

PRIVATE-HOME **REHABILITATION POLICY**

Of the Bad River Housing Authority or Tribally Designated Housing Entity

This policy was adopted by the Bad River Housing Authority Board of Commissioners by Resolution 07-583-2003 on July 15, 2003.

Policy Statement

This policy is expressly for the purpose of implementing a Private-Home Rehabilitation (PHR) program for low-income families. The Board of Commissioners of the Bad River Tribally Designated Housing Entity (TDHE) recognizes the need to create a fair and equitable method of providing services. The TDHE also recognizes the need to serve low-income families who own private homes located within the reservation boundaries in an effort to extend the longevity of existing older stock homes located within the reservation boundaries. Therefore, this PHR program administered through the TDHE will provide assistance, within approved budget amounts, for the rehabilitation of privately owned homes, that are owned by enrolled members of the Bad River Band of Lake Superior Tribe of Chippewa Indians and located within the boundaries of the Reservation. The Bad River Band of Lake Superior Tribe of Chippewa Indians and the Bad River Housing Authority Board of Commissioners through approval of the Indian Housing Plan in accordance with NAHASDA regulations provides authorization to implement this affordable housing activity.

Families who apply for this housing activity must meet certain eligibility and preferences established and approved by the Bad River TDHE.

1. General Information

- a. The TDHE will provide assistance to pay for rehabilitation expenses for privately owned homes located within the reservations boundaries except those located within the flood plain.
- b. Private home owner must provide proof of ownership.
- c. Private home owner must provide proof of residency for at least one year. (Proof can consist of any documentation containing both a date and address dated at least one year earlier. The TDHE will determine acceptance of other forms of proof of residency.)

- d. TDHE rental and homeownership units are not eligible for these funds.
- e. Families must meet the Income Limits set by HUD. Eligible low-income families may receive a grant amount to be determined by the TDHE for rehabilitation.

- f. Established criteria for tenant selection will be used to determine the order of preference in providing service. (See attached TDHE Selection Criteria approved on _____/98)
- g. Applicants having a first mortgage must provide evidence that they are not in foreclosure or are not delinquent.
- h. The Executive Director or other designated employee and/or governing body of the TDHE shall review, approve, and disapprove each rehabilitation grant application. Eligible low-income families must make their request for a rehabilitation grant on an application form developed by the TDHE.
- i. This assistance is a grant to the tribal member who is found to be eligible. When all requirements and approvals are complete, the TDHE will work directly with the vendor, contractor, and/or other agencies providing assistance. Payment will be made to the vendor, contractor, and/or other agency only when a Mutual Agreement between all parties is finalized and approved by the TDHE. A file shall be maintained on each recipient.
- j. The TDHE shall determine the maximum dollar amount that may be spent on serving any one eligible applicant in the lifetime of this Private Home Rehabilitation Program.
- k. This program will not consider rehabilitation of mobile homes.

2. Purpose

a. For Betterment or additional square footage:

This policy describes the type of work that is allowable and the steps that must be followed to become an approved applicant and to request payment for approved rehabilitation work.

The homeowner that requests this assistance will not be allowed to use rehabilitation funds for luxury items, as determined by the TDHE. Each request will be considered on a case-by-case basis. Paying for routine maintenance current or past-due utility or other service charges is not an eligible activity for the use of these funds. The TDHE will determine and prioritize rehabilitation items to be completed. For example, a priority should be roofs before carpet being replaced.

- 1. **Betterment** is defined as: Any improvement made to the home or that does not result in additional square footage.
- 2. **Additions** are defined as: Any improvement made to the home that will result in ~~additional square footage to accommodate non-luxury items or services.~~ Any request made by the homebuyer/homeowner to make additions or structural changes to the home shall be submitted to the TDHE in writing with a plan and drawing of the proposed change(s) for approval. The TDHE will make the final decision on approvals.

3. The TDHE will define rehabilitation items that they will consider to be "Luxury Items" that will not be eligible.

3. Approval Process

- a. The TDHE will require the homebuyer to submit the following documents.
 1. An application complete with financial statement and documentation.
 2. Proof of home ownership.
 3. Proof of income of head of household and all other employed or non-employed individuals residing in the unit.
4. The TDHE shall determine approval or denial subject to the availability of funds.

3. Allowable Uses

- a. Rehabilitation of home to make accessible to persons with disabilities including bathroom(s), doorways, entrance ramps, etc.
- b. Repairs and/or replacement of items that have been identified by a documented inspection. If possible, a drawing of proposed rehabilitation, dimensions, costs, and other information should accompany the application.
- c. Replacement (or repairs) of damaged items which can cause or create a hazard to life, health, or safety of the occupants, or have potential to cause serious damage to the property if not repaired, shall have priority over other requests.
- d. Improvements such as installation of carpet, upgrade of windows, cabinets, doors, lighting and plumbing fixtures, electrical, insulation, fencing, or other items as determined by the TDHE.
- e. Replacement of critical non-appliance housing equipment such as water heaters, furnaces and other items as determined by the TDHE may be eligible for consideration.
- f. Building additional living space may be eligible based upon purpose. The TDHE will determine priority and eligibility of purpose.
- g. Repairs shall be made in accordance with the TDHE's prioritization schedule.

5. Unallowable Uses

- a. Rehabilitation funds shall not be used for luxury items as determined by the TDHE such as hot tub, spas, swimming pools, whirlpools, electronic equipment, appliances, decorative decking, household furniture, garages, cement work or any other physical improvements to the home or grounds for the purpose of creating a more pleasing aesthetic value.
- b. Other unallowable uses may be determined by the TDHE.

6. Payment for materials, construction costs and/or contractor services

- a. The TDHE shall make direct payment to the party performing the work or to the vendor where the purchase for material was made using the TDHE Purchase Order System. At no time shall payments be made directly to the homebuyer. Payments shall not be made to a contractor without a TDHE approved contract. Payments shall not be made to a vendor without using the TDHE Invoice system.
- b. For the construction of additions or major improvements, payments shall be processed in accordance with the adopted Procurement Policy and/or contract documents.

7. Inspections

- a. For construction of additions or structural changes, the TDHE will conduct an interim inspection, and upon completion of the project, a final inspection will be performed with the homeowner. A certificate of completion will be signed by the homeowner along with the TDHE and the contractor prior to final payment being issued.
- b. All completed rehabilitation work must be inspected to assure that work completed meets any Housing Quality Standards established by the TDHE, if applicable.
- c. All homes must be inspected prior to being rehabilitated to assure that the proper level of environmental review has been conducted in accordance with the National Environmental Policy Act (NEPA) and any other applicable statutes, regulations and Executive Orders.
- d. All homes must have been inspected for the existence of any lead based paint prior to being rehabilitated in accordance with HUD regulations entitled Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazard in Federally Owned Residential Property and Housing Receiving Federal Assistance contained in 24CFR35.

8. Eligibility Requirements

- a. A family must first meet the following eligibility requirements to be eligible for a rehabilitation grant from the TDHE using the preferences 3 through number 6 in the approved Selection Criteria on 12/16/1998. (See attached Selection Criteria)
 1. Be an enrolled member of the Bad River Band of Lake Superior Chippewa Indians.
 2. Can provide proof of residency requirement.
 3. Can show proof of ownership of the home.

4. Can meet the low-income limit eligibility as defined by HUD's Income Limits. (Participants will be required to provide current documentation to verify their determination of low-income status.)
5. Your home is not a mobile home.
6. You are in the process of buying your home from a lending institution with whom you are not delinquent, not in default or foreclosure.
7. You have resided in your home for more than one year and it is located within the boundaries of the reservation.
8. The value of the private home in relation to the amount of grant dollars requested to rehabilitate it will be the foundation for the allocation level of the grant to be awarded to a private home owner.

9. Resale Restriction

- a. If the owner (or family) sells or transfers title to the home within 5 years of receiving PHR services from the TDHE, 80% of the cost of rehabilitation funds will be required to be paid back to the TDHE.

10. Other Requirements

- a. The TDHE shall require contractors and material suppliers to provide a one (1) year warranty period on workmanship and products used in rehabilitation activities.
- b. The TDHE may require the participants in any rehabilitation program to participate in counseling programs that may be sponsored and paid for by the TDHE.
- c. All eligible applicants selected to participate in the TDHE's Private Home Rehabilitation program shall sign an Agreement with the TDHE.

11. Right of Rejection of Service

- a. The TDHE reserves the right to reject service to any applicant "not in good standing" or who left "owing a debt to the housing" which have not been satisfied.