> </ul>
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**9. Handicap Accessibility Assistance**

The purpose of the handicap accessibility program is to assist Nez Perce households with elderly or disabled occupants with handicap accessible renovations. Renovations are restricted to the available grant amount. Handicap accessible renovations must be in relationship to the individuals disability and may include but are not limited to:

- Wheel Chair Ramps
- Widened Doorways
- Bathroom Conversions
- Handrails/support Accessories

Unfortunately, the Handicap Accessibility Program does not pay for non-structural equipment such as wheelchairs or other personal equipment.

**10. 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.

<b>GENERAL STEP</b>	<b>INVOLVEMENT</b>
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

## 11. 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 International Residential Code. NPTHA is to use at no cost to the NPTHA, recipient's existing utilities to carry out and complete work under this contract.

## 12. Minimum Period of Repayment, Recapture or Resale Provisions

The period for repayment or recapture of the Home repair depends on the amount of funds invested in the home purchase:

Per Unit Investment	Minimum Recapture Period	Secured by:
<\$5,000	3 years	<b>Promissory note</b> as determined by the Executive Director
>\$5,000	5 years	<b>Promissory note</b>



### **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.