

# **CITY COMMISSION AGENDA MEMO**

## **March 6, 2008**

**FROM:** Karen Davis, AICP, Director of Community Development

**MEETING:** May 6, 2008

**SUBJECT:** Administrative Plans for Housing Rehabilitation Program

**PRESENTER:** Karen Davis, AICP, Director of Community Development

### **BACKGROUND**

For a number of years, the City of Manhattan has operated a Housing Rehabilitation Program to assist low and moderate income person and families with housing repairs. The Program is funded by a combination of local and grant funds to meet larger housing rehabilitation needs as well as address emergency repairs.

### **DISCUSSION**

#### **Housing Rehabilitation Program**

The City has received grant funds on a regular basis since 1996 from the Kansas Department of Commerce and Kansas Housing Resources Corporation to operate the program. Currently, the City is nearing completion of a \$315,000 HOME Investment Partnerships Program grant which was awarded in 2005. In January 2008, the City was awarded a \$210,000 2007 HOME grant to continue the program. The grant will provide funds to rehabilitate approximately 14 housing units on a city-wide basis.

The HOME Program requires that, prior to implementation, the City adopt an Administrative Plan, which will guide the expenditure of funds. The Plan identifies eligible applicants, eligible activities, and the maximum grant amounts that will be provided. In addition, it details the process for rehabilitation, including inspections, the bidding process, and codes that will be used to inspect projects. Eligible applicants are low and moderate-income homeowners. The target area for the Program is the city limits of Manhattan; however, the area included in the Downtown Redevelopment project has been excluded.

Applications will be reviewed and approved using a points system which considers age, income, and other factors relevant to housing rehabilitation. The Program will bring properties to a level that meets Housing Quality Standards, a Department of Housing and Urban Development (HUD) code, as well as local codes. The limit of expenditure for a given property will be governed by the Program's Cost Effectiveness requirements,

which will require both a pre-rehabilitation and post-rehabilitation appraisal. In addition, the total limit of expenditure per unit is \$25,000, which includes a \$5,000 allocation for lead-based paint activities.

Lead-based paint continues to be a concern with the State and HUD, and the Plan identifies specific lead-based paint requirements to protect residents from these hazards, including a plan for temporary relocation, if necessary. Representatives from the Kansas Housing Resources Corporation have reviewed the revised Administrative Plan.

Housing rehabilitation assistance will be provided to the property owner in the form of a deferred loan that will be forgiven over a three-year period. During this period, the owner will be required to maintain ownership of the property as well as current hazard insurance and property taxes.

The City is currently operating a Rehabilitation Program with 2005 HOME funds, using an Administrative Plan adopted in May 2006, and it will be necessary to re-adopt a Plan for the 2007 grant. City Administration has made some minor changes to the new Plan to better explain the Program and provide broader assistance to the pool of applicants. One specific change will be to prohibit applications from homeowners who received HOME assistance after September 2004.

A second issue related to the Program is the value of building permit fees. In order to provide grant matching funds, City Administration has proposed that the City waive the value of building permit fees for each Rehabilitation project. It is estimated that the value of the waived fees will be \$3,000 and the Kansas Housing Resources Corporation has accepted waived fees as project match.

### **Emergency Repair Program**

The City provides an Emergency Repair component for low-income homeowners, which was originally funded with two \$50,000 contributions from the General Fund in 2006 and 2007. Assistance is made in the form of a forgivable loan, intended for repairs to deal with life threatening situations or issues that make the unit unlivable. Funds are available on a first come, first served basis and the maximum one time funding amount is limited to \$5,000; however, no household can receive more than \$8,000 over a three year period. Income limits are stricter than the HOME funded Program, as families cannot exceed 50% of Riley County median income. The Program is also governed by an Administrative Plan that was approved by the City Commission in May 2006. Applicants must be homeowners and are required to maintain current taxes and utility payments on the property.

To date, the Program has provided assistance to nine projects, including furnace replacement, roof repair, and electrical improvements. Average expenditures per unit have been \$2,400 and total expenditures are approximately \$24,000. City Administration has suggested some changes to the Administrative Plan in order to reach more low income homeowners. The first significant change is to modify the income requirements to 80% of the Riley County median income. Initially, the Program income requirement was established at 50%; however, it has become apparent that this “very low” category is

not reaching enough homeowners. A second proposed change would be to allow any assistance of less than \$1,000 as an outright grant, by not requiring that a mortgage be filed.

## **FINANCING**

Funding for the Housing Rehabilitation Program is provided through State and local funds. Local funding was approved by the City Commission as part of the Capital Improvements Program (CD805P).

The waiver of building permit fees as a part of the program will also meet local match requirements. It is expected that these waivers will be lost revenue of approximately \$3,000.

## **ALTERNATIVES**

It appears the Commission has the following alternatives concerning the issue at hand. The Commission may:

1. Approve the Administrative Plans for the Manhattan Housing Rehabilitation Program and the Emergency Repair Program and waive building permit fees for Program participants.
2. Do not approve the Administrative Plans for the Manhattan Housing Rehabilitation Program and the Emergency Repair Program nor waive building permit fees for Program participants.
3. Modify the Plans to meet the needs of the Commission.
4. Table the issue.

## **RECOMMENDATION**

City Administration recommends that the City Commission approve the Administrative Plans for the Manhattan Housing Rehabilitation Program and the Emergency Repair Program and waive building permit fees for Program participants.

## **POSSIBLE MOTION**

Approve the Administrative Plans for the Manhattan Housing Rehabilitation Program and the Emergency Repair Program and waive building permit fees for Program participants.

KD/vr  
08028

Enclosures:

1. Administrative Plan, Manhattan Housing Rehabilitation Program
2. Administrative Plan, Manhattan Emergency Housing Repair Program

**ADMINISTRATIVE PLAN  
MANHATTAN HOUSING REHABILITATION PROGRAM  
City of Manhattan, Kansas**

**Section 1. INTRODUCTION AND PURPOSE**

Decent, safe and sanitary housing is critical to the physical and emotional health of the residents of the City of Manhattan. The Manhattan Housing Rehabilitation Program, hereinafter called “the Program,” is funded by the HOME Investment Partnerships Program, Weatherization and local funds and is administered by the Community Development Department of the City of Manhattan. The purpose of the Program is to provide low and moderate income persons with assistance in the rehabilitation of their homes in order to bring them to minimum standards necessary for the general health and safety of the occupants. Additionally, the Program aims to conserve the City’s existing housing stock.

**Section 2. GENERAL REQUIREMENTS**

- The primary beneficiaries of the Program shall be low and moderate income applicants.
- City building codes, HUD Housing Quality Standards and all applicable federal, state and local laws shall be followed in all work performed.
- Qualified and licensed contractors shall perform and complete all work.
- Competitive bids shall be requested for each project and the lowest responsible bidder selected, subject to approval by the Manhattan City Commission.
- Before payment is remitted to the contractor(s), the City shall inspect construction work to ensure that the contractor(s) fulfills the requirements of the Program.
- City Commission members, City employees and other City officials shall not be eligible for grant assistance or have any personal interest, direct or indirect, in any contract under the Program, unless granted a waiver from the Kansas Housing Resources Corporation.
- Projects shall meet the Cost Effectiveness requirements of the HOME Investment Partnerships Program.

**Section 3. TARGET AREA**

The project area for the Program is within the City limits of Manhattan; excluding identified areas, as shown in the attached map (see Exhibit 1).

**Section 4. ELIGIBLE APPLICANTS**

This is a voluntary program. To be eligible, applicants must own and reside in the residential dwelling for which a Housing Rehabilitation Application is submitted. Properties that include a rental unit or rent space to unrelated individuals are not eligible for the Program.

Eligible applicants must submit an application on a form provided by the Program within established timeframes. Applications will be reviewed and rated according to the system

described in Section 5. APPLICANT SELECTION PROCESS to determine an initial ranking of applications.

Income eligibility will be determined using rules and requirements of the HOME Investment Partnerships Program, as operated by the Kansas Housing Resources Corporation. Eligible applicants must meet household incomes within the limits as published by the U.S. Department of Housing and Urban Development (current levels attached as Exhibit 2).

Applicants whose homes have received assistance from the Program after September 1, 2004 will not be considered for additional assistance unless the total number of applicants is inadequate to use the total Program funding and one of the following situations has occurred:

- the property has changed ownership, or
- the condition of the property has deteriorated since the last rehabilitation project, not due to the actions or negligence of the applicant.

### **Section 5. APPLICANT SELECTION PROCESS**

The availability of funds will be publicized to residents of the City of Manhattan through the local media and other appropriate means. Application forms will be developed by the Program and will be available at City Hall, Riley County Seniors Service Center, the Manhattan Public Library, and other locations accessible to applicants. The City will advertise a time period upon which applications will be accepted for funding requests. Completed applications will be processed and ranked according to the following points system:

<i>Age 62 to 69</i>	<i>+1 point</i>
<i>Age 70 and above</i>	<i>+2 points</i>
<i>Person with disabilities</i>	<i>+1 point</i>
<i>Disability relating to housing rehabilitation needs</i>	<i>+1 point</i>
<i>Income at 30% or below median income for Riley County, KS</i>	<i>+2 points</i>
<i>Income between 31% and 50% median income for Riley County, KS</i>	<i>+1 point</i>
<i>City has not provided rehabilitation assistance for property</i>	<i>+1 point</i>

A completed application is defined as an application in which the applicant provides all information requested in the application form at the time of submission.

All applications will be ranked and placed in order, beginning with the highest number of points. The Program will begin processing these applications for rehabilitation assistance by beginning with applications that received the highest number of points. In cases where applications receive an equal number of points, the date and time of submission will be reviewed and priority will be given to the application that was submitted first.

### **Section 6. APPLICANT APPROVAL PROCESS**

Once an applicant has been preliminarily qualified for the Program, the City of Manhattan will perform the necessary inspections and obtain a Lead Risk Assessment and appraisal for the subject property. If the Lead Risk Assessment and appraisal meet

the criteria for participation, the Program will solicit bids from contractors for the improvements to the Property.

If the Program receives and awards an acceptable contractor bid, a Rehabilitation Agreement will be executed between the applicant and the City that sets forth the responsibilities of the parties under the Program. Upon execution of the Rehabilitation Agreement, the applicant has been approved for participation in the Program.

#### **Section 7. ELIGIBLE AND INELIGIBLE ACTIVITIES**

Rehabilitation activities must meet the requirements of local building codes and HUD Housing Quality Standards. Weatherization activities may be funded through the North Central Regional Planning Commission. If applicants or properties are not eligible for weatherization funds from the North Central Regional Planning Commission or monies are needed to supplement the weatherization work needed, these activities may be undertaken through the Program.

Any activity which does not contribute to the rehabilitation of eligible housing by improving the health and safety of the residents, contributing to energy conservation or decreasing the blighting influence of the property is considered ineligible. No funding will be made available for the rehabilitation of mobile homes.

#### **Section 8. COST EFFECTIVENESS REQUIREMENT**

Funds invested in rehabilitation of property will be limited to the difference between the “post rehabilitation appraised value” plus 25%, minus the “pre-rehabilitation appraised value.” The maximum amounts that may be expended per project are \$25,000 on rehabilitation including \$5,000 for lead-based paint hazard reduction activities. The value of the property after rehabilitation may not exceed the HUD Purchase Price Limits for single-family property.

#### **Section 9. LEAD-BASED PAINT**

The use of lead-based paint in Program projects is strictly prohibited. The Program will maintain compliance with Federal Requirements regarding lead-based paint as per 24 CFR Part 35.

Each property selected for rehabilitation that was constructed prior to 1978 shall receive a Lead-Based Paint Risk Assessment, performed by a Risk Assessor licensed by the Kansas Department of Health and Environment. Results of the Risk Assessment will be provided to occupants.

Work specifications will include all rehabilitation work needed to perform interim controls and reduce lead hazards. Clearance testing will be required after the completion of the rehabilitation work, or sooner if needed to clear the property prior to re-occupancy by residents. Protections will be taken as per federal requirements to inform and protect occupants. (See *Section 10. RELOCATION*).

**Section 10. RELOCATION**

In accordance with Federal regulations it may be necessary to temporarily relocate occupants to protect them from lead-based paint hazards. The Program will take appropriate actions to protect occupants as per 24 CFR Part 35.1345.

Occupants will be informed of the potential for temporary relocation through personal interviews with representatives of the Program. Occupants shall receive a copy of the EPA pamphlet *Protect Your Family from Lead in your Home*. They will also receive written disclosure of the nature of the work to be performed and whether rehabilitation activities will disturb lead based paint.

Occupants 62 years of age or older may waive their rights to temporary relocation and refuse to relocate. In those cases, the owner must execute a waiver form and agree to not allow small children or pregnant women in the home while rehabilitation lead-based paint related work is being performed.

If temporary relocation is required, occupants will be required to move to lead-safe housing. Prior to moving to the relocation site, representatives of the Program will verify that the relocation site meets the lead-safe requirement.

If temporary relocation becomes necessary, residents will be reimbursed as follows:

One Adult	\$25 per day meals	\$55 per day lodging
Two Adults	\$50 per day meals	\$65 per day lodging
Each Child	\$18 per day meals	\$5 per day lodging

If it becomes necessary to remove the occupant's belongings from the dwelling, the occupant will be responsible for packing and moving their property to a safe and secure location of their choosing, until lead clearance has been achieved. A stipend of \$400.00 will be paid to the occupant for moving expenses. During temporary relocation, the property and the rehabilitation worksite shall be secured against unauthorized entry and occupants will not be permitted to enter until lead clearance has been achieved.

Occupants may waive the payment of temporary relocation and moving costs, in which case the owner must execute a waiver form.

Occupants will not be required to temporarily relocate if:

- Treatment will not disturb lead-based paint, dust-lead hazards or soil-lead hazards.
- Only the exterior of the dwelling unit is treated, and windows, doors, ventilation intakes and other openings in or near the rehabilitation worksite are sealed during hazard control work and cleaned afterward, and an entry free of dust-lead hazards, soil-lead hazards, and debris is provided.

- Treatment of the interior will be completed within one period of 8-daytime hours, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards.
- Treatment of the interior will be completed within 5 calendar days; the worksite is contained so as to prevent the release of leaded dust and debris into other areas; treatment does not create other safety, health or environmental hazards; and, at the end of work on each day, the worksite and the area within at least 10 feet of the containment areas is cleaned to remove any visible dust or debris, and occupants have safe access to sleeping areas, and bathroom and kitchen facilities.

Occupants may choose to relocate from the property during the completion of the rehabilitation work, even though temporary relocation is not required. In these cases, the Program will not review the relocation site to verify a date of construction nor pay any temporary relocation or moving costs.

### **Section 11. WORK WRITE-UPS AND COST ESTIMATES**

After the applicant is preliminarily qualified for assistance, an inspection of the property will be provided and a list of work specifications and cost estimates developed to determine the feasibility of the project. Work specifications shall be consistent with HUD Housing Quality Standards, City of Manhattan building codes and the General Specifications for the City of Manhattan Housing Rehabilitation Program.

If cost estimates for rehabilitation projects exceed the maximum limits for expenditure as outlined in *Section 8. COST EFFECTIVENESS REQUIREMENT*, the project may be deemed unfeasible and will be rejected. The Program will notify the owner as soon as possible as to the inability to provide assistance.

### **Section 12. BID PROCUREMENT**

The Program will solicit bids on behalf of the property owner. All parties interested in bidding will be provided with a clear and accurate description of the technical requirements of the material, product, or services to be procured as well as any other requirements which bidders must fulfill, and all other factors to be used in evaluating bids or proposals. The Program reserves the right to reject any and all bids and/or bidders.

Awards shall be made only to responsible contractors that possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. The certification of workers in safe work practices in the area of lead based paint interim controls will be a requirement. Consideration shall be given to price, as well as matters of contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Bids will be reviewed by the Program and a recommendation for award of the project will be forwarded to the City Commission for its review and approval.

In the event that an insufficient number of bids are received, or the bids are unacceptable, the work may be re-bid or alternative procurement procedures may be used. The use of such alternate procedures shall be done with the approval of the City Commission and the Kansas Housing Resources Corporation.

The City will execute a construction contract with the contractor for the rehabilitation and repairs for the benefit of the property owner. Property owners and contractors are discouraged from making any other agreements outside of the construction contract between the City and the contractor, and the City will not be bound by any such agreement. Any agreements contrary to the contracted work description will subject the construction contract to cancellation, at the discretion of the City.

Successful contractors and subcontractors must secure appropriate licenses and certifications required by their trade and any other requirements of the City of Manhattan; carry Workers Compensation insurance for all employees engaged in the work on the project premises in accordance with the Kansas Workers Compensation Law and be able to obtain any required credit from suppliers. Documentation of the requirements may be requested by the Program at any time to update its records. Contractors which have been debarred by the Federal Government will not be allowed to participate in the Program.

The property owner, contractor and the City shall sign a Certificate of Completion to provide final approval of the work.

### **Section 13. OWNER RESPONSIBILITIES**

In order to participate in the Manhattan Housing Rehabilitation Program, property owners must agree to the following conditions:

- Sign a Rehabilitation Agreement with the City regarding the responsibilities of the parties under the Program.
- Complete a Note and Mortgage.
- Provide access to the Contractor for repair work.
- Provide access to the City for inspections before, during and after the completion of the repair(s) until the expiration of the Note and Mortgage, or as requested by the Kansas Housing Resources Corporation.
- Approve, in writing, final inspection of the repair work.
- Occupy and continue ownership of the property for three years from the date of completion, without leasing, renting or subletting any portion of the Property.
- Provide continuing hazard insurance on the property for three years from the date of completion.
- Keep current real estate taxes on the property.
- Comply with all City and state laws regarding maintenance of the property.
- Keep current utility accounts on the property. If a payment agreement is in force, payments must be current.
- Notify the Program if requests for rehabilitation assistance have been or are intended to be submitted to other agencies.

Rehabilitation assistance will be provided in the form of a zero (0%) percent interest loan, which will be forgiven, if the recipient remains owner and residential occupant of the property for three years after the completion of the rehabilitation repairs. The terms of the loan shall be set forth in the Note and Mortgage that is signed by the recipient; and such Note and Mortgage shall include a provision requiring the recipient to remain the owner and residential occupant for three full years after the completion of the rehabilitation repairs. If the recipient does not remain owner and residential occupant for the full three years, the prorated amount of the assistance must be repaid, unless ownership is terminated due to medical reason or death.

If after the Program Agreement is executed, the recipient breaches the Program Agreement, or related documents, the recipient may be responsible for any costs associated with the rehabilitation of the Property that have been incurred following the execution of the Program Agreement, both before and after the breach.

**Section 14. CIVIL RIGHTS**

The administration of the Program will be consistent with the civil rights requirements of the HOME Investment Partnerships Program.

**Section 15. APPEAL PROCEDURES**

Appeals may be filed in regard to any requirement of the Program and will be initially addressed through the Program's Housing Rehabilitation Inspector. All appeals will be answered in writing within fifteen (15) working days of receipt. Appeals regarding decisions made by the Rehabilitation Inspector will be further addressed by the Director of Community Development, and the City Manager, whose decision is final.

**Section 16. AMENDMENTS TO ADMINISTRATIVE PLAN**

The provisions of the Manhattan Housing Rehabilitation Program Administrative Plan may be amended by the Manhattan City Commission.

PASSED AND APPROVED by the Governing Body of the City of Manhattan, Kansas, this 6th day of May, 2008.

(SEAL)

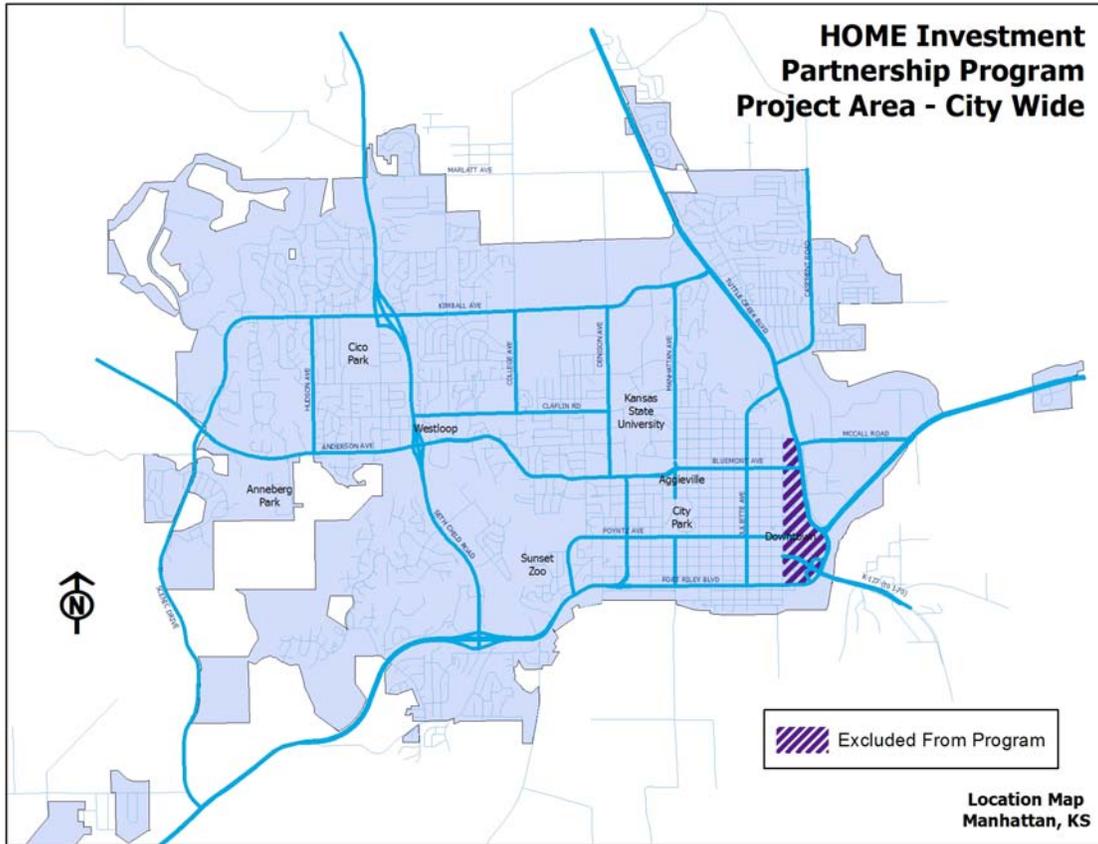
\_\_\_\_\_  
**Mark J. Hatesohl, Mayor**

ATTEST: \_\_\_\_\_  
**Gary S. Fees, City Clerk**

**Reviewed By:**

\_\_\_\_\_  
**Katharine J. Jackson, Assistant City Attorney**

**Exhibit 1**



**Exhibit 2**

**INCOME GUIDELINES**  
**Manhattan Housing Rehabilitation Program**  
 \* Based on Median Income for Riley County, Kansas

<b>% of Median</b>	<b>30%</b>	<b>50%</b>	<b>80%</b>
<b>1 person</b>	<b>\$11,850</b>	<b>\$19,750</b>	<b>\$31,550</b>
<b>2 person</b>	<b>\$13,500</b>	<b>\$22,550</b>	<b>\$36,100</b>
<b>3 person</b>	<b>\$15,200</b>	<b>\$25,400</b>	<b>\$40,600</b>
<b>4 person</b>	<b>\$16,900</b>	<b>\$28,200</b>	<b>\$45,100</b>
<b>5 person</b>	<b>\$18,250</b>	<b>\$30,450</b>	<b>\$48,700</b>
<b>6 person</b>	<b>\$19,600</b>	<b>\$32,700</b>	<b>\$52,300</b>
<b>7 person</b>	<b>\$20,950</b>	<b>\$34,950</b>	<b>\$55,900</b>
<b>8 person</b>	<b>\$22,300</b>	<b>\$37,200</b>	<b>\$59,550</b>

Source: U.S. Department of Housing and Urban Development, 2008

**ADMINISTRATIVE PLAN  
MANHATTAN EMERGENCY REPAIR PROGRAM  
City of Manhattan, Kansas**

**Section 1. INTRODUCTION AND PURPOSE**

Decent, safe and sanitary housing is critical to the physical and emotional health of the residents of the City of Manhattan. The Manhattan Emergency Repair Program, hereinafter called “the Program,” is funded by the City of Manhattan and is administered by the Community Development Department. The purpose of the Program is to provide low-to-moderate income persons with assistance for **emergency housing repairs** in order address health and safety issues.

**Section 2. GENERAL REQUIREMENTS**

- The primary beneficiaries of the Program shall be low-income persons and families.
- City building codes, and all applicable federal, state and local laws shall be followed in all work performed.
- Qualified and licensed contractors shall perform and complete all work.
- Before payment is remitted to the contractor, construction work shall be inspected by the City to ensure that the requirements of the Program have been met.

**Section 3. TARGET AREA**

The project area for the Program is within the City limits of Manhattan, Kansas, excluding identified areas, as shown in the attached map (Exhibit 1).

**Section 4. FUNDING LIMITATIONS**

Funds for the Program will be available on a first-come, first-served basis for eligible applicants and repairs. The maximum one-time funding amount will be limited to \$5,000; however no household shall receive more than \$8,000 over a three-year period. This requirement may be waived by the Program under extreme circumstances.

**Section 5. ELIGIBLE APPLICANTS**

Applicants must own and have lived in the dwelling for a minimum of one year prior to application. Dwellings that include a rental unit or rent space to unrelated individuals are not eligible for the Program.

The Applicant’s assets and income will be considered in determining eligibility for Program assistance. In order to be considered eligible, an applicant’s gross family income from all sources may not exceed 80% of median income for Riley County, Kansas, as most recently published by the U.S. Department of Housing and Urban Development (current levels attached as Exhibit 2).

The income levels of all household members 18 years of age and older must be counted in determining the household income. Income verification will be determined from the applicant’s current income and estimated for the 12 months subsequent to submission of

an application. Sources for income and asset verification will be determined through any means deemed necessary by the Program.

### **Section 6. ELIGIBLE AND INELIGIBLE REPAIRS**

Emergency funds will be provided to address activities that correct emergency housing repairs, as enumerated below, provided that the dwelling is suitable for rehabilitation. "Suitable for Rehabilitation" is defined as a dwelling in which the correction of the emergency housing repair is technically and financially feasible under this Program to restore the safety of the dwelling. If a question is raised as to whether a dwelling is suitable for rehabilitation, the Program may consult with the Code Inspection Division of the Manhattan Fire Department, in addition to evaluating the financial constraints of the Program.

Emergency housing repairs include:

1. Furnace repairs and/or replacement.
2. Plumbing repairs and/or replacement.
3. Electrical repairs and/or replacement.
4. Accessibility improvements necessary to the occupancy of the property.
5. Any other improvement deemed necessary by the Program to correct an emergency situation.

Any emergency housing repair that does not improve the health, safety or occupancy of the residents is ineligible. The following items are ineligible: pools, patios, decks, fireplaces, driveways, garages, vinyl or metal siding and other non-essential improvements. No funds shall be used for weatherization activities eligible under another governmental program. No funding will be made available for the rehabilitation of mobile homes.

### **Section 7. REPAIR PROGRAM PROCESS**

Eligible applicants must submit a complete application on a form provided by the Program. Applications will be reviewed to determine eligibility for funding. The City will inspect the property to determine whether its condition meets the purposes of the program and to produce a list of work specifications and cost estimates to determine the feasibility of the project. If the City determines that the applicant's property qualifies for the Program, the City will seek quotes for the repairs. When the City receives and accepts a quote, a Program Agreement will be executed between the applicant and the City that sets forth the responsibilities of the parties under the Program. Upon execution of the Program Agreement, the applicant has been approved for participation in the Program.

Funds will not be provided to reimburse an applicant for previous repairs. This requirement may be waived by the Housing Rehabilitation Inspector in cases of an unusual emergency circumstance.

### **Section 8. PROCUREMENT OF CONTRACTOR SERVICES**

Once a scope of work is determined, the Program will solicit quotes for the work on behalf of the property owner. All interested parties will be provided with a clear and accurate description of the technical requirements of the material, product, or services to be procured as well as any other requirements, and all other factors to be used in evaluating quotes. The Program reserves the right to reject any and all quotes.

The Program shall award projects to responsible contractors that possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to price, as well as matters of contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

The City will execute a construction contract with the contractor for the emergency housing repairs for the benefit of the property owner. Property owners and contractors are discouraged from making any other agreements outside of the construction contract between the City and the contractor, and the City is not bound by any such agreement. Any agreements contrary to the contracted work description will subject the construction contract to cancellation, at the discretion of the City.

Successful contractors and subcontractors must secure appropriate licenses and certifications required by their trade and any other requirements of the City of Manhattan; carry Workers Compensation insurance for all employees engaged in the work on the project premises in accordance with the Kansas Workers Compensation Law and be able to obtain any required credit from suppliers. Documentation for these requirements may be requested by the Program at any time to update its records.

The property owner, contractor and the City shall approve, in writing, the final inspection of the work.

### **Section 9. OWNER RESPONSIBILITIES**

In order to participate in the Program, property owners must agree to the following conditions:

- Sign a Program Agreement with the City regarding the responsibilities of the parties under the Program.
- Complete a Note and Mortgage.
- Provide access to the Contractor for repair work.
- Provide access to the City for inspections before, during and after the completion of the emergency housing repair(s) until the expiration of the Note and Mortgage.
- Approve, in writing, final inspection of the repair work.
- Occupy and continue ownership of the property for three years from the date of completion of the emergency housing repair(s), without leasing, renting or subletting any portion of the Property.

- Provide continuing hazard insurance on the property for three years from the date of completion.
- Keep current real estate taxes on the property.
- Keep current utility accounts on the property. If a payment agreement is in force, payments must be current.
- Comply with all City and state laws regarding maintenance of the property.
- Notify the Program if requests for rehabilitation assistance have been or are intended to be submitted to other agencies.

Rehabilitation assistance which totals more than \$1,000 will be provided in the form of a zero (0%) percent interest loan, which will be forgiven, if the recipient remains owner and residential occupant of the property for three years after the completion of the rehabilitation repairs. The terms of the loan shall be set forth in the Note and Mortgage that is signed by the recipient; and such Note and Mortgage shall include a provision requiring the recipient to remain the owner and residential occupant for three full years after the completion of the rehabilitation repairs. If the recipient does not remain owner and residential occupant for the full three years, the prorated amount of the assistance must be repaid, unless ownership is terminated due to medical reason or death.

If after the Program Agreement is executed, if the participant breaches the Program Agreement, or related documents, the participant may be responsible for any costs associated with the repair of the Property that have been incurred following the execution of the Program Agreement, both before and after the breach.

Rehabilitation assistance which totals \$1,000 or less will be considered a grant to the homeowner therefore a Note and Mortgage will not be required.

#### **Section 10. CIVIL RIGHTS**

All applicants will be considered without regard to race, color, creed, religion, national origin, or sex.

#### **Section 11. APPEAL PROCEDURES**

Appeals may be filed in regard to any requirement of the Program and will be initially addressed through the Program's Housing Repair Inspector. All appeals will be answered in writing within fifteen (15) working days of receipt. Appeals regarding decisions made by the Repair Inspector will be further addressed by the Director of Community Development, and the City Manager, whose decision is final.

#### **Section 12. AMENDMENTS TO ADMINISTRATIVE PLAN**

The provisions of the Manhattan Emergency Repair Program Administrative Plan may be amended by the Manhattan City Commission.

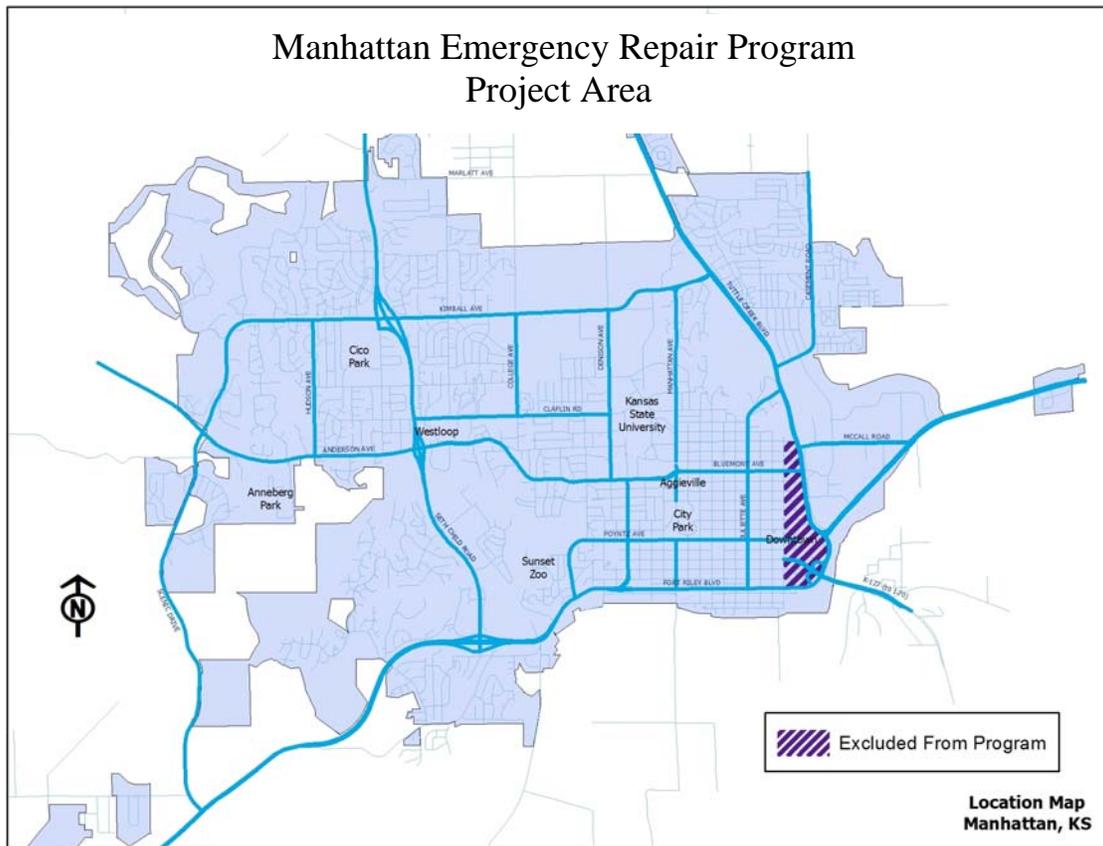
PASSED AND APPROVED by the Governing Body of the City of Manhattan, Kansas,  
this 6th day of May, 2008.

(SEAL)

\_\_\_\_\_  
**Mark J. Hatesohl, Mayor**

ATTEST: \_\_\_\_\_  
**Gary S. Fees, City Clerk**

**Exhibit 1**



## **Exhibit 2**

### **Income Guidelines Manhattan Emergency Repair Program**

<b>Number of Occupants</b>	<b>% of Median Income for Riley County, KS</b>
<b>1 person</b>	<b>\$31,550</b>
<b>2 person</b>	<b>\$36,100</b>
<b>3 person</b>	<b>\$40,600</b>
<b>4 person</b>	<b>\$45,100</b>
<b>5 person</b>	<b>\$48,700</b>
<b>6 person</b>	<b>\$52,300</b>
<b>7 person</b>	<b>\$55,900</b>
<b>8 person</b>	<b>\$59,550</b>

Source: U.S. Department of Housing and Urban Development, 2008