



MaineHousing
Maine State Housing Authority

**HOME REPAIR
PROGRAM**

**2016
PROCEDURES GUIDE**



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1. INTRODUCTION

The purpose of the program is to provide grants to income eligible homeowners for professional home rehabilitation and repair services. The program is delivered by qualified non-profit Community Action Agencies (CAAs) who operate the program in their respective service areas across the state. Contingent upon funding availability, the Home Repair Program will utilize funds from the Real Estate Transfer Tax (State Home).

This guide is a working tool and will be kept up to date by MaineHousing staff. When program guidelines or clarifications are made, MaineHousing will issue a notification and revised pages that must be added or replaced in this guide. When income limits change, new charts will be issued for replacement and made available on MaineHousing’s website at <http://www.mainehousing.org/docs/default-source/ehs-partners-library/home-repair-network-program/administrative/screening-and-intake/80-median-income-chart.pdf?sfvrsn=4>. Every effort should be made to coordinate other programs within MaineHousing such as Weatherization, Central Heating Improvement Program (CHIP), Low Income Home Energy Assistance Program (LIHEAP), Lead Hazard Grant Program, Septic Repair/Replacement Program, and Arsenic Remediation Program. Outside sources for additional funding may include, but are not limited to Rural Development and CDBG.

Any questions pertaining to the Procedures Guide should be directed to MaineHousing. The primary contact for this Program is Megan McDonough, Housing Program Officer with the Department of Energy and Housing Services at mmcdonough@mainehousing.org or at 207-626-4602 (toll free 1800-452-4668) or Maine Relay 711.

2. DEFINITIONS

Administering Agency	The Maine State Housing Authority (dba MaineHousing)
Annual Gross Household Income	Total annual gross household income from all included sources defined in this program guide.
CAA	Community Action Agency
Certified Firm (Lead)	Certified Firm means a firm that has received EPA certification to perform renovations as covered by the Final Rule (745.82). Firms that perform renovations for compensation must apply to EPA for certification to perform renovations or dust sampling. To apply, a firm must submit to EPA a completed "Application for Firms," signed by an authorized agent of the firm, and pay a fee. To maintain its certification, a firm must be recertified by EPA every 5 years.
Clearance Examinations	Sampling of dust and/or soil for the purposes of ascertaining that no lead hazards exist as a result of renovation, remodeling, interim controls or lead abatement work.
Codes	Regulations or professional standards relating to the uses of materials and the required level of workmanship to install those materials.
Construction Escrow Agreement	Agreement among CAA, homeowner, and contractor which governs disbursements to pay rehabilitation costs.
Elderly Priority	A grant made available to single family homes owned and occupied by a person at least 62 years of age, whose income is at or below 80 % AMI. Grant is used to finance health and safety and/or accessibility repairs.

Emergency Repair Priority	A severe housing condition of recent origin and threatening the health and safety of the homeowner(s).
Grant Funding Date	The date MaineHousing funds any grant pursuant to the Home Repair Program Contract.
Home Repair Construction Contract	A contract between the contractor and the homeowner describing the work to be performed and upon which the grant is based.
Home Repair Program Contract	A contract between MaineHousing and the CAA setting forth their obligations to each other under the Maine State Housing Home Repair and program.
HUD	U.S. Department of Housing and Urban Development
Lead Abatement	Any measure designed to permanently eliminate lead hazards. Permanent means that the life of the measure will last 20 or more years.
Lead Abatement Contractor	A business entity that engages in or intends to engage in Lead Abatement activities as a business service and must be trained, DEP certified and licensed.
Lead-Based Paint	Paint or other surface coatings that contain lead equal to or in excess of 1.0 milligrams per square centimeter or more than 0.5% by weight.
Lead-Based Paint Presumption	In lieu of performing Lead-Based Paint inspections and/or risk assessments, a CAA can presume the presence of Lead-Based Paint on all pre-1978 interior and exterior painted surfaces.
Lead Hazard Reduction Demonstration Grant Program	A program funded by HUD and administered by MaineHousing to reduce Lead-Based Paint hazards in pre-1978 income-eligible homes with children under the age of 6 years. Three CAAs participate in this program. (See Lead Hazard Reduction Demonstration Grant Program Administrator.)
Lead Hazard Reduction Demonstration Program Administrators	The following CAAs: Aroostook County Action Program; Community Concepts, Inc.; and Penquis Community Action Program
Lead Inspection	A surface-by-surface assessment to determine the presence and condition of Lead-Based Paint.
Lead Inspector	A DEP trained, certified, and licensed individual who conducts Lead Inspections, Lead Determinations and Clearance Examinations.
Lead Mitigation	Work performed to reduce lead hazards. Example: Lead-Safe Renovations.
Lead Risk Assessor	An individual who has been licensed by the Maine Department of Environmental Protection and trained to conduct risk assessments as well as Lead Inspections, Lead Determinations, Clearance Examinations and Lead-Safe Evaluations.
Lead-Safe Evaluations	An evaluation of a residential dwelling or child-occupied facility, or a limited portion of these, to determine whether all Lead-Based Paint hazards have been corrected.
Major Hazard	A term used primarily for Rural Development funded projects. A major hazard is a condition so severe that the property is considered unfit for habitation.
MaineHousing	The Maine State Housing Authority

Manufactured or Mobile Home	Mobile home means a residence which is constructed at a manufacturing facility on a permanent chassis (i.e. the wheel assembly necessary to transport the residence is removable, but the steel undercarriage remains intact as a necessary structural component) and is transportable in one or more sections, which in traveling mode is 12 body feet or more in width and as erected on site is 600 or more square feet.
Priority Waitlist	A waitlist maintain by each CAA which provides scored priority based on income, liquid assets, age of household members, health and safety threats to the household and the need for assistive services. Each category is provided a weighted score. A waitlist template is provided and can be found at http://www.mainehousing.org/partners/partner-type/community-agencies/homerepair .
Rehab Tech	A person who is employed by a CAA who has been trained in and whose primary function is to meet with the homeowner at their home to determine what items of rehabilitation must be done to the home to meet WSD standards, and what additional rehabilitation items the homeowner would like to do. The Rehab Tech is responsible for work write-ups and specifications, inspections of work in progress and delivery of disclosures for Lead-Based Paint.
Rehabilitation Standards	Written benchmark standards set forth in Appendix A.
Repair Grant	A grant made available to owner-occupied single family households whose income is at or below 80% AMI. Grant is used to make essential improvements, including energy-related repairs or improvements, to make improvements necessary to permit use by persons with disabilities living at the home, for Lead Paint Mitigation and to repair or replace major housing systems in danger of failure.
RRP Rule	On or before April 22, 2010, all covered renovations must be performed by Renovation, Repair & Paint Rule Certified Firms, using Certified Renovators and other trained workers.
Renovation, Repair & Painting (RRP) Certified	A contractor or individual who has successfully completed an accredited EPA Lead course.

3. PROGRAM SUMMARY

The key components of the Home Repair Program are summarized below:

- **Grants:** Contingent upon funding, the grant may be provided as follows:
 - **Repair Grant:** A grant of up to \$30,000 may be provided to single-family homes owned and occupied by persons with total household incomes at or below 80% of the area median income. The grant is used to make essential improvements, including energy-related repairs or improvements, to make improvements necessary to permit use by persons with disabilities living at the home, for lead-based paint mitigation and to repair or replace major housing systems in danger of failure. Home Repair Program funds cannot be used to complete a shell home. The home must be an existing and habitable structure to be eligible for rehabilitation assistance.
 - **15% of Repair Grant funds shall be set aside for persons 62 years of age or older.** This portion of the grant is specifically designed for elderly homeowners who are in need of accessibility improvements and/or improvements to address health and safety concerns. Use of grant funds will require that the entire home be brought up to WSD Standards.

- **25% of the Repair Grant is set aside for Emergency projects** for which WSD standards are not required. Emergencies are defined as severe housing conditions of recent origin and threatening the health and safety of the household.
- **Rehab Lead Grant:** As a component of the Home Repair grant, program funds may be utilized for work in pre-1978 homes that have presumed lead-based paint hazards and/or will undergo rehab work that will disturb painted surfaces presumed to contain lead-based paint. This is a grant, therefore no mortgage or Truth in Lending documents are required for this funding. Any use of grant funds, however, will require that the entire home be brought up to Warm, Safe, Dry (WSD) standards and will require appropriate documentation to demonstrate such. Contractors must follow the EPA RRP Final Rule on these projects for work performed. Clearance testing will comply with HUD requirements (Dust wipes).
- **Job Standards and Specifications:** MaineHousing has adopted inspection and performance standards which are outlined in the Job Standards and Specifications which are attached to and made a part of the Construction Contract as Appendix A.
- **Property Standards:** For Home Repair grants (with the exception of Emergency projects as defined above), the entire house must be brought up to WSD Standards and all repairs must be performed in accordance with written job specifications, Maine Uniform Building Energy Code (MUBEC) and local building codes (if applicable).
- **Flood Plains:** If the structure is located in a flood plain rehabilitation work may be done. Evidence of flood insurance and a map of the area indicated flooding potential and flooding history is required as part of the Phase I submission.
- **CAA Contracts & Fees:** The contract will set forth the program requirements and production goals for each CAA.
 - CAA must maintain a Home Repair waitlist and service clients based on priority ranking established by the priority ranking score on the Eligibility Priority spreadsheet found at <http://www.mainehousing.org/partners/partner-type/community-agencies/homerepair>.
 - ✓ An administrative fee of 15% will be paid on a per job basis. The fee will be paid as follows: 10% of the project total to be paid upon MH's receipt and approval of a complete Phase I packet submission.
 - ✓ Remainder to be paid upon MH's receipt and approval of a complete Phase II packet submission. Typically this will be 5%. If there are change orders, the final administrative/support amount will be adjusted accordingly.
 - ✓ No application fee can be assessed to clients for any of the programs.
 - ✓ Dust Wipe Fees: CAA will receive funds for the Dust Wipes when wipes are required on a Home Repair – lead component job.

4. GENERAL ELIGIBILITY REQUIREMENTS

A. QUALIFIED LOW INCOME HOUSEHOLD

The annual gross household income may not exceed the established HUD income limits for 80% area median income based on their location and adjusted for the size of the household at the time of application. For approved applicants, upon selection from the wait list, if more than 120 days has elapsed, the household's income and household composition will need to be re-verified by the CAA. To assess a household's eligibility, CAA shall consider three factors:

- annual gross household income (see definitions of inclusions and exclusions – Section 7);
- household size; and
- current HUD income limits.

Annual Gross Household Income is the aggregate annual gross income for all household members for whom income is counted according to the definitions of this program guide. To determine annual gross household income, refer to **Section 7, INCOME ELIGIBILITY REVIEW**. Household size will affect maximum eligible income.

CAAs must examine and maintain source documents evidencing the household's annual gross income (e.g., wage statement, interest statement, un-employment compensation statement, etc.).

With the exception of emergency funds or a prior approved Septic Loan, clients will generally not be allowed to receive more than one program grant. Clients who have previously received services, including a FIX ME, Common Home, MaineHousing Home Repair grant or loan, or an Elderly Hardship grant may not be eligible to apply for another MaineHousing grant. These clients, however, may be eligible for other loan or grant programs from funding sources outside of MaineHousing.

Any person or persons who exercise or have exercised any responsibilities with respect to activities assisted with Home Repair Program funds or who are in a position to participate in decision-making activities or gain inside information with regard to these activities, are ineligible to apply for or obtain a financial interest from a Home Repair Program assisted activity. MaineHousing requires monthly reporting from all Subgrantees of Subgrantee personnel who have been approved or denied for a Home Repair Program grant. These cases will be subject to high percentage sampling for audit/review by MaineHousing staff.

B. OWNERSHIP AND OCCUPANCY

Required documents to show proof of ownership:

- Mortgage/property deed and most recent tax bill are required to verify ownership. In the event the home is a post 1976 mobile home, bill of sale will be required in addition to property deed and most recent tax bill.
- Life Estates/Leases are eligible provided the deed or agreement clearly states that the applicant has life rights to the property to be improved.
- Mobile Homes on leased land are not eligible for the program.

An owner of the property who is seeking the assistance must be living in the home and all individuals listed on the property deed must be willing to sign the grant paperwork, whether they live in the home or not. The homeowner must have owned and occupied the home for at least one (1) year prior to application.

The property may not have restrictions or encumbrances that would restrict the marketable nature of the owner's interest. Any evidence of outstanding tax liens or wastewater liens must be cleared before a grant can be approved. Property owners must be unable to provide or obtain financing for the improvements from other sources.

A homeowner can request Home Repair funds only for their principal residence. Compliance with this requirement is evidenced by the signing of the Home Repair Program Application which certifies that the property is their principal residence.

Grants will not be considered or awarded to homeowners who are currently selling or planning to sell their home and/or property.

C. ELIGIBLE PROPERTY

A property may be deemed eligible for a Home Repair grant under the following conditions:

- Owner occupied single-family.
- Owner occupied mobile homes 1976 or newer.
- Properties with an on-site trade or business may be eligible if no more than 15% of the area of the residence is being used in the trade or business. The area of the residence includes square footage of the total area of all buildings, including accessory buildings, but does not include land.

Examples of commercial activity include use on a regular basis for storage of inventory, providing day care services in accordance with state regulations or other exclusive and regular use of the residence for a trade or business. Foster care is not considered a commercial use. The following method is to be used in determining the percentage of commercial activity. This method takes into consideration the percentage of time and floor space the home is used for commercial purposes using the following formula:

$$\frac{\text{Hours of business per week}}{168 \text{ (total hrs/week)}} \times \frac{\text{Square footage of rooms used}}{\text{Total sq. footage of residence}} = \text{Commercial Use}$$

For example: Client "A" will operate a daycare facility in a 2,500 square foot residence nine hours a day, five days a week for a total of 45 hours a week. The percentage of time the unit is used for daycare services is 26.8% (45 divided by 168 x 100). The client has determined that 1,125 square feet or 45% (1,125 divided by 2,500 x 100) of the total square footage of the residence will be used for daycare. The commercial use of the residence is 12.06% (26.8% x 45% x 100) which complies with the 15% commercial use limit.

A property is deemed **ineligible** for a Home Repair grant under the following conditions:

- Rental properties are not eligible (homes of 2 units or more).
- Rehabilitation and/or site work to land owned by a person other than the client.
- Pre-1976 mobile homes with or without additions.

D. MINIMUM AND MAXIMUM PROGRAM FUNDS

Home Repair Grants: The maximum amount for each Home Repair grant is \$30,000. The Home Repair Grant does not have a minimum threshold. If the home is pre-1978, then the maximum amount is \$30,000 (\$20,000 for general rehabilitation; \$10,000 for lead mitigation). The repair grant maximum represents the maximum MaineHousing investment, not the total costs. When funds are leveraged, the costs may exceed the maximum MaineHousing investment.

Weatherization Measures: In addition to funds for home repair and lead mitigation activities, funds for weatherization activities have also been allocated to each CAA. For each grant, up to an additional \$2,500 may be used for weatherization measures until such time as the separate allocation for has been exhausted. Examples of weatherization measures are provided in Section 5. Improvements.

CAAs may take a 15% administration fee for weatherization dollars spent from this separate allocation until such time as the funds have been exhausted. Weatherization measures for a project may exceed the \$2,500 on a project, but expenses in excess of the weatherization allocation will be taken from the Home Repair Grants. When submitting invoices for Phase I and Phase II, expenditures and administrative expenses using the separate weatherization funds must be billed on the separate lines indicated on the invoice.

5. IMPROVEMENTS

A. GENERAL

Grant proceeds may be used to make essential improvements, including energy-related repairs or improvements, to make improvements necessary to permit use by persons with disabilities living in the home, for lead-based paint mitigation, and/or to repair or replace major housing systems in danger of failure, and to address a severe housing condition of recent origin and threatening the health and safety of the homeowner(s). Home Repair Program funds cannot be used to complete a shell home. The home must be an existing and habitable structure to be eligible for rehabilitation.

The rehabilitation work must meet or exceed local and state code and be conducted in accordance with written specifications and the rehabilitation standards set forth. For MaineHousing projects, with the exception of emergency assistance, the entire building must meet WSD Standards after completion of rehab.

Emergency Repairs: In general, for a situation to be classified as an “emergency” it must meet two criteria: First, it must be of recent origin, and second, it must threaten the occupant’s health or safety in some way. The following conditions constitute an emergency:

- ✓ **No Heat in the Winter.** All heating devices have failed and the house has no safe or appropriate heat source. Clients receiving LIHEAP should be referred to the CHIP program if funding is available and the household meets the eligibility criteria.
 - ✓ **Dangerous Electrical System.** This may be active short circuits that are capable of starting a house fire or service entrance equipment attached to the side of the house that has been damaged resulting in loss of power to the house.
 - ✓ **Inoperable Toilet and Leaking Waste Pipes.** This would apply to a house with no operable toilets due to clogged drain pipes, collapsed sub-surface drain pipes, or a failed septic system that is causing sewage to back up into the house. Also this would apply to homes where waste piping is leaking and sanitary sewage is leaking into the home.
 - ✓ **Severe Roof Leak.** This would include some dramatic incident that caused immediate and severe roof leaks, such as a tree falling on and penetrating the roof or a wind storm that blew roof covering off resulting in severe leakage. Leakage must be severe or pose a threat to the electrical system.
 - ✓ **Lack of Potable Water Supply.** The home has no running cold potable water supply. As an example, this could be the result of a failed well pump. A failed domestic hot water heater, in most cases, is not considered an emergency situation.
 - ✓ Depending on the specific situation presented there may be other conditions which constitute an emergency situation outside of those specifically defined above. MaineHousing will be open to review other emergency scopes of work on a case by case basis. CAA staff will present the specific situation on a Waiver Request Form, providing detail supporting classification of the situation as an emergency. MaineHousing will review all requests and respond with a determination.
- **Building Permits:** CAA shall ensure contractors obtain required local permits, when appropriate, from the authorizing jurisdiction before work commences and ensure required inspections occur. Copies of building permits must be placed in the project file.
- **Lead-based Paint:** An EPA, RRP certified firm, using certified workers, must perform all rehabilitation work, following EPA Final Rule, that disturbs a painted surface in excess of de minimis levels as defined in 24 CFR Part 35; unless the home tests negative for Lead-based Paint or was constructed on or after January 1, 1978.
- NOTE:** When using State Home funds contractors must follow the RRP Rule. Contractors must follow HUD Lead Safe Housing Rule including clearance testing requirements.

If the total investment in **general rehab exceeds \$25,000** and the home is presumed to contain Lead-based Paint, the home must undergo Lead Abatement by a certified Lead Abatement Contractor in accordance with HUD regulations.

B. ELIGIBLE IMPROVEMENTS

Eligible improvements for Home Repair grants generally include the following:

- Installed measures and overall work performed to meet local or state codes and/or to remove major building hazards.
- Remediation of environmental hazards including Lead-Based Paint, radon, asbestos and removal of underground oil tanks. Lead Paint Hazard Mitigation is required in pre-1978 homes.
- Energy improvements:
 - a) Smoke and carbon monoxide detectors;
 - b) Installation of heating systems;
 - c) Caulking, weather-stripping, and other methods of reducing air infiltration;
 - d) Storm or thermal windows and doors, thermal shades or shutters;
 - e) Thermal insulation for ceilings, walls, floors, roofs, foundations, pipes, ducts and water heaters including interior vapor barrier and ventilation;
 - f) Heating system modifications:
 - furnace improvements to increase energy efficiency;
 - replace burners which reduce the amount of fuel used; and or
 - replace furnace or boiler.
 - g) Wood-burning and coal-burning central heating systems, chimney repairs;
 - h) Chimney construction;
 - i) Chimney removal/replacement;
 - j) Solar or wood-fired domestic hot water systems;
 - k) Solar space heating systems (active or passive);
 - l) Any other improvement which is demonstrated by a residential energy audit; performed by an energy auditor licensed under state law that meets DOE SIR;
 - m) Active Solar energy improvements, such as mechanical heat exchangers (Appropriate administering agency must approve the plans for such improvements prior to grant closing); and/or
 - n) Kitchen appliances: refrigerator & stoves are acceptable if they do not pass WSD
 - o) Supplemental heating systems; Monitors, wood and pellet stoves.
- Foundation and foundation repairs for single family homes
- Repair of existing *attached* garages when incidental to other code required work or to achieve reasonable accommodation of a disabled person or used as living space (bedroom).
- Repair, replacement or upgrade of existing septic systems.
- On-site infrastructure costs (such as electrical wiring and connections and sewer and water piping) and off-site utility connections from the property line to an adjacent street.
- Accessibility improvements such as ramps; installation of handrails and grab bars; replacement of bathtubs with wheel-in showers; lowering of items such as sinks, electrical switches, and cupboards; widening of doorways; and provision of bathroom or bedroom space on the first floor level of the dwelling.
- Removal and disposal of asbestos pipe insulation or siding.
- Repair or replacement of major housing systems in danger of failure.
- Painting, carpeting and wallpapering, **if essential**.
- Repair of an existing porch, **if essential**.
- Conditions noted in Warm, Safe, Dry (WSD) Standards Inspection not specifically referenced above.

C. INELIGIBLE IMPROVEMENTS

Listed below are ineligible improvements. This is not an all-inclusive list; items not appearing are not automatically eligible.

- Furniture, personal property.
- Attached greenhouses.
- Additions to mobile homes not resting on a slab with a frost wall or a foundation
- New Construction of garages, barns, sheds or other outbuildings.
- Construction of new home or a shell home.
- Completion of a new home or a shell home.
- Construction of a new deck or patio.
- Fences.
- Fireplaces.
- Generators.
- Heating fuel.
- Hot tub, Jacuzzi, whirlpool bath, sauna, bath house.
- Landscaping, unless used for diversion of drainage ditches and/or lead in soil mitigation.
- Paving Driveways.
- Pier, steps to lake or water, etc.
- Tree surgery or removal (unless considered essential to protect home from damage).
- Central vacuum cleaner systems.

D. IMPROVEMENTS TO MANUFACTURED HOUSING

Pre-1976 mobile homes with or without additions are not eligible for Home Repair Grants. Manufactured housing that is 1976 or newer must meet or be improved to meet the following criteria to be eligible for a grant:

- The home must be permanently attached or anchored to the land with anchors manufactured for that purpose in accordance with manufacturer's specifications and underpinned on all sides of the unit.
- The home must be fully skirted and permanently connected to water, sewerage, electric, fuel, and similar facilities or utilities.
- The wheels, axles, and hitch must be detached as part of the scope of work.

6. APPLICANT INTAKE

A. PRE-SCREEN POTENTIAL APPLICANTS

CAAs must pre-screen potential applicants to assess eligibility along with priority. When an applicant contacts a CAA, a trained staff member will briefly describe the Home Repair program and eligibility criteria (e.g. income guidelines, ownership and occupancy of the property to be improved). CAA staff should ask questions regarding the scope of work to determine if the client may have a situation warranting emergency assistance by definition provided in **Section 5** above.

If the client appears eligible, CAA should provide the client with an Application which includes a list of items for verification of eligibility, including income, assets, homeownership, etc. CAA may choose to stagger the submission of additional forms to the client to minimize confusion in completing or obtaining necessary documents and verification.

Even if a client appears to be ineligible after the pre-screening contact, the CAA must provide the Application package upon request from the client. After review of the Application submission, if the client is deemed ineligible, the client will be contacted via mail with a denial letter with a clear explanation of why the

applicant is deemed ineligible. The denial letter will provide the client an opportunity to appeal the CAA's decision within 14 days of receipt. If the client is clearly ineligible for the Program at the time of pre-screening or they have been denied after the review of their application, they should be referred to other appropriate resources. Clients who are clearly ineligible may still receive an Application package upon request. The Application will be processed as described earlier and if deemed ineligible, the denial and appeal process will be followed.

Clients determined to be eligible should be placed on the Prioritization Waitlist Spreadsheet to calculate the priority score. A CAA representative will enter the number of points earned in each category. The spreadsheet will calculate a final score. Based on the score, the CAA representative will make an "X" in the column showing priority group.

Note: CAAs are not allowed to charge an application fee.

Prioritization Waitlist Spreadsheet:

Eligible applicants for activities other than emergency projects must be prioritized according to key criteria that provide preference for those experiencing the most distress and/or are threatened by health/safety issues. The CAA will use the Prioritization Waitlist Spreadsheet, located at <http://www.mainehousing.org/partners/partner-type/community-agencies/homerepair>, to determine priority ranking for Home Repair grant projects. The spreadsheet will lead to the client being placed in a low, medium, or high priority category. Clients in the high priority category must be served before those placed in lower categories. Within each category use the ranking score to determine client selection. Prioritization Waitlists will be reviewed at the time of on-site reviews/audits and made available to MaineHousing staff upon request.

B. IN-PERSON INTERVIEWS

CAA staff shall interview each applicant. During this interview, CAA staff shall:

- Verify property ownership by obtaining a copy of the applicant's property deed and latest tax bill.
- Review the **Applicant Information Sheet** and the **Application** with the client. Clients need to fully understand the contents of the documents and CAA should not move forward with a grant until it is confident that the client understands all the information and the responsibilities of the grant. The **Application** requires the client's signature at time of closing as proof of their understanding of the provisions and requirements of the Program.
- If not already completed, the CAA staff should assist the client in completing the **Home Repair Application** based on information provided by the client.
- Staff will inform client of HUD's requirements to inspect and mitigate lead paint hazards in pre-1978 homes and will inform client that the family may have to be temporarily relocated during construction period if there is a child under the age of six (6) residing in the home.

C. ESTABLISH PROJECT FILE

CAA shall establish a file to keep all documentation pertaining to the project. Documentation must be maintained as indicated on the checklist and be available for review by MaineHousing upon request and during monitoring visits. Required documentation for Home Repair grants is outlined on the **Checklist**, all forms are located on the MaineHousing WebPortal located at <http://www.mainehousing.org/partners/partner-type/community-agencies/homerepair>.

7. INCOME ELIGIBILITY REVIEW

A. QUALIFICATION UNDER INCOME LIMITS

Client's annual gross household income must not exceed income limits for the area where the applicant resides, adjusted for household size. For Home Repair grants, client's total household income cannot exceed 80% of the area median income adjusted for family size. This Income Limit chart is available as an online resource at MaineHousings Web Portal at <http://www.mainehousing.org/partners/partner-type/community-agencies/homerepair>.

Once CAA determines that applicant meets program requirements, applicant's annual gross income must be calculated as outlined below. CAA must verify annual gross household income using standard employment verification forms and/or pay stubs. Paystubs must be recent and depict the applicant's projected income. Documents considered acceptable for establishing eligibility will be valid for 120 days predating the time of review.

NOTE: All documents must be original. The CAA should make copies of original documents and return the originals to the client. Date of receipt of documents and other forms should be date/time stamped by the CAA.

1) MaineHousing considers the following when calculating Annual Gross Household Income:

- Wages, salaries, tips, commissions, etc.
- Self-employment income from owned, non-farm business, including proprietorships and partnerships
- Farm self-employment income
- Interest, dividends, net rental income, or income from estates and trusts
- Social Security or railroad retirement
- Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs
- Retirement, survivor or disability pensions
- Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, child support and alimony

NOTE: In the event of an Emergency situation, an Applicant's certified LIHEAP application may be accepted as income documentation.

Income is calculated going forward twelve (12) months. Annual Gross Household Income shall be calculated as follows:

- a) **Gross Monthly Income.** Gross monthly income is the sum of monthly gross pay; plus any additional income from overtime, part-time employment, bonuses, dividends, interest, royalties, pensions, Veterans Affairs (VA) compensation, net rental income, alimony, child support, public assistance, sick pay, social security benefits, unemployment compensation, income received from trusts, and income received from business activities or investments.
- b) **Annualized Gross Income.** Annualized gross income is gross monthly income multiplied by 12 in the case of monthly income that is received each month. To calculate gross annual income, multiply the current monthly base pay times 12 to derive annual base earnings. Add the actual average overtime, bonuses, etc., earned in the past 12 months or period of employment, whichever is less. In the case of income which is received other than monthly, annualized gross income includes the amount of periodic income multiplied by the number of periods in a year in which the income is received. If the applicant's income is irregular, unstable, seasonal or temporary, gross monthly income is calculated by taking the average of the actual monthly employment earnings over the previous 12 months or the period of time the applicant has been engaged in that field of employment, whichever is shorter. If the applicant has regularly earned overtime, bonuses, shift differentials or commissions, they must be included in income even when the employer does not guarantee their continuation.

NOTE: Bi-weekly income is multiplied by 26 pay periods to calculate annualized gross household income. Income received bi-monthly (e.g. the 1st and the 15th of each month) should be multiplied by 24 to determine annualized gross household income.

- c) **Foregone Income.** If, during the six-month period ending on the date of application, any applicant household member whose income is counted has taken a temporary leave of absence, a temporary voluntary reduction in compensation or hours normally worked, or has temporarily resigned from employment, the income foregone by such act or acts shall be included in computing gross income.
 - d) **Temporary Unemployment.** If, during the three-month period ending on the date of application, any applicant household member whose income is counted has commenced a temporary or indefinite layoff; has become unemployed, except for permanent retirement; or has ceased employment as a self-employed individual without gaining substitute employment, gross income shall include the rate of pay immediately prior to such event. This provision shall not apply if the applicant household member(s) does not expect to return to work in the foreseeable future.
- 2) **Factors of Income Determination:** The income calculation must be done at time of application to determine annual gross household income for purposes of income eligibility. For approved applicants, upon selection from the wait list, if more than 120 days have elapsed since the original application, the household's income and household composition will need to be re-verified by the CAA. The following guidelines shall be followed in completing the income calculation for purposes of determining whether household income exceeds income limits for the area where the applicant resides.

Income Inclusions

- (a) The full amount of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before payroll deductions).
- (b) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue service regulations. Any withdrawal or cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
- (c) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in (b) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
- (d) The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except Supplemental Security Income [SSI] or Social Security).
- (e) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see paragraph [c] under Income Exclusions).
- (f) Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:

- The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**
 - The maximum amounts that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
 - TANF, Gap, Pass-through, and ASPIRE “TANF” means payment under the Temporary Assistance for Needy Families program as defined in 22 M.R.S.A., Chapter 1053-B, §3762 et seq.
- (g) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
- (h) All regular pay, special pay and allowances of a member of the Armed Forces except as excluded in paragraph (g) below.

Income Exclusions

- (a) Income from employment of children (including foster children) under 18 years old.
- (b) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family that are unable to live alone).
- (c) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker’s compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earning).
- (d) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
- (e) Income of a live-in aide.
- (f) The full amount of student financial assistance paid directly to the student or to the educational institution.
- (g) The special pays to a family member serving in the Armed Forces who is exposed to hostile fire.
- (h) Amounts received under training programs funded by HUD, state or local, or federal programs.
- (i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain self-sufficiency (PASS).
- (j) Amounts received by participants in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and that are made solely to allow participation in a specific program
- (k) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
- (l) Temporary, nonrecurring, or sporadic income (including gifts).
- (m) Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
- (n) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
- (o) Adoption assistance payments in excess of \$480 per adopted child.
- (p) Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
- (q) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

- (r) Amounts paid by a state agency to family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
- (s) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.

3. **Verification:** Annual gross household income stated on the application must be verified through source documents such as wage statements, interest statements, unemployment compensation statements, and CAA's other verification of employment forms. Additionally, three (3) most recent, consecutive months of bank statements are required for all household members.

Any future increases in income resulting from pay raises or job changes which are known at the time of application or which occur prior to closing must be taken into consideration in determining eligibility. Decreases in income may be taken into consideration if the employer provides satisfactory explanation of the change, e.g. that the decrease is permanent and also affects other employees.

4. **Self-employed:** For self-employed persons, CAA shall obtain 2 years previous tax returns and follow IRS regulations. (see www.irs.org for guidance)
5. **Re-Certification of Income:** If more than 120 days elapse before grant closing or funding, CAA shall obtain up-to-date income documentation to verify that the household is still income eligible. Income documents uploaded with Phase I submissions must be for the 120 days prior to the electronic submission date.

B. ASSETS

Generally, applicants wishing to qualify for assistance may not have "liquid assets" in excess of \$5,000. Applicants 62 years or older however, may have "liquid assets" up to a maximum of \$50,000. Further, the applicant may not have real estate in excess of that considered necessary and appropriate for their primary residence and the lot it occupies. Liquid assets are defined as cash, or assets easily converted into cash such as bank deposits, money market funds, or US Treasury bills that are available to meet the immediate and urgent needs of the household. The overall purpose of these asset limitations is to encourage a household's contribution to meeting their needs, when possible, and at the same time recognize that household assets represent needed income and insurance against financial calamities, and that it is prudent to retain these assets to some extent.

Assets owned by more than one person are prorated according to each party's percentage of ownership. If no percentage is specified or provided by state or local law, assets are prorated evenly among owners.

Assets include the market value of the following minus any fees incurred to turn the asset into cash:

- Cash on hand
- Stocks/bonds, mutual funds, and Treasury bills
- Money market or CD accounts

Assets do not include:

- IRAs or Roth IRAs
- Pension plans
- Primary Real Estate
- Value of vehicles
- Savings bonds
- 401K plans

NOTE: If applicant has other real estate (e.g. summer home, camp, time share) in addition to their primary residence, then they are not eligible for MaineHousing’s assistance under the Home Repair Program.

If CAA feels, based on their assessment and analysis, that the client has the capacity to access other funding sources for home repairs, they should refer the client to other programs or resources outside of the Home Repair Program.

8. FLOOD PLAN REVIEW

Flood insurance is required when the property to be improved is located in an area identified by the Federal Emergency Management Agency as having special flood hazards (**100-year flood zone, Zones A & V**). CAA shall require the client to obtain flood insurance on the property if no coverage exists at the time of application. The flood insurance should be for the cost of the house plus the cost of the Home Repair. CAA shall obtain a copy of an insurance binder(s) from client for the file.

9. PROPERTY INSPECTIONS AND WORK SPECIFICATIONS

If the applicant is eligible from an income and ownership perspective, the CAA can move forward with a WSD Standards property inspection (except for Emergency projects) for Home Repair projects.

Rehab Techs must be trained in WSD standards and complete training for Maine Uniform Building and Energy Code, rehab standards herein, HUD lead paint requirements, specification writing, job estimating and general construction practices. Rehab Techs must complete the following training within 12 months from date of hire:

1. RRP Certified Renovator
2. Maine Uniform Building Energy Code (MUBEC) training
3. Warm, Safe, Dry (WSD) Standards

The CAA must maintain documentation for the aforementioned trainings and certifications and make them available to MaineHousing staff upon request.

Once an applicant and a property are deemed eligible, the property is assigned to a Rehab Tech. The Rehab Tech shall then proceed to schedule the property inspection.

A. SCHEDULE PROPERTY INSPECTION

The Rehab Tech contacts the property owner to schedule an appointment and to inform the owner that an inspection of the entire home must be performed, and that the entire home must be brought up to WSD standards, with the exception of Emergency projects. All work performed must meet MUBEC requirements.

B. LEAD-BASED PAINT DISCLOSURE (for homes constructed before January 1, 1978)

1. The Rehab Tech explains to the owner that in pre-1976 homes, it is assumed all painted and/or stained interior and exterior surfaces contain lead, unless the owner has proof to the contrary. The Rehab Tech must explain the RRP Rule and HUD Lead Safe Housing Rule, including possible relocation, as applies to particular project.
2. The Rehab Tech must present to the owner a Summary & Lead Paint Hazard form. Owner shall complete and sign two copies of the form, one for the owner and one to place in the file to document compliance with this HUD requirement.
3. Rehab Tech must provide a copy of the EPA brochure entitled *“Protect Your Family from Lead in Your Home.”*

C. CONDUCT PROPERTY INSPECTION AND LEAD-BASED PAINT PRESUMPTION

1. The Disclosure of Information on Lead-Based Paint form (2 copies), copies of the EPA brochure, the Single Family Lead Hazard Presumption Notice, Environmental Review Checklist and WSD Property Inspection Form shall be part of each Rehab Tech's tool kit before leaving the office to perform an inspection.
2. The Rehab Tech must use the standard WSD Initial Property Inspection Form. This inspection form must be placed in the project file to document the inspection. All building components not meeting WSD criteria for being safe, sanitary, and operable, shall be repaired. The Rehabilitation Standards in Appendix A serve as a benchmark for quality that all repairs must meet. All work performed must meet MUBEC requirements.
3. The Rehab Tech explains to the owner that a very careful room by room inspection of the whole house, including attic and crawl space/basement must be conducted. The entire home must be brought up to WSD. This inspection should be conducted with the owner.
4. Inform the owner that federal regulations require that Lead-based Paint hazards be addressed in pre-1978 homes. The Rehab Tech shall presume all coated interior and exterior surfaces contain lead paint. Furthermore, the Rehab Tech shall presume that chipping and peeling paint in excess of two (2) square feet per interior room or 20 square feet on the exterior of the home is a Lead-Based Paint hazard following the HUD Lead Safe Rule. De minimus levels following the EPA RRP rule are 6sq. ft. interior and 20 sq. ft. exterior. Bare soil areas in excess of 9 square feet and that contain paint chips shall also be presumed a lead hazard. Projects using State Home Funds must follow the EPA, RRP Final Rule. The Rehab Tech shall complete the Single Family Lead Hazard Presumption Notice accordingly and provide a copy to the owner. A contact name and phone number must be provided in the event that the owner has questions about the lead paint presumption report.
5. The presumption of lead-based paint must be performed in all habitable areas of a pre-1978 home including exteriors of the habitable areas. Accessory buildings such as barns, sheds, breezeways and garages are generally not habitable so they do not have to be inspected whether the structures are attached or unattached. Attics and basements do not have to be presumed to contain lead provided they do not contain bedrooms or family rooms.
6. A copy of the Single Family Lead Hazard Presumption Notice must be placed in the project file. All project files must have copies of the signed Disclosure of Information on Lead-based Paint.
7. The Rehab Tech shall conclude the general property inspection by reviewing the WSD Inspection Form and the Single Family Lead Hazard Presumption Notice with the owner.

NOTE: Refer to the Property Inspection Flow Chart at the end of this section.

D. WORK AND COST ESTIMATION

Upon completion of the property inspection, the Rehab Tech shall prepare job specifications as **Exhibit A, Job Specifications**, and **Rehabilitation Construction Contract**. The Rehab Tech will use the Job Specification form to develop cost estimates for material and labor associated with each repair.

The Rehab Tech may use the following sources of information to prepare cost estimates:

- Historical data and information from previously completed projects;
- Rehab Tech's experience in construction management; and/or
- Cost estimating manuals or tools.

CAAs must submit their cost estimation on the Job Specification document to MaineHousing, signed and dated, prior to initiating the bid process.

The Rehab Tech must incorporate **Section 1, "General Requirements for All Project Specifications"**, of **Appendix A** in every job specification. All coated surfaces presumed to be a lead hazard must be repaired and must be included in the job specifications. Each work specification must include the approximate amount of material, material price and labor price for that particular specification. Only like items may be

combined for bidding purposes. For example, if a room has several windows that are being replaced and all are the same style (such as double hung) they may all be included in one individual bid. If they are not the same style, such as double hung and casement style, each style must be bid separately. (This applies to all bid items, not only windows.)

Upon completion of the project specifications and cost estimate, the Rehab Tech shall review this information with the property owner. It is very important that the owner understands that major safety items and WSD violations must be addressed first before other general repairs.

The exact Job Specifications developed by the Rehab Tech without the cost estimate will be distributed to bidders. The Rehab Tech will compare his/her cost estimate to the submitted bids to test reasonableness as part of the bid award. The Rehab Tech will note explanations on his/her cost estimate. The comparison and all bid documents will be maintained in the client file. The comparison and the winning bid job specifications will be submitted to MaineHousing as part of the bid tabulation process.

A job final specification must be incorporated as Exhibit A of the Rehabilitation Construction Contract and signed by both the homeowner(s) and the contractor. Each page will also be initialed and dated by both.

Schedule Property Inspection

- Contact owner to schedule inspection.
- Explain to owner what you need to do
 - Room by room inspection
 - Lead paint presumption-If pre-1978 home

Preparation for Property Inspection

- Bring WSD Property Inspection Checklist
- If pre-1978 home, bring 2 copies of Lead Disclosure Form, the EPA Pamphlet and the Lead Paint Hazard Information Receipt form

Step 1 of Property Inspection Process

- Meet with owner and discuss the process.
- Have owner sign both copies of the Lead Paint Disclosure Form and provide the EPA Pamphlet (if pre-1978 home).
- Inform owner of HUD Lead-Based Paint/RRP Rule regulations, including the requirement for temporary relocation of child under 6 as well as containment of work areas until final clearance testing has been completed and passed required standards.

Step 2 of Property Inspection Process

- Conduct room by room property WSD Standards inspection including attic crawl space/basement, preferably accompanied by the owner. Document all inspection results on the WSD Standards Form.
- Complete Single Family Lead Hazard Presumption Notice (if pre-1978 home). Inform owner that a copy of this notice will be sent to him/her.
- Provide a brief overview to the owner of your findings before leaving
- Inform owner what your next step will be (e.g. develop job specifications)
- Make sure all forms are in hand before leaving.

Step 3 – Property Inspection Process

- Use WSD Standards property inspection and lead presumption results to develop job specifications and cost estimate.
- Identify the specific location of the home in relation to the 100 Year Floodplain Map.
- Remember, all pre-1978 surfaces presumed as containing lead-based paint that need to be repaired can be covered by the Grant.
- All other necessary repairs can be covered by the repair grant.

Step 4 – Property Inspection Process

- In developing the cost estimate, use the Cost Estimate Form located in the appendices and separate repairs to be covered under the Rehab Lead Grant from repairs to be covered under the repair grant and the weatherization grant. This will allow the CAA to determine how much of the cost of building rehab will be covered from the lead, repair and weatherization grants.
- Write job specifications to address the necessary rehab work identified from the property inspection. Reference the appropriate sections from the Rehabilitation Standards and Specifications detailed in Appendix A of this guide to determine quality expectation for needed repair.
- An RRP Certified Firm using Certified Renovators and other trained workers must perform all rehab work that disturbs a pre-1978 painted surface.
- Paint presumed to be a lead hazard must be repaired and included in the job specifications.

10. CONTRACTOR SELECTION

A. CONTRACTOR PREQUALIFICATION PROCESS AND REQUIREMENTS

Note: Homeowners are prohibited from doing their own work, supplying their owner materials and appliances, or use or allow to be used their owner tools or equipment.

In order to ensure open and fair opportunity for all interested and potentially qualified contractors, the CAA shall place an advertisement in a local newspaper once a year to invite contractors to become prequalified to participate in the Home Repair Program. The advertisement must contain information regarding where contractors can obtain application forms and deadlines when applications are due.

The CAA may also invite contractors by sending notices directly to those the CAA has worked with in past projects.

The CAA and MaineHousing shall conduct a prequalifying process on an ongoing basis to maintain a pool of qualified contractors for the Home Repair Program.

The following represents a list of the minimum criteria for a contractor to be prequalified to perform work funded by the Home Repair Program.

1. Completion of Contractor Application Form.
2. Insurance Certificate with the following minimum coverage:
 - a. General Commercial Liability in the amount of \$500,000 per occurrence/\$2,000,000 aggregate or more (Claims Made Policy is acceptable);
 - b. Worker's Compensation Maine Statutory Limits; and
 - c. Vehicle Liability Insurance

CAAs must maintain a current insurance certificate, licenses and other required certifications on file at their office. These documents are to be made available to MaineHousing upon request and at the time of audits/monitoring visits.

3. Appropriate licenses to perform certain kinds of work such as electrical, plumbing, and heating.
4. **Copies of certificates stating that the contractor is RRP certified and the contractor's firm is certified.** This is required of all contractors and workers who potentially could disturb lead-based paint in the course of their work.
5. List of three (3) most recent residential client references. Include client name, address, and telephone number, and date work was completed.

Contractor must be eligible to receive an award under applicable laws and regulations. **The project file must contain a Contractor Eligibility Verification form for all contractors.**

The CAA shall review the application and supporting documentation package submitted by each contractor seeking prequalification. The CAA shall check references including clients and suppliers of the materials. The CAA shall also review the package for appropriate licenses and training. Once the application package is deemed complete and the CAA has performed the background check(s), the CAA shall submit a copy of the application materials and the Contractor Eligibility Verification form to the MaineHousing with a recommendation to pre-qualify or not to pre-qualify. MaineHousing will review the application materials and will determine if the contractor is qualified to participate in the program. MaineHousing will maintain a list of prequalified contractors for future reference.

Contractors pre-qualified in previous years do not have to reapply in subsequent annual invitations for prequalification. However, pre-qualified contractors must provide the CAAs annually with the following:

- General Commercial Liability in the amount of \$500,000 per occurrence/\$2,000,000 aggregate or more (Claims Made Policy is acceptable);
- Worker’s Compensation Maine Statutory Limits; and
- Vehicle Liability Insurance
- All certification updates and certifications/licenses of new staff since the last submission of documentation

Subcontractors under the direct control of a pre-qualified contractor do not have to be pre-qualified. The pre-qualified contractor will be responsible for its subcontractor’s performance.

In the event that a pre-qualified contractor fails to meet the specifications and contract requirements in a project he/she undertakes in the Home Repair Program, the CAA or MaineHousing may, at its discretion, remove this contractor from the list of pre-qualified contractors. If a CAA or MaineHousing removes a contractor from the pre-qualified list, each party shall inform the other of its decision and why. No contractor is removed from the list of pre-qualified contractors maintained by MaineHousing without the explicit written permission of the Housing Program Officer for the Program. The contractor will also be notified in writing that they are no longer considered a pre-qualified contractor.

B. SELECTION OF PRE-QUALIFIED CONTRACTOR

The homeowner **must choose** from the MaineHousing pre-qualified list of contractors. If homeowner refuses, they will be disqualified from receiving assistance.

The homeowner can request their preferred contractor to become pre-qualified, however, the homeowner should be advised that this could delay the project and that the “preferred” contractor must bid for the work as would any other contractor.

1. The Rehab Tech prepares a package for the homeowner to use in soliciting proposals from pre-qualified contractors. This package must include the following information:
 - a. A copy of the **Rehabilitation Construction Contract**, with attachments including **Exhibit A**, job specifications.
 - b. The homeowner must obtain **three** proposals to perform the work. Three qualified bids are required for all Home Repair and Elderly Hardship grant projects. In order to acquire three qualified bids, it may be necessary for the homeowner to invite four (4) or more contractors to bid.
2. If homeowner is not comfortable or skilled to solicit proposals from contractors, the Rehab Tech must increase his/her level of involvement in this task. The Rehab Tech will ask the homeowner to select several contractors on the pre-qualified list. Rehab Tech could then call these contractors to inform them of the pre-bid walk-through, on behalf of the owner.
3. The interested contractors, Rehab Tech and the homeowner shall perform a pre-bid walk-through of the subject property. This will provide an opportunity for contractors to review the specifications at the project site. The homeowner should be instructed to direct all specification questions to the Rehab Tech assigned to the project. If changes are made as a result of the property walk-through, the project specifications should be modified accordingly with permission from the owner. All parties in attendance at the walk-through shall receive written copies of the changes to the original specifications so that all interested contractors will have the same information for bidding purposes. Rehab Tech and homeowner shall pick days and times for site walk-through and make it mandatory for all pre-qualified contractors who wish to submit a bid. Any contractor who fails to attend a walk-through shall not be allowed to bid.

4. Contractor bids must be submitted to CAA in a sealed envelope to be opened at a specific date and time. Rehab Tech reviews the proposals and goes over the proposals with the homeowner to ensure that all work has been properly addressed and will be completed according to the written job specifications, that the contractor has the appropriate insurance and licenses, and that the cost is reasonable and in line with cost estimates. The Rehab Tech will determine if the bids are cost reasonable. This information must be documented on the Cost Reasonableness form. If the bids are determined to be cost reasonable, the method for making this determination must be noted (e.g., costs are within 10% of those estimated on the Work Write Up/Cost Estimate Form). If the bids are determined not to be cost reasonable, the actions taken must be noted on the form. The homeowner and the Rehab Tech must sign the form.
5. If **low bid** contractor's prices are not within 10% of the cost estimate, the Rehab Tech and the homeowner must discuss the following options:
 - a. A reduction in the scope of services to help lower costs while still meeting property rehabilitation standards. Remember, WSD items and lead-based paint hazards must be addressed first before other general repairs. (WSD standards do not apply to emergency set-aside grants.)
 - b. Revise the in-house estimate based on new and/or additional information provided by the contractor (e.g. cost of lumber increased).
 - c. Assess the possibility that a change in materials or techniques may lower costs without compromising quality or required standards.
 - d. Permit the owner to pay the difference between the cost estimate plus 10% and the contractor's price. See number 6 below for this process.
 - e. Take a position with the contractor that if he/she lowers the cost to within 10% of the original estimate, he/she will get the work and the owner will not seek quotes from other contractors.
 - f. Obtain proposals from other pre-qualified contractors.
6. The lowest qualified bidder will be awarded the project. If an owner prefers a contractor who has submitted a higher bid than its competition, the **owner must pay** the difference between the lowest qualified bid and the chosen contractor. The owner will give the CAA a check for the difference. The CAA will put this check into an escrow account and hold the funds until the job is completed. The CAA will then issue a check from the escrow account to the contractor.
7. **Advise the homeowner that no work can begin until after approval by MaineHousing**
If work begins prior to approval, any costs associated with the work that was started prior to the approval will not be reimbursed.
8. If a contractor is unable/unavailable to bid, the CAA must provide the contractor with a Refusal to Bid form. The contractor must complete, sign and submit the Refusal to Bid form to the CAA. Failure to complete this form may result in the contractor being removed from the pre-qualification list.
9. **Contractor Bids: Minimum of three (3) bids per job** must be obtained from prequalified contractors. However, MaineHousing recognizes there may be extenuating circumstances which make it unfeasible to get three contractor bids on certain jobs. In such cases, MaineHousing's practices will be as follows:

- Jobs submitted with only one bid, regardless of the number of bid refusals received, will not necessarily be eligible for funding. The acceptance of one bid would be rare and would only be considered if the CAA provided adequate documentation and justification for granting a waiver.
- Jobs submitted with two qualified bids and one bid refusal form may be acceptable if the two (2) bids received are within 10% of the rehab techs original cost estimate.

11. PRELIMINARY GRANT APPROVAL

A. DETERMINE THE AMOUNT OF GRANT:

The CAA must determine eligibility and how much the client may be eligible to receive. The preliminary approval for grants cannot occur until bids have been received and project costs and needed grant amounts can be reviewed by CAA.

If an issue arises with funding, or if requested by MaineHousing, CAA may need to revisit the work write-up and if possible delete some items from the scope of work in order to reduce costs.

B. NOTICE OF PRELIMINARY APPROVAL:

After CAA has carefully reviewed the total rehabilitation costs as well as the type and amount of financial assistance the owner will receive, and MaineHousing has approved this project, CAA shall notify the homeowner by sending a Notice of Preliminary Approval. This notification will inform the owner of their eligibility to receive the grant, the type and amount of the grant, conditions under which the grant is offered and the date of their scheduled grant closing.

12. GRANT CLOSING

If a grant does not close within four (4) months of application, CAA will have to obtain updated verification applicant household income and household composition. The reason being is that CAA must make sure that client household income still falls within the applicable median income guidelines and program eligibility.

Upon grant review and approval by MaineHousing, funds shall be forwarded to CAA on behalf of clients and must be held in escrow. Disbursements shall be made from the escrow only after CAA has received satisfactory documentation, through site inspections and document submission, that the work for which payment is sought has been properly completed according to the program standards and that the amount of the payment being requested is correct.

Rehabilitation work should begin as soon as possible from the date of closing and completion date of the rehabilitation (typically 2 months) work may not exceed four (4) months from the date of funding by MaineHousing without prior written consent from MaineHousing. CAA should try to schedule closing only after owner and contractor have established an on or about start date and completion date.

13. PRE-CONSTRUCTION CONFERENCE

A. PRE-CONSTRUCTION MEETING

A pre-construction meeting allows all parties to review their expectations, the work to be performed, and the procedures to be used. The pre-construction meeting may be held at the client's home or at the CAA's office. A copy of the pre-construction meeting report must be maintained in the project file and submitted to MaineHousing.

The homeowner, contractor(s), and Rehab Tech shall attend the pre-construction conference. At that meeting the contractor will be prepared to summarize the work to be performed and an approximate start

and completion date. (Rehabilitation work may not exceed four months from date of closing.) All parties present will be required to sign the Pre-Construction Conference Report signifying that the meeting took place and the results of that meeting/decisions made are understood and agreed upon.

At the pre-construction conference:

1. The owner and contractor will review the procedures to be utilized for inspection, building permits, if applicable, change orders, grievance and close out.
2. Homeowner, contractor and CAA will sign these documents as appropriate, the construction contract, final job specifications, the escrow agreement, and Release and Hold Harmless form.
3. The homeowner, contractor and CAA will discuss lead-based paint issues, if applicable.
4. The CAA will review procedures for contractor payment and provide the contractor with payment request forms.
5. The pre-construction conference report shall be signed.

For all pre-1978 homes where the rehab work will impact surfaces presumed to be lead-based paint, temporary relocation of the occupants may be necessary until all interior work is completed and passes dust wipe clearance criteria. Relocation is not required of elderly persons (60 years or older), or if work can be contained until dust wipe clearances are achieved. See section 15 Construction Management –Part E Occupant Protection for further guidance.

If there is a child under six (6) years of age, temporary relocation of that child is necessary and required during work that disturbs surfaces presumed to contain Lead-Based Paint to protect the child from lead poisoning.

14. SUBMISSION OF GRANTS – PHASE I

A. PREPARING GRANTS FOR SUBMISSION

Grant files submitted to MaineHousing for purchase must contain all necessary documents as listed on the appropriate checklist and as described below. All project files housed within the CAA shall include original signed documents, except as noted where photocopies are acceptable. Grant files will be submitted to MaineHousing for review electronically via the ShareFile System. Electronic file submissions will only include requested documents outlined below. Please do not submit documents intended to be housed in the CAA's internal project file. All documents uploaded via the ShareFile system will be legible, organized according to the checklist and oriented correctly. MaineHousing reserves the right to return electronic file submissions that do not meet the criteria as referenced above. The applicant and any other parties who executed the documents must initial changes to documents during or after closing. Changes to documents will not be accepted without the required initials.

All Phase I electronic file submissions including invoices, are due to MaineHousing no later than December 30, 2016.

B. REQUIRED DOCUMENTS

The following is a list of required documents to be submitted to MaineHousing for the Home Repair Program, Phase 1:

Required Document (Phase I)	Home Repair	Elderly	Emergency
Home Repair Program Application	X	X	X
Proof of Income and Assets*	X	X	X
Proof of Ownership*	X	X	X
Property Tax Report/Tax Bill*	X	X	X
Copy of Flood Insurance Binder (if applicable)	X	X	
Grant Agreement	X	X	X
Phase 1 MaineHousing Invoice	X	X	X
Phase 1 Document Checklist	X	X	X
Waivers (if applicable)	X	X	X
Construction Escrow Agreement	X	X	X
Construction Contract	X	X	X
Job Specifications (Appendix A of Contract)	X	X	X
Final Job Specifications Form	X	X	X
Change Order(s) (if applicable)	X	X	X
Septic System Design (if applicable)	X	X	X
Property Inspection Form (WSD Standards)	X	X	
Energy Audit (if applicable)	X	X	X
Floodplain Map (if applicable)	X	X	
Digital color photographs	X	X	X

**See appropriate Section of this guide for detail of documentation requirements.*

Note: Other documents are required to be executed in kept in the project file. See the Phase 1-Document Checklist for details. Not all required documents are forms generated by MaineHousing and may be from other sources.

C. APPROVAL AND FUNDING

MaineHousing will wire the grant amount upon receipt, review and approval of the required documents. CAA should ensure that grant packages submitted for purchase are correct when submitted. Although MaineHousing will attempt to contact CAA in advance regarding errors preventing purchase, MaineHousing cannot guarantee this service in all circumstances. In the event such errors prevent purchase, MaineHousing will promptly return deficient grants with an explanation of corrections needed. CAA shall re-submit corrected grant for purchase on the next scheduled purchase date.

Note: Rehab Lead Grants that are not compliant with HUD regulations or that do not follow MaineHousing procedures will not be purchased unless approved by MaineHousing in writing.

D. CAA PROJECT FILES

CAA shall maintain complete and accurate project files for each project. The CAA will retain original grant closing documents. CAA will retain all original documents and forms not required for submission to MaineHousing. The CAA shall label and organize its project files in accordance with the appropriate checklist(s) provided by MaineHousing. Use of the appropriate checklist(s) will ensure consistency in documentation and will expedite the monitoring process.

15. CONSTRUCTION MANAGEMENT

A. PERMITS

As applicable, permits from the local municipality must be obtained by the contractor prior to any work commencing. Permit(s) must be visibly posted at the site during the construction phase. A copy of all applicable permits must be kept in the project file.

B. INSPECTIONS

The CAA is responsible for conducting as many inspections as are necessary to ensure quality work and construction oversight. Inspections are required prior to any payment made to the contractor. At a minimum the CAA shall perform the following inspections:

Grant/Project Type	In-progress Inspections	Final Inspections
Home Repair	2	1
Emergency	1	1

As part of the inspection process, the Rehab Tech will:

- Take photos before work begins, at each inspection, and for contested items. Having photographs for future reference is very important should the need arise to demonstrate program compliance and quality of work.
- Complete a Construction Progress Report and photographs taken of the completed work. This report must be placed in the project file.

In-progress Inspections:

- Inspect at critical times during the construction, such as before walls are closed to see framing and when key items such as plumbing and electrical systems are accessible.
- Determine need for change orders and intervention in owner/contractor disputes.
- Confirm the contractor is performing the work in accordance with the construction contract and job specifications.
- Ensure that all necessary code inspections have been made.

Final Inspection: Ensure that all work is completed according to the Home Rehabilitation Construction Contract, including compliance with applicable codes, job specifications and lead paint clearance testing has been completed in pre-1978 homes.

C. PAYMENT TO CONTRACTORS

The number of payments that CAA issues to the contractor depends on the size of the project and the agreement with the contractor. Advancing funds to contractors is prohibited. Contractors should request payment for work completed and submit their request to the CAA with signed authorization from the homeowner. Contractor requests for payment must include documentation that describes the scope and nature of the work for which the contractor is requesting payment and applicable lien waivers. MaineHousing may request photographs to accompany change orders to ensure the necessity of the modification in the scope of work.

The CAA should approve payment only after an inspection and sign off on each work item. In all cases ten percent of the contract amount shall be withheld until final inspection is performed and all work is completed and approved. This includes achievement of HUD lead dust clearance criteria or RRP Final Rule for pre-1978 homes (where applicable).

Prior to issuing payment to the contractor, the Contractor Payment Request form must be completed and approved/signed by the contractor, Rehab Tech, and client.

CAAs must issue payment for work performed within thirty (30) calendar days of receipt of the contractor's invoice. CAAs must perform any required inspections of the contractor's work within this thirty-day time period.

Rework: If upon inspection, the CAA issues a contractor a "rework" order due to deficient or incomplete work on the part of the sub-contractor, the CAA may delay payment. Once the contractor completes the rework, the CAA must inspect the work and issue payment within thirty (30) days of the date the rework is completed.

D. CHANGE ORDERS

In housing rehabilitation situations, a change in the scope of the work may need to occur. For example, the job specifications may call for replacing the existing wall covering (drywall, paneling, etc.). It may later be discovered that the wall studs have severe damage and must be replaced. This was not anticipated in the job specifications, and a change is now required to correct the unanticipated problem. A change order must be initiated.

Change orders **MUST BE IN WRITING**. Change orders must be initiated by CAA's Rehab Tech and must be confirmed and approved for funding by CAA's Housing Manager/Director before being submitted to MaineHousing. All change orders must be submitted with color photographs to serve as evidence and document the need for additional work.

All change orders, whether they are a no-cost change order or result in a cost above that which has been granted, must have prior written approval from MaineHousing before the work can continue. Upon MaineHousing's approval, the homeowner and contractor must confirm and sign the change order. Verbal changes in the scope of work will not be allowed. CAA shall consult with MaineHousing when changes in scope of work need to be initiated. The CAA must inform the homeowner and the contractor. MaineHousing will not be obligated to fund or inspect work performed outside of the Rehabilitation Construction Contract and job specifications.

In the case of an emergency, after confirming with CAA's Housing Manager/Director, the Rehab Tech may contact MaineHousing's Technical Services Compliance Specialist by phone to receive preliminary approval to proceed with the additional work. The funding for such emergency change orders that are approved by phone will remain contingent upon receipt of written documentation and digital color photographs to serve as evidence of such change order.

Contingencies and changes in scope of work will be funded outside of the original grant, **but within the CAA's allocation**. Consult with MaineHousing for further guidance if additional funds are needed to complete unanticipated work.

E. OCCUPANT PROTECTION (PRE-1978 HOMES ONLY)

Temporary relocation of all occupants is required unless:

1. The work will not disturb lead-based paint or lead-based paint hazards:
2. Only exterior work is being conducted and openings to the interior are closed during the work and lead-hazard –free entry to the dwelling is provided:
3. The interior work will be completed in 8 hours, the work sites are contained to prevent dust release into other areas, and no other health or safety hazards are created:

4. Interior work will be completed in 5 consecutive days, work sites are contained, no other health or safety hazards are created, work sites and areas 10 feet from the containment are cleaned at the end of each work day and occupants have safe access to sleeping, kitchen and bathroom facilities. Safe access to sleeping areas and bathroom and kitchen facilities does not require that such facilities be provided in the same unit. Such facilities can be provided in another convenient location in many instances, thereby avoiding an unnecessary relocation of residents. The term “interior work” refers to work in a single room. At no time can occupants be permitted into the work sites, until after work is completed and clearance, if required, has been achieved.
5. Person is elderly (62 years old or more) and disclosure of the nature of the work is provided and informed consent of the elderly occupant(s) is obtained before commencement of the work.

When to Temporarily Relocate Occupants:

- Utilities such as water, electricity and gas are turned off for periods exceeding eight (8) hours. Rehab takes place in the kitchen or all available bathrooms.
- Rehab occurs in several rooms requiring work over several days.
- A child under the age of 6 occupies the home **(if interior work disturbs a painted surface in a pre-1978 home, there are no exceptions, and child must be temporarily relocated unless paint is proved to be non lead-based paint).**
- Occupants cannot be prevented from entering work site after hours. Debris and dust cannot be contained in the work site and may spread to occupied areas.

F. DUST WIPE CLEARANCE PROCESS (PRE-1978 HOMES ONLY - RRP clearance requirements are applicable)

HUD requires that lead dust be cleaned after all rehab work in pre-1978 homes where paint will be disturbed. CAA has three options to address the HUD clearance dust wipe-sampling requirement.

- 1) CAA Rehab Techs that are Maine DEP licensed Lead Inspectors or DEP licensed Sampling Technicians can perform dust wipe sampling of contractor’s work. The CAA will be reimbursed for its costs in accordance with Section 3, page 10 herein.
 - a) At the end of the work day contractor must remove critical barriers and HEPA vacuum/wet wipe down the entire work area prior to leaving for the day. Note: Contractor may seal off a specific area to be worked on to minimize clean up. After all interior work is completed by contractor, including window repair or replacement if applicable, contractor must clean all interior rooms and areas where work was performed on painted surfaces to meet HUD dust wipe clearance criteria. Before the required final cleaning, the occupants of the home should leave for the day to make the cleaning process easier for contractor.
 - b) Rehab Tech and contractor shall communicate as to when contractor will complete the cleaning. If possible, dust wipe sampling can be performed during one of the three required property inspections. For example, Rehab Tech could plan to do the second property inspection at the completion of all interior work. Rehab Tech can collect dust wipe samples at that time provided that all interior work is complete and work area passes the visual assessment. Rehab Tech shall take dust wipe samples in each of the areas where the contractor performed work on painted surfaces. For each room, Rehab Tech shall take one floor sample and one window sample. Rehab Tech shall alternate the location of window samples from each room. Window samples shall be taken either from the well or sill. In one room, a window well sample is collected; in the next a windowsill (interior sill) is collected.

- c) If visual inspection passes Rehab Tech will then collect samples using the protocol mentioned above. If items were left out or not completed Rehab Tech will not collect dust wipe samples. Rehab Tech shall develop a punch list and require contractor to complete the interior work prior to collecting dust wipe samples. Dust wipe samples must pass prior to final payment to the contractor.
 - d) If any of the dust wipe samples fail HUD clearance criteria as specified in the Home Rehabilitation Construction Contract, Rehab Tech must require the contractor to return to re-clean the home. Samples must pass before issuing final payment. Costs to CAA to make another visit and collect additional samples shall be recovered from proceeds due the contractor.
 - e) Rehab Tech should plan to do the final inspection at the completion of all work (including exterior if applicable). Rehab Tech will perform a visual assessment of the exterior work at that time. Rehab Tech shall inspect for any visible paint chips or debris on the ground on all sides of the home (see Final Inspection).
 - f) Relocated persons are not allowed to return to a work area until final clearance has been achieved. Containment areas must remain in place until final clearance has been achieved.
- 2) CAA can hire another CAA agency that has qualified staff to perform the dust wipe sampling process. The CAA agency that performs the dust wipe clearance will receive MaineHousing reimbursements for reasonable costs associated with shipping, laboratory analysis, mileage and labor.
 - 3) CAA can hire a private Licensed Lead Inspector or Sampling Technician to perform the work.

CAAs are strongly encouraged to use the MaineHousing Rehab Lead Grant where possible.

Contractors performing certain kinds of work in pre-1978 homes do not have to clean work areas to achieve dust wipe clearances in areas that do not disturb lead based paint/coated surfaces.. Examples include roofing repair, heating installation or repair work in the basement, electrical work that does not disturb painted surfaces in excess of two square feet per room, and plumbing work performed in the basement or in other areas of the home so long as no more than two square feet of painted surface per room is not disturbed.

Contractors that perform window repair or replacement, wall or ceiling repair, paint stabilization and repair and other kinds of repair that disturb painted surfaces in excess of two square feet per interior room must perform work using lead safe practices and must clean work areas to achieve HUD dust wipe clearance criteria.

Contractors that perform exterior work that disturbs painted surfaces in excess of 20 square feet must employ lead safe work practices. Dust wipe sampling is not required to clear exterior work, however, a visual assessment of the grounds around the building must be performed and all paint chips and debris must be cleaned prior to issuance of final payment.

In the case of multiple contractors under the direction of a general contractor, it shall be the general contractor's responsibility for ensuring that lead safe practices are followed and that dust wipe clearances are achieved. This is the preferred methodology for engaging multiple contractors because one will be responsible for the end product.

In the case of multiple contractors not under the direction of a general contractor, the contractor(s) that disturbs more than two square feet per room is responsible for achieving dust wipe clearances.

Generally those contractors that perform electrical, plumbing, and heating system work will not disturb more than two square feet per room, thus dust wipe clearances will not be required.

G. FINAL INSPECTION

After completion of all repairs in the job specifications and change orders and after interior lead dust wipe samples passes HUD or EPA clearance criteria (where applicable), the CAA shall conduct a final property inspection. This inspection must be performed with the homeowner and the contractor.

If exterior work was performed, Rehab Tech must inspect the ground on all sides of the home for any visible paint chips or debris. If paint chips or debris is observed, then contractor must clean.

If additional work is required, exterior paint debris needs to be cleaned up, or corrections need to be accomplished, the CAA must develop a written punch list. The punch list is a detailed list of all items remaining to be completed. The CAA must provide this list in writing to the contractor with instructions that upon completion of all items and inspection of the same, final payment will be made.

Note: If the anticipated final inspection results in a punch list of uncompleted items, then it is no longer the “final” inspection. Another “final” inspection must be performed to verify all work has been completed.

Immediately after completion of all punch list items, the Rehab Tech prepares a Certificate of Final Inspection. Both the homeowner and Rehab Tech sign the form to indicate that all work is complete and in accordance with the contract and change orders and further indicates the CAA’s willingness to initiate close out procedures. If HUD standards apply, Rehab Tech must check the applicable box on the Certificate of Final Inspection certifying that the home meets WSD standards. The Rehab Tech must also complete the original (or photocopy of) the WSD form. All areas that failed on the original WSD form must be marked as pass along with the date of passing. Upon completion of the Certificate of Final Inspection, the contractor must submit:

1. All invoices
2. Certificate and Release of Liens
3. Written warranties on all warranted material and all labor given to homeowner

For pre-1978 homes that involve work on painted surfaces presumed to be lead paint hazards, the CAA **must** prepare a Summary of Lead Paint Hazard Reduction Activity report of the mitigation measures used to address lead paint hazards. A copy of this report must be submitted to the owner and to the file.

If during the final inspection any deficiencies are found, they must be listed on the Punch List/Rework form. This form must then be supplied immediately to the contractor and also emailed or faxed to MaineHousing. All reworks must be completed within thirty (30) days.

H. CONTRACT CLOSE-OUT

Once the CAA has received the Certificate of Final Inspection signed by the homeowner and the contractor, all invoices, the Certificate and Release of Liens, and all written warranties, the CAA shall prepare and issue payment for the outstanding amount due to the contractor. Delivery of the payment and the contractor’s acknowledgement of receipt of the final payment close the project. A copy of the Certificate of Final Inspection, Certificate and Release of Liens and warranties must be submitted to Rural Development when its funds are involved.

16. SUBMISSION OF FINAL DOCUMENTATION – PHASE II

REQUIRED DOCUMENTS TO MAINEHOUSING FOR CONTRACT CLOSE-OUT, PHASE II

All Phase II files and invoices are due to MaineHousing no later than December 31, 2016. Any files received after December 31, 2016 will not receive the final payment of Admin fees.

The following is a list of required documents to be submitted to MaineHousing for the Home Repair and Elderly Hardship grants, Phase II :

Required Document (Phase II)	Home Repair	Elderly	Emergency
Phase 2 MaineHousing Invoice**	X	X	X
Phase 2 Document Checklist	X	X	X
Change Order(s)	X	X	X
Final Septic Inspection and Sign-off	X	X	
Summary & Lead Paint Hazard Info Form	X	X	
Lead Dust Wipe sample report	X	X	
Contractors' Payment Request (w/invoices)	X	X	X
Certificate and Release of Liens	X	X	X
Certificate of Final Inspection	X	X	X
Digital color photographs	X	X	X

**If lead dust wipes have been used as a part of any Home Repair project, the invoice(s) for all dust wipes must be submitted as a part of the Phase II Final Submission. The CAA agency that performs the dust wipe clearance will receive MaineHousing reimbursements for reasonable costs associated with shipping, laboratory analysis, mileage and labor. These costs must be submitted as a separate, itemized invoice on CAA letterhead. The invoice will also identify the number of dust wipes used for the project.

Once the final documentation has been reviewed and approved by MaineHousing, the CAA's final fee will be issued on the next wire date.

17. DISPUTE RESOLUTION

Disputes between the homeowner, the CAA and contractor may arise from time to time during the life of the rehabilitation project. The Home Repair Program has established a standard procedure for resolving these disputes. CAAs are initially responsible for resolving disputes. In those situations where a mutually satisfactory agreement cannot be reached between the parties, the following dispute resolution process shall be followed.

1. Client Instructions/Complaint Intake

Each CAA shall designate an individual(s) on its staff to log telephone calls from homeowners voicing complaints. Each homeowner shall receive a copy of the Applicant Information Sheet. Homeowners are instructed to contact the CAA in their area regarding complaints. All telephone or written complaints received by designated staff shall be submitted to the CAA within 24 hours of receipt of complaint. Within 48 hours of receipt of the complaint, the CAA shall contact the homeowner to assess the nature of the complaint. If the homeowner has not already done so, the CAA shall request the homeowner to put the complaint in writing.

Within five business days of receipt of the telephone or written complaint, the CAA shall send MaineHousing a notice of the complaint and all information regarding the nature of the complaint with a copy to the homeowner. If the complaint is immediately resolved (within the five (5) working days), CAA will still be responsible for reporting the complaint with all the information regarding its nature, but will note that the complaint is resolved.

2. Informal Conference

Within 15 working days from receipt of a complaint, the CAA shall organize an informal meeting with the homeowner, the contractor and the Rehab Tech to try and resolve the dispute. The CAA shall notify MaineHousing and all interested parties of the informal conference giving reasonable consideration to the schedules of all parties and the severity of the dispute. If the informal conference produces a resolution to the dispute, the CAA shall prepare a document signed by all parties involved that plainly states the agreed upon resolution. A copy of this document shall be submitted to MaineHousing. MaineHousing may attend the informal conference. If the meeting does not result in a resolution, the CAA shall document the results of the meeting and where the parties disagree. CAA shall submit a copy of these written minutes to MaineHousing. A copy of all written resolutions shall be kept in the client file.

3. Binding Arbitration

If the contractor and owner cannot come to a resolution, then the issue must be resolved through binding arbitration. The construction contract and escrow agreement among the contractor, the homeowner and the CAA will contain a binding arbitration clause. If all attempts fail to produce a resolution, the parties shall participate in a binding arbitration process as soon as possible after the informal conference.

All unresolved claims or disputes between the homeowner and contractor arising out of or related to the work shall be decided by arbitration. Unless the homeowner, and contractor otherwise agree, the arbitration shall be conducted in accordance with the construction industry arbitration rules of the American Arbitration Association. The homeowner and contractor shall submit all disputes or claims, regardless of the extent of the work's progress to the arbitrator. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

MaineHousing will cover the costs of the arbitrator for those grants issued. The parties in dispute (i.e., the contractor, owner, and CAA) will cover their attorney's fees, if any.

4. Tracking

CAAs shall maintain a log of all major disputes and provide MaineHousing with a copy of such log when requested. The dispute log must clearly document the nature of the dispute, contacts made with the parties involved, and actions taken to resolve the dispute. MaineHousing will monitor each CAA to ensure all disputes are resolved as quickly as possible.

18. MONITORING AND REPORTING

A. MONITORING

MaineHousing reserves the right to conduct job site visits and visits to the CAA's office to assess program compliance. If deficiencies are discovered during these visits, MaineHousing will inform the CAA of these deficiencies and require the CAA to correct them. MaineHousing will monitor all aspects of the housing rehabilitation program, including administration, construction and fiscal operations of the CAA.

The monitoring process will be conducted in the following manner:

1. Grant submittals from CAA will be reviewed by MaineHousing prior to approval. All documents that are required for grant submittal will be reviewed for completeness and accuracy. If any of these documents are missing or incomplete, MaineHousing will inform CAA of the deficiency and require CAA to correct the deficiency before approval/purchase of the grant.

2. Staff will conduct field monitoring including construction in progress as well as review of CAA files. Staff will randomly select a number of project files during a site visit and review those files. Staff will use the applicable checklist to ensure each file contains the required documentation and that the documentation is complete and accurate.
3. MaineHousing will provide the CAA with a written report of the visit and inform CAA as to the nature of any deficiencies and provide instructions to remedy the deficiencies.
4. CAA will respond in writing describing the corrective actions taken to remedy identified deficiencies. Corrective actions and the written response are due within 30 days of the date of written monitoring report.
5. A subsequent site visit may be performed to assess CAA's effort in correcting deficiencies.
6. Construction monitoring will include a check for building permits, contract documents and written job specifications, and a check for appropriate licenses including plumbing, electrical, heating, and RRP Certification, if applicable. Copies of these documents must also be in each project file. Any failure on the part of the CAA in obtaining copies of these documents will be noted and must be corrected.

Under provisions agreed to by the client in the Applicant Affidavit, MaineHousing or its authorized representatives shall have the right to conduct inspections of the property to be improved at any time from the date of the grant.

B. REPORTING

MaineHousing reserves the right to call upon CAA to provide specific information regarding grants. CAAs shall respond to these requests for reports as applicable.

In accordance with Section 6, CAA will provide, upon request, a copy of the log of major disputes received and tracked. This log must clearly document the nature of the dispute, contacts made with the parties involved, and actions taken to resolve the dispute.

19. EXCEPTIONS TO PROCEDURES

All procedures set forth within this guide must be followed and executed at all times, for all grants.

MaineHousing may review projects on a case by case basis, at the request of the CAA. Depending upon client's housing and/or financial situation, MaineHousing may provide exceptions to the procedures and requirements detailed in this guide, but only on a limited basis and only under extenuating circumstances.

CAAs cannot make exceptions without MaineHousing's prior review and approval. If questions arise, please call MaineHousing, before moving forward with a grant application, to discuss possible considerations and/or potential exceptions. Unauthorized exceptions will not be honored.