

St. Joseph County



2024

CDBG Emergency Repair Program Program Guidelines



Section 1

General Information

Intent:

This program and the functions and responsibilities of the program administrators shall be in compliance with the U. S. Department of Housing and Urban Development (HUD) and MSHDA regulations as well as all Federal, State and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment.

The Emergency Repair Program Guidelines provides the basis for decisions, operating procedures, and the policies required for the day to day administration of the program. The goal of the program is to make necessary repairs for low to moderate income homeowners to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. St. Joseph County reserves the right to amend and adapt these guidelines, as needed, to comply with HUD/MSHDA, and CDBG requirements and commitment timelines.

The Emergency Repair Program offers funding assistance, in the form of grants or loans to low and moderate income households throughout the county. Homeowners must meet current HUD/MSHDA income guidelines.

St. Joseph County shall not deny any family or individual the equal opportunity to apply for or receive assistance under the St. Joseph County Emergency Repair Program on the basis of race, color, gender, religion, creed, national origin, age, familial or marital status, handicap or disability, sexual orientation or reliance on public assistance.

The St. Joseph County Emergency Repair Program will operate within the rules and regulations detailed in the Michigan State Housing Development Authority's policies that can be found at:

<https://www.michigan.gov/mshda/neighborhoods/community-development-block-grant/cdbg-policy-manual>



Homes receiving Emergency Assistance will not be brought to property rehabilitation standards, and only the item being repaired will be brought to those standards.

Eligible emergency repairs include repairs or restoration activities necessary to control or arrest the effects from disaster or imminent threats to the health and safety of the household. Repair or replacement items that may be addressed with emergency funds will be furnaces, wells/city water hookup, septic systems/city drain system hook ups, handicap ramps, electrical issues, and plumbing issues. All other items will be reviewed and considered under a situation by situation basis.

A. Service Area: St. Joseph County

Properties in a designated one-hundred (100) year flood plain, as indicated on a Flood Hazard Boundary Map published by the Federal Flood Insurance Administration or properties that are located in a municipality which does not participate in the Federal Flood Insurance Program and appear to be in a flood plain, will not be eligible for rehabilitation unless proper elevation surveys are completed and flood insurance has been acquired and approval has been received from MSHDA to proceed.

B. Overview of Eligibility Requirements for Applicants:

All applicants must meet the following eight requirements:

1. **Ownership** – An eligible applicant must be an individual or family who owns and occupies as their principal residence, a single family dwelling which is their permanent year round residence within the geographical boundaries of the county. The applicant must have been a principal resident of the home for a minimum of 6 months.
2. **Property taxes** – The applicant shall provide proof that all property taxes and special assessments are paid to date. Properties with unpaid property taxes will not be eligible.
3. **Insurance** – The applicant shall provide proof of homeowner’s insurance that covers damage to the structure and shall provide federal flood insurance if applicable. Applicant shall maintain required insurance coverage sufficient to cover the amount of all outstanding debts and liens against the dwelling and property until the loan has been repaid in full.
4. **Mortgage Payments** – The applicant shall provide verification that the home is not in default on mortgage payments and a consistent payment history of maintaining current payments is evident.



5. **Previous Participation** – Applicant shall not have previously participated in the program.
6. **Income Limits** – Must be at or below 80% of the Area Median Income
7. **Assets Value** – Must not exceed MSHDA allowance for value of assets HUD calculator
8. **Property Evaluation and Construction Determination** – Acceptable condition/cost of the premises to be repaired.

Note: The above are the current minimum requirements. Additional requirements may be added as needed in the future to ensure that St. Joseph County is compliant with MSHDA.

The above eight items are further explained as follows:

Ownership

An eligible applicant must be an individual or family who owns and occupies as a principal residence, a single dwelling, permanent, year-round residential property within the County. The applicant must have been a principal owner and resident for at least six months. The homeowner cannot have property listed for sale at the time of application and may not list the home for sale for a minimum of six months after the final inspection.

Modular homes, mobile homes and trailers are eligible if they meet the requirements described in MSHDA’s Property Requirements Policy as follows:

- a. The home is on a permanent foundation
- b. The home is taxed as real property or
- c. The home is not subject to a chattel mortgage or severance agreement that treats the unit as personal property.

Note: Manufactured homes, mobile homes, and trailers on rented land (including homes in manufactured housing communities) are not eligible. Manufactured/mobile homes will not be eligible for repairs if the cost of the repairs exceeds the value of the unit given the current condition and age of the unit.

All homeowners, manufactured home owners, and mobile home owners must provide evidence of ownership as stated below:

- a. Individual fee simple ownership with recorded warranty deed (no corporate, trust, legal partnership, etc.);
- b. Individual fee simple ownership subject to a mortgage or other lien securing debt.
- c. Person(s) occupying a dwelling with a Life Estate are eligible for homeowner repair assistance under the following conditions:



1. The Life Tenant(s) occupying the dwelling to receive repairs must be income eligible.
2. The Life Estate terms must be written, signed, recorded and a copy provided to the grantee.
3. The holders of the remainder interest in the dwelling (Remaindermen) must agree, in writing, prior to the initiation of the repairs
4. The Life Tenant(s) and Remaindermen must sign a Homeowner Certification

Property Taxes

The applicant shall provide proof that all property taxes and special assessments are paid to date. Properties with unpaid property taxes **will not be eligible**. Confirmation of paid taxes at the appropriate treasurer's office will be made by St. Joseph County staff at the time the application is selected for review. Applicants whose taxes are not paid current will be notified in writing that St. Joseph County will move on to the next applicant. Once St. Joseph County has issued written notification that the applicant is not eligible for participation until taxes have been paid current it will be the responsibility of the homeowner to provide documentation that taxes are paid and notify St. Joseph County that they are ready to continue with the process. The applicant will then be placed next in line for review selection providing funding is available.

Insurance

The applicant shall provide proof of homeowner's insurance that covers damage from fire and federal flood insurance, if applicable. Homeowner's insurance coverage should be an amount sufficient to cover the amount of all outstanding debts and liens against the house and property.

Mortgage Payments

The applicant shall provide verification that the home is not in default on mortgage payments. St. Joseph County will also verify current mortgage payments. Applicants whose mortgage loans are not current will be denied. Applicants denied for noncurrent loans may request that their file be reinstated at the end of the waiting list once they are able to document a sufficient current payment history.

Income Limits-(HUD' s income limits)

The applicant's annual gross income projected 12 months into the future must not exceed 80% of the income limits published annually by HUD to be eligible. Income shall be evaluated



by Part 5 income regulations for all income earned by all household members over 18 years of age (total income of members between the ages of 18-25 will not be included if they are full time students – only the current MSHDA specified amount or percentage will be Included. Income clarifications are listed below and are subject to change as MSHDA’s income guidelines change.

Income shall include: HUD Income based on Part 5:

- a. St. Joseph County will calculate annual income as defined in 24 CFR 5.609, also referred to as Part 5 Annual Income, and is used to determine program eligibility and to calculate subsidy. Please refer to Policy Manual Chapter 10-B Income and Asset Verification for more information.
- b. Overtime earnings must be based upon the average of the year to date and projected over the next 12 months. Variations in the previous year’s overtime earnings must be noted.
- c. All dividends and interest income, including otherwise tax-exempt interests and interest from land contract payments.
- d. The full amount of periodic payments received from Social Security (including Medicare premiums), worker’s compensation, housing assistance payments, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic income.
- e. Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay.
- f. The full amount of public assistance payments.
- g. Periodic and determinable allowances, such as alimony and separate maintenance payments received, housing allowances received, and regular contributions or gifts received from persons not residing in the dwelling, where such sums are received on a recurrent basis and which may be reasonably expected to continue.
- h. The distributive share of partnership income.
- i. All capital gains that are recurring. In order to be excluded, the disposition of the one-time capital gains must be fully explained.
- j. Child support payments received by an applicant for the benefit of the applicant’s child or children.
- k. Income earned off assets.



- l. Only the current amount stated by MSHDA of adoption subsidies are included.
- m. Only the current amount stated by MSHDA of earned income for a household resident age 18 and older who is a full-time student is included.
- n. Rental income from property owned by the homeowner.

Gross Income shall be computed without deduction for the following:

- a. Funds paid into a tax shelter retirement account.
- b. Losses attributable to farming syndicate as described in Section 464 of the Internal Revenue Code.
- c. Losses, attributable to any type of corporation or partnership engaged in the exploring for, or exploiting of, oil and gas resources.
- d. Losses attributable to any type of corporation or partnership engaged in equipment leasing
- e. Child Support payments made by an applicant for the benefit of the applicant's child or children.
- f. Alimony, separate maintenance or similar periodic payments that an applicant is required to make to a spouse or former spouse.

Income for self-employment: Self-employed persons must submit two year's of IRS tax returns for the previous two years. Net annual income shall be determined by averaging the yearly incomes, unless information provided suggests that recent changes in income warrant a higher or lower projected income.

Marital Status: For individuals involved in marital separations, separation status and income/support payments must be verified by a judgment of separate maintenance or a notarized affidavit signed by the applicant, it can be proven that the separated spouse has not lived in the property for at least six months prior to the date of the CDBG application. For applicants married and subsequently divorced during the time applicants resided in the property to be improved, complete copies of divorce judgments must be provided.

Chore Service: If full-time care (24 hours per day) is required, a doctor's statement must be provided, and the chore provider's income would not be included as household income. If less than full-time care is provided, and the chore provider desires to live with the household, and the Department of Human Services has authorized the arrangement, a stable family relationship must exist. A stable family relationship must be determined for each situation on the individual merits of the case. The household's gross income would include:



- a. Total of all income for the household, including
- b. All income for the chore provider, less the chore service payments.

Asset Value

Applicants will provide information as requested on all assets. Actual income from assets must be counted as income. If assets are greater than \$5,000.00, the greater of actual income or total assets times applicable interest rates as determined annually by HUD, shall be counted as income.

Assets include:

- a. The amount in savings and checking accounts.
- b. Stocks, bonds, savings certificates, money market funds and other investment accounts.
- c. Equity in real property or other capital investments, other than the home occupied by the applicant. Equity is defined as the estimated current market value of the assets less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.
- d. The cash value of the trusts that are available to the household.
- e. IRA, Keogh, and similar retirement accounts even though withdrawal would result in a penalty.
- f. Contributions to company retirements/pension funds that can be withdrawn without retiring or terminating employment.
- g. Assets, which, although owned by more than one person, allow unrestricted access by the applicant.
- h. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
- i. Personal property held as an investment such as gems, jewelry coin collections, antique cars, etc.
- j. Cash value of insurance policies.
- k. Assets disposed of for less than fair market value for two years preceding the application for assistance.

Assets Do Not Include:

- a. Necessary personal property
- b. Interest in Indian Trust lands
- c. Assets that are part of an active business or farming operation.



- d. Assets not accessible to the family and which provide no income for the family
- e. Vehicles especially equipped for the disabled.
- f. Equity in the home in which the family resides and up to ten acres around their home.

Property Evaluation and Construction Determination

The applicant shall have the interior and exterior premises free of all debris to facilitate work. Additionally, access in the areas that repair work is to be completed must remain clear of all debris. Interior and exterior areas of the property that are filled with debris and clutter to the extent that an inspection by St. Joseph County staff cannot be adequately conducted will be notified of a time frame in which those areas must be cleared. Failure to comply will result in denial of the application.

Applications in which the estimated cost for repairs to the home exceeds the maximum grant amount will be denied unless the owner is able to supply the additional funds needed.

C. St. Joseph County Walk A Way Policy:

It is the policy of St. Joseph County to review each application and approve requests for housing repair services based on the Michigan State Housing Development Authority’s (“MSHDA”) guidelines and St. Joseph County’s program guidelines when those services can be delivered effectively and safely without undue hazards to staff, contractors and homeowners. However, St. Joseph County reserves the right to deny, “walk away” from, or to not approve an application, project, or request for services due to the ineligibility of a household according to MSHDA and county program guidelines, the overall condition of the home, health and safety reasons, negative home equity and cost factors. The following is a list of the reasons a home and homeowner may be denied or refused services:

1. Income Ineligibility

- a. The household income is above the guidelines set by MSHDA at the time of the project review.
- b. The household income does not appear to be sufficient or stable enough to cover the cost of utilities, taxes and/or mortgage payments.

2. Household Ineligibility



- a. The property is listed for sale.
- b. The property taxes are not paid current on the property.
- c. Homeowners insurance is not currently in place on the home.
- d. Mortgage payments are not current or the verification of mortgage indicates an unstable payment history.
- e. The property is in foreclosure.
- f. Negative equity situations where the dollar amount of a mortgage to the county for the cost of the repairs exceeds what the potential value of the home is or if the amount of the county's mortgage added to an existing mortgage exceeds the potential value of the home.
- g. The home is a mobile/modular home located in a mobile home park.
- h. The home is located within the city limits of an entitlement city.
- i. There is no warranty deed and/or the homeowner is unable to secure title insurance for the property.

3. Cost Effectiveness

- a. Structurally unsound dwelling or dwelling in which the cost of repairs substantially exceeds the maximum per project allowable cost when an initial rough cost estimate is completed and reviewed by housing rehabilitation staff.

4. Previous Assistance

Previous assistance through a similar CDBG repair program, a HOME repair program or County Program income funds, however each application for homes and homeowners who have received previous assistance will be reviewed on a case by case basis. Assistance may be denied to previously assisted homeowners and homes for the following reasons:

- ✓ Applications are pending for individuals who have not been previously assisted.
- ✓ The cost of previous assistance plus the cost of current repairs may exceed the maximum allowed by both MSHDA and the county program guidelines (\$75,000).

5. Health and Safety

- a. The structure is condemned and/or scheduled for demolition
- b. Hazardous conditions such as excessive mold and mildew.
- c. Maintenance and housekeeping practices that are negligent to the point of limiting access to the dwelling or creating an unwholesome work environment.



- d. Any overt action made by any member of the household (including pets) toward any program staff member, contractor or household member during the process.
- e. Unsecured pets that may prevent workers from safely completing the scope of work. The presence of animal feces in or around the dwelling.
- f. Improperly stored chemicals, combustible materials, or other fire hazards that present a danger to the occupants or workers.
- g. The presence and/or use of any controlled substance in the dwelling unit during the housing rehabilitation process.

6. Other

- a. Failure to respond in an appropriate or stated time frame when requested to supply additional paperwork, to call to schedule an appointment; and to clear up clutter to make the home accessible for a proper inspection.
- b. Failure to be at the home at the time of scheduled appointments or to have a representative over the age of 18 available in your stead.
- c. A conflict of interest scenario, for example, employees of the county or agency, relationship to an employee of the county or agency, board members of the county or agency or relationship to a county or agency board member, unless the conflict is disclosed and approved by the board and MSHDA.
- d. Combative, hostile, non-cooperative or argumentative behavior on the part of the homeowner, family member, or contractor during the application process or completion of signed contract work.
- e. Disruption of the process by the client.
- f. If, in the judgment of St. Joseph County any unique or unusual circumstances or conditions exists (not covered above) service will not be provided or may be delayed until the circumstances or condition has been corrected.

Process for Assistance

A. Estimates for Repairs

The homeowner will be required to obtain estimates for the cost of the repairs. It is advisable to obtain three, but one may be sufficient when time and critical need are considered. All estimates must be from licensed insured professionals for the specific type of necessary repair work. St. Joseph County may assist the homeowner by providing a list of contractor’s names that have completed similar repairs in the past.



The county expects that the contractor with the lowest estimate received for the completion of the work will be awarded the job unless there are extenuating circumstances. The homeowner and family members are not allowed to make the repairs and are not allowed to assist the contractor or receive compensation for assisting the contractor.

B. Completion of Project after Approval

After the homeowner has been qualified, the cost estimates reviewed, all County and/or MSHDA approvals received, St. Joseph County will contact the contractor to obtain all required information on license, insurance, SAM and Debarment checks, and other pertinent information. All contractor documentation will be verified. St. Joseph County will prepare any required documents required for the homeowner’s signature and meet with the homeowner to sign those documents. All work must be completed and approved before payment will be issued.

C. Lien Requirements

St. Joseph County shall require loan repayment for all assistance by the County program over \$2,499. Repayment shall be made at time of property sale or when the title is transferred to another person(s). Loan repayment shall be proceeds-driven. If the sale of the property does not allow full repayment, then the amount that remains after all closing costs are paid shall be the total amount due. No debt shall be assumed for the difference between the original loan and the amount that remains from the sale of the property.

Section 2

Income Eligibility Requirements

An applicant for a rehabilitation loan shall not have an annual household gross income exceeding 80% of the Area Median Income (AMI) as identified annually in a chart published by MSHDA. Current 80% Area Median Incomes are identified in the chart below, however, these figures are changed periodically by MSHDA to coincide with and meet required HUD guidelines.

Size of House hold	1	2	3	4	5	6	7	8
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Gross Income *	\$44,600.00	\$51,000.00	\$57,350.00	\$63,700.00	\$68,800.00	\$73,900.00	\$79,000.00	\$84,100.00
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*Income Limits change as HUD provides periodic updates. Above is for 2024.

Income is calculated based on current household gross income and projected forward for one year. All income verifications must be current and within six (6) months of the project set up with MSHDA. This may require updating of some forms and re-verifying of income and asset information before final approval is given.

Section 3

Selection of Assistance Recipients

A. Notice of Available Funds

St. Joseph County will notify the general public when Program Income funds are available. The general community will be informed by a one-time notice in one of the major newspapers that serves the county, and posters at the County and on the website will provide additional contact information.

B. Selection of Recipients

Recipients shall meet all the criteria identified earlier for eligibility. Since the program is developed for emergency use only, only those with critical needs will be assisted. Available funds are limited to program income received from loan paybacks; thus, once income is depleted for that year, funds will not be available until additional funds are received from loan repayments.

Section 4

Application and Review Process

St. Joseph County staff will review all applications. The applications will be reviewed and processed in the order they are received.

A. Submission of Application and Required Documents

An application will be considered complete and acceptable only if the following documents are submitted:

1. Completed Application form



2. Copy of Warranty Deed, or a copy of each and every quit-claim deed back to and including a warranty deed for the property.
3. Copy of current house insurance (if the homeowner is not able to have current house insurance because of the critical repair, assistance may be provided if insurance is allowable and agreed upon once the repair has been made).
4. Copy of current paid property tax receipts or a statement from the city or township verifying that property taxes are paid current.
5. Proof on income (W-2's, paystubs, Social Security award letters, tax returns, child support, etc.)

Applications submitted without the above items will be returned to the applicant and may be resubmitted when the missing documentation can be presented.

B. Review Process

St. Joseph County staff will review all applications.

The review of a homeowner's application will proceed as follows:

1. Applications for assistance will be reviewed on a first come first service basis.
2. St. Joseph County staff will simultaneously –
 - a. Inspect/Assess the home to be rehabilitated and assist with the remaining paperwork to be completed by the homeowner.
 - b. Process verification forms and verify all applicant information and income and complete all checklists required according to MSHDA policy.
 - c. Verify property is not in a flood plain.
 - d. Verify all property taxes and insurance are current

Verification of eligibility requirements shall be completed before an award of assistance can be considered.

Section 5

Contracting for Emergency Repair Work



A. General Requirements

Construction work financed through the emergency repair assistance program shall be undertaken only through a written contract between a licensed contractor and the homeowner. St. Joseph County staff shall assist each recipient in arranging for and obtaining an acceptable construction contract. Homeowners, even though licensed as contractors, cannot be the general contractor for the project. Additionally, family members are prohibited from acting as a general contractor or as subcontractor or receiving payment for assisting the general contractor or subcontractor in the completion of work specified in the contract. Under no circumstances shall the homeowner and contractor enter into a side contract for performing additional work. All changes shall be addressed in the form of a written change order approved by St. Joseph County staff.

B. Contract Award Process

St. Joseph County staff will work with the homeowner in the award of the contract through the following steps:

1. The county's Section 3 Business Policy and guidelines for awarding contracts to Section 3 Businesses that have been certified as a Section 3 Business will be adhered to in the awarding of contracts.
2. St. Joseph County will reserve the right to determine if a bid is qualified and reject those that are not considered qualified.
3. The contract shall be awarded upon execution (signature of acceptance) of the contract by the homeowner and contractor.
4. At the time the contract is signed, St. Joseph County will provide the appropriate documents and a Notice of Commencement to be signed by the homeowner.

C. Assistance in the Successful Execution of the Contract

To further aid in the successful execution of the repair work and the contract, St. Joseph County staff will:

1. Require contractors to present copies of building, plumbing, electrical and mechanical permits for inclusion in the homeowner's file.
2. Require contractors to provide either written documentation or pictures from the local inspectors of their final approval of all work for which a permit was required.
3. Work with homeowners and contractors to address any changes to contract specifications with a written change order approved by St. Joseph County.
4. Conduct a final inspection at the end of the project and obtain the owner's signature indicating final acceptance of the work completed.



5. Require contractors to present all guarantees and warranties on material and equipment to the homeowner at the completion of the contract. The homeowner must keep that documentation on hand for 24 months.
6. Advise the homeowner and contractor of the complaint procedures for resolving disputes regarding the rehabilitation work.

St. Joseph County staff will forbid the homeowner and contractor to make any agreements for additional work outside of items listed in the bid specifications during the time of the Program Income project.

Section 6

Contractors and Requirements

A. General

St. Joseph County will develop and maintain a list of eligible contractors. St. Joseph County actively solicits contractors on an ongoing basis. St. Joseph County will publish an advertisement in the county's major newspapers soliciting contractors as required by MSHDA. Homeowners may request to have a contractor added to the list as long as the contractor is willing to supply the required documents and complete the application approval process. Contractors unless grandfathered in by inclusion on previous bidding lists must complete an application packet obtained from St. Joseph County and submit it to St. Joseph County for reference checks and criminal history checks. All contractors will be required to submit criminal history checks for St. Joseph County to verify on an annual basis. Contractors may be requested to supply verification of lines of credit substantiating good standing with suppliers and/or banks and credit unions. Approval of application will result in inclusion on the current list of contractors developed and maintained by St. Joseph County for bid solicitations. All contractors on that list will be invited to bid on projects unless lead based paint remediation or abatement is required and the contractor is not a lead abatement contractor.

Contractors that have been debarred by HUD or the Department of Labor are not eligible. Contractors barred from participation by St. Joseph County in bidding on projects for not meeting program standards or inadequate work on contracts shall have the right to appeal the determination through the complaint procedures.

B. Specific Contractor/Subcontractor Requirements



The following are specific requirements contractors and subcontractors are required to adhere to and present documentation of to maintain qualifications as a contractor on the approved list or as a subcontractor working for a general contractor:

1. **General application/Information sheet** - Contractor/subcontractor must submit a general application/information sheet and provide updates as requested. This may include references, criminal history checks for themselves and all workers to be at the site and documentation of lines of credit.
2. **General Liability Insurance** – Contractors/subcontractors must provide copies of current liability insurance with a minimum coverage amount of \$300,000.00 for general aggregate, personal injury and each occurrence, \$50,000.00 for fire damage, and \$5,000.00 for medical expenses and provide updated copies as necessary. *Note – these amounts of coverage are subject to increases or decreases based on changing program compliance requirements.
3. **Statutory Workers Compensation Insurance** – Contractors/subcontractors must provide copies of current workers compensation insurance and provide updated copies as necessary. If the contractor/subcontractor is a sole proprietor and is not required to obtain workers compensation insurance he must provide a sole proprietor statement verifying that he is a sole proprietor. LLC's not required to purchase worker's compensation insurance must provide a current Notice of Exclusion from the State.
4. **Builders License** – Contractor must provide a copy of a current Michigan Builder's license and provide updates as necessary.
5. **W-9** – All contractors/subcontractors must complete and sign a W-9 for tax purposes.
6. **System for Award Management (SAM) Listing** – The name of the contractor/subcontractor and their firm must not be on the SAM listing for debarred and suspended Contractors.
7. **Limited Denial of Participation** – The name of the contractor/subcontractor and their firm must not be on the limited Denial of Participation listing.
8. **Section 3 Business** - All contractors must receive, review the information for self-certifying as a Section 3 Business for the county and either self-certify or sign the appropriate form indicating that they either do not wish to self-certify as a Section 3 Business or would not qualify as a Section 3 Business for the county.

Contractors that have been debarred by HUD or the Department of Labor are not eligible. Contractors barred from participation in bidding on projects by St. Joseph County for not



meeting program standards or inadequate work on contracts shall have the right to appeal the determination through a complaint procedure.

C. Other Items contractors should be aware of and consider:

1. Each contractor shall be held responsible for the execution of satisfactory and complete work in accordance with the true intent of the contract documents and bid specifications.
2. The contractor shall provide and pay for all materials, labor and tools necessary for the completion of the work, and the owner will permit the contractor to use existing utilities necessary for carrying out the completion of the work at no cost.
3. The contractor shall obtain and pay for all permits, licenses and fees, and shall comply with all laws, ordinances, rules and regulations of the county bearing on the work.
4. The contractor shall be responsible for all damages to persons or property, which occur as a result of his completion of the work.
5. The provisions of applicable laws and building construction codes shall be observed.
6. All work and materials must be applied in accordance with the manufacturer's latest instructions and specifications.
7. The contractor must furnish the owner with all manufacturer's and suppliers' written guarantees and warranties covering material and equipment furnished under the contract, and must guarantee the work performed for a period of 24 months from the date of the final request of payment.
8. The contractor shall not use or cause to be used any hazardous materials, such as lead based paint in the performance of the work.
9. Each general contractor is responsible for their subcontractors to assure that all work is done according to specifications and all permits are obtained as required by local townships, cities, and villages. Copies of all permits are to be submitted to St. Joseph County to be permanently attached to the file. Written approvals or pictures of final approval, stamps for permitted work are required to be presented to St. Joseph County for inclusion in the homeowner's file.
10. It is recommended that contractors devise and sign a contractual agreement with each subcontractor establishing payment and responsibility parameters.
11. The contractor shall supply sworn statements, notarized affidavits and waivers of lien from all subcontractors, suppliers and themselves stating that all suppliers,



subcontractors and laborers have received payment. On a case by case basis paid receipts may be submitted.

12. The contractor shall maintain adequate protection for all their work and shall protect the adjacent property from injury arising in connection with the contract. Further, the contractor shall remove from the premises any and all debris or refuse caused by contractor's work, leaving the same in neat and orderly condition.
13. The contractor is **prohibited** from entering into agreements with owners for additional work or materials over and above the original contract. Any changes to the original contract must have prior approval from St. Joseph County, must be submitted in writing on a St. Joseph County change order form. This change order must be signed and dated by the contractor, owner and St. Joseph County staff and the homeowner must sign a new note and other required documents for the monetary change in the contract amount thereby resulting in a change in the lien amount, if any.
14. Each contractor must abide by federal and local regulations pertaining to equal employment as set forth in the contract.
15. The contractor must commence and complete work by the dates specified in the contract or face possible termination of contract, or replacement at their expense.

Section 7

Complaint /Grievance / Conflict Resolution Procedure

St. Joseph County has developed a policy that includes a multilevel review that reflects MSHDA's complaint procedures outlined in the Complaint Procedure Policy. It provides a format for dealing with issues that arise for projects that have been approved and are in process and for those situations in which a request for assistance is denied. This policy will be distributed to all applicants and all applicants will be required to sign an acknowledgement form indicating receipt of the policy. Contractors are made aware of the policy and will receive a copy of the policy upon request. All complaints regarding Fair Housing issues will be logged and referred to the appropriate Fair Housing Center for the area.

The various levels included in the multilevel review process are:



1. Verbal discussion with project manager. If the issue is not verbally resolved within five business days. The complainant should submit the complaint in writing to the project manager.
2. After receipt of the written complaint the project manager will issue a written response within seven business days. Should the complainant not be satisfied with the written response of the program manager they should re-submit the complaint in writing to the Housing Emergency Repair Program manager.
3. The Housing Emergency Repair Program manager will:
4. Review and issue a written response within fifteen business days.
5. Notify the St. Joseph County leadership of complaint & response
6. Re-submit the complaint in writing to St. Joseph County leadership if not satisfied with previous response. The Administrator's office will review and issue a written decision within fifteen business days.
7. If the complainant is still not satisfied they may request the county to refer the matter to the Dispute Resolution/Mediation Services Program listed for their area.
8. If not resolved by a mediator, the county will contact MSHDA and their review and decision will be final.

St. Joseph County

Attn: Angie Steinman, Finance Director

125 W. Main St.

P. O. Box 189

Centreville, MI 49032 (269) 462-0668

Section 8

Conflict of Interest

A. General

St. Joseph County's intent in regards to conflict of interest is to comply with federal Conflict of Interest regulations when awarding contracts and assisting households. No employee, officer, agent or board member shall accept gratuities, favors, or anything of monetary value from contractors, potential contractors, parties to a sub agreement, or applicant. In general, St. Joseph County's conflict of interest policy for the CDBG program is intended to cover any person who is an employee, agent, board member, consultant, or officer of the county if that individual either currently or in the past:

1. Has exercised any functions or responsibilities regarding assisted activities



2. Is in a position to participate in a decision-making process or gain inside information
3. Has a financial interest in any contract, subcontract, or agreement in respect to an assisted project or the proceeds of the contract, subcontract, or agreement, either for themselves or for those with whom they have family or business ties.

B. Elected and Appointed Officials

St. Joseph County or elected or appointed officials, board members or their immediate relatives, may be eligible to receive CDBG assistance as outlined by MSHDA policy.

C. CDBG Program Employees

No county employees who have any functions or responsibilities regarding the CDBG program or who are in a position to participate in a decision-making process or gain inside information with regard to CDBG activities, or their immediate relatives, are eligible to receive any CDBG assistance or benefit as described above, nor are they eligible to receive assistance for one year following their employment in the CDBG housing program (the same one-year stipulation applies to the employee's relatives).

No county employees who have any functions or responsibilities or input into the decision making process of the CDBG program shall solicit or award a contract, subcontract or monetary sum to themselves or an immediate relative.

D. Exceptions for the Preceding Persons:

The above persons may be granted an exception to these provisions on a case-by case basis. All requests for exceptions shall be submitted to MSHDA in writing following the current MSHDA requirements for requesting an exception. The written request must be submitted by the county's Authorized Official for the CDBG program.

E. Homeowners and Contractors:

Homeowners, even though licensed as a general contractor, will not be awarded a contract or subcontract and cannot receive compensation for completing repairs on their own home. Relatives of the homeowner even though licensed as a general contractor, mechanical contractor, electrician, plumber or other such professional cannot be awarded a contract or subcontract nor receive compensation for completing work on the applicant's home.



General contractors are prohibited from employing or compensating a homeowner or their family members during the completion of the project at the applicant's home.

Section 9

CDBG Financial Management

A. Disbursements:

Disbursements from the Program Income fund shall be made by check upon billing by the following parties for the following reasons:

1. St. Joseph County for Softs costs, administrative services performed and payments issued to contractors from the agency. Billing shall be according to MSHDA guidelines; and
2. A contractor for work performed in connection with rehabilitation assistance. The contractor will be paid the full contract price after written approval of the completed work has been obtained from St. Joseph County and the owner. If a progress payment is to be made it shall be limited to payment for the work completed as approved by St. Joseph County. Final payment will be withheld until St. Joseph County receives the contractor's invoice and satisfactory release of lien as well as copies of building, plumbing electrical and mechanical permits and reports as applicable and St. Joseph County approves the invoice.
3. The county for administrative services.

B. Disputes over Disbursements:

In the event a dispute exists between the homeowner and the contractor with respect to the rehabilitation work, and the owner refuses to endorse payment to the contractor, St. Joseph County shall negotiate with both parties to settle the dispute within 7 working days. If ensuing negotiations are unsuccessful, the dispute shall be subject to MSHDA's/St. Joseph County's complaint/Conflict Resolution Procedures. As a part of the dispute resolution the complaint may be referred to a citizen's mediation service.

C. Processing Contract Requirements and Disbursements:

The homeowner will sign a contract with the contractor selected to perform the work.



Checks for completed work will be disbursed to the contractor by St. Joseph County as invoiced after St. Joseph County has confirmed that the invoiced work has been completed, a sworn statement, appropriate lien waivers and receipts, copies of required permits have been received, and written approval from the owner and project manager are obtained.

