



HOME Investment Partnership Program Policies and Procedures Manual

City of Bridgeport
Department of Housing and Community Development

• **Contents**

Section I. About This Manual	4
Section II. Definitions	5
Section III. The HOME Program	8
Distribution of Funding:	8
Section IV. General Eligibility Requirements	8
Section V. Eligible Project Costs	10
Section VI. Long-Term Affordability	12
Section VII. First-Time Homebuyer Down Payment and Closing Cost Assistance Program	13
Introduction	13
Background and General Description of Program	13
Other Homebuyer Requirements	15
Underwriting Policy	16
Determining Assistance Amount	17
Maximum HOME Assistance Per Unit	17
Affordability Period	18
Recapture Requirements	18
Homebuyer Counseling	19
Section VIII. Eligible Property Types	19
Additional Requirements for Eligible Properties with Rental Units	19
Notice to Seller and Voluntary Sales Notice	20
Sales Agreement Requirements for Properties with Rental Units	20
Other Requirements	20
Section IX. Homeowner Rehabilitation Program	23
Purpose and Program Scope	23
Household and Property Eligibility Criteria	23
Waitlists	25
Inspection and Scope of Work	25
Eligible and Ineligible Activities	26
Accessibility Improvements	27
TEMPORARY RELOCATION	28
Participant Pre-construction Requirements	28
Fair Housing	28
Program Administration	28

Contractor Selection	29
Homeowner Work Authorization	29
Loan Closing/Contract Signing	29
Construction Monitoring	30
Project Closeout	30
Contractor Payment	30
Record Retention	30
Labor Requirements	30
Project Closeout and Termination	30
APPLICATION CONTENTS	31
APPLICATION INTAKE	31
PRELIMINARY REVIEW	32
Eligibility Review and Underwriting	32
Rehabilitation Standards	33
Section X. Monitoring and Project Oversight	33
Section XI. Cross-Cutting Federal Regulations	37
Section XII. Conflict of Interest	41
ATTACHMENT 1	42
DOWNPAYMENT ASSISTANCE PROGRAM NOTICE TO SELLER	42
ATTACHMENT 2	44
REHABILITATION STANDARDS	44

Section I. About This Manual

The purpose of this HOME Program Manual is to assist the City, its staff, subrecipients, Community Housing Development Organizations (CHDOs) and developers with the day-to-day operations of HOME program activities within the City of Bridgeport. It provides practical information on how to implement the HOME program activities that will meet legal, financial and program obligations. It will also serve to provide the program administrator a simple step-by-step approach beginning with grant approval, activity set-up, program implementation, program audit and close-out of activities.

This manual provides a guide and a reference but is not a substitute for the federal regulations governing the HOME program. City staff will be responsible for updating this manual on a regular basis as regulations change that impact the delivery of activities and services under the HOME program in the City of Bridgeport. In the event that there is a conflict between local, state or federal regulations applicable to the HOME program, the most stringent law or regulations must be followed.

Other Resources and Information

HOME Program Website:

<https://www.hudexchange.info/programs/home/>

HOME Program Rule:

<https://www.hudexchange.info/home/home-final-rule/>

HOME Income Calculator:

<https://www.hudexchange.info/resource/2079/cpd-income-eligibility-calculator/>

HOME Income Limits:

<http://www.huduser.org/portal/datasets/il.html>

HOME Rent Limits:

<http://www.huduser.org/portal/datasets/fmr.html>

HOME Maximum Per Unit Subsidy:

<https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>

HOME Maximum Purchase Price Limits:

<https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>

CHDO Guidance:

<https://www.hudexchange.info/home/topics/chdo/>

HUD's Environmental Requirements Website:

<https://www.hudexchange.info/environmental-review/>

HUD's Fair Housing and Equal Opportunity Website:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp

HUD's Acquisition and Relocation Resources Website:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/relocation

Section II. Definitions

HOME Program: Means the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq.

Affordability Periods: The period over which the City must ensure that the assisted project remains affordable. According to Section 92.252 and 92.254 of the HOME regulations, the affordability period varies by type of activity, as well as the amount of HOME subsidy.

Annual Income: As defined for purposes of reporting under Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes,

Commitment: The City has executed a legally binding agreement for a specific local project with a homeowner, homebuyer, renter, subrecipient, contractor, developer or community housing development organization to use a specific amount of HOME funds to produce affordable housing, provide down payment assistance or provide tenant based rental assistance. All other funding necessary to complete the project or. The project location must be identified in order to meet the commitment requirements under HOME.

Commit to a Specific Local Project: If the project consists of rehabilitation or new construction (with or without acquisition) the City and project owner have a written binding agreement under which HOME assistance will be provided to the owner for an identifiable project for which all necessary financing has been secured; a budget and schedule have been established; underwriting has been completed; and under which construction is scheduled to start within twelve months of the agreement date. If the project is owned by the City, the project has been set up in the disbursement and information system established by HUD, and construction can reasonably be expected to start within twelve months of the project setup date.

Community Housing Development Organization: Community housing development organization means a private nonprofit organization that:

- (1) Is organized under State or local laws;
- (2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- (3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization;
- (4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1)); is classified as a subordinate of a central organization nonprofit under section 905 of the Internal Revenue Code of 1986; or if the private nonprofit organization is a wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "community housing development organization;"

- (5) Is not a governmental entity and is not controlled by a governmental entity;
- (6) Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
- (7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions, or by-laws;
- (8) Maintains accountability to low-income community residents;
- (9) Has a demonstrated capacity for carrying out housing projects assisted with HOME funds; and
- (10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

Displaced Homemaker: An individual who: 1. Is an adult; 2. Has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and 3. Is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

First-time Homebuyer: An individual and his or her spouse who has not owned a home during the three-year period prior to purchase of a home with HOME assistance and includes an individual who is a displaced homemaker or single parent.

HOME Funds: Funds made available under this part through allocations and reallocations, plus program income.

Homeownership: Homeownership means ownership in fee simple title in a 1- to 4-unit dwelling or in a condominium unit, or equivalent form of ownership approved by HUD.

Household: One or more persons expected to occupy a housing unit, related or unrelated.

HUD: The United States Department of Housing and Urban Development.

IDIS: The Integrated Disbursement and Information System, a HUD-operated computer network utilized to set up projects, monitor budgets, draw funds, and file other necessary reports for HUD-funded projects.

Jurisdiction: A State or unit of general local government.

Lease-purchase: Meets the qualifications in CFR Part 92.254 a.(5)(ii)(A)(7).

Low-income Families: Families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

Person with Disabilities: A household composed of one or more persons, at least one of whom is an adult who has a disability.

Program Income: Gross income received by the City or a subrecipient directly generated from

the use of HOME funds or matching contributions. When program income is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be prorated to reflect the percentage of HOME funds used. Program income includes, but is not limited to, the following: 1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions; 2. Gross income from the use or rental of real property, owned by the City or a subrecipient, that was acquired, rehabilitated, or constructed, with HOME funds or matching contributions, less costs incidental to generation of the income; 3. Payments of principal and interest on loans made using HOME funds or matching contributions; 4. Proceeds from the sale of loans made with HOME funds or matching contributions; 5. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions; 6. Interest earned on program income pending its disposition; and 7. Any other interest or return on the investment permitted under §92.205(b) of HOME funds or matching contributions.

Project: A site or sites together with any building or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking under this part. The project includes all the activities associated with the site and building.

Project Completion: Project completion means that all necessary title transfer requirements and construction work have been performed; the project complies with the Program requirements including the property standards under § 92.251; the final drawdown of HOME funds has been disbursed for the project; and the project completion information has been entered into the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of § 92.502(d) of this part, project completion occurs upon completion of construction and before occupancy. For tenant-based rental assistance, project completion means the final drawdown has been disbursed for the project.

Reconstruction: The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is rehabilitation for purposes of this part.

Single Family Housing: A one family residence or a condominium unit.

Subrecipient: A public agency or nonprofit organization selected by the City of Bridgeport to administer all or a portion of the HOME program.

City: The City of Bridgeport, CT.

Very Low-income Families: Families whose annual incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

Section III. The HOME Program

The HOME Program was created by the National Affordable Housing Act of 1990 and is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing.

HOME funds are used to achieve the following objectives:

- To provide decent affordable housing to lower-income households.
- To expand the capacity of non-profit housing providers.
- To strengthen the ability of state and local governments to provide housing.
- To leverage private sector participation.

Eligible activities are defined in accordance with the following categories:

- Housing rehabilitation
- Homebuyer activities
- Rental housing activities
- Tenant-based Rental Assistance (TBRA)

Individual households, nonprofit and for-profit developers are eligible for HOME funding.

Distribution of Funding:

The City of Bridgeport invests HOME funds in eligible projects within its boundaries.

Section IV. General Eligibility Requirements

1. Eligible Beneficiaries/Residents

The HOME Program is designed to provide affordable housing to low-income households and individuals.

Eligible beneficiaries must meet the following requirements:

- Household must be at or below 80% of area median income, with income as defined for purposes of reporting under Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes;
- Household must reside in or be relocating to the City of Bridgeport;
- Household must not be an agent, consultant, officer, employee, and/or elected official of the City of Bridgeport unless a waiver is received from HUD);
- Household must meet all other requirements of the HOME program.

2. Eligible Activities

HOME funds may be used to develop and support affordable rental housing and homeownership affordability through:

- Acquisition (including assistance to homebuyers).
- New construction (includes adding additional units to an existing structure).
- Reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including related costs such as:

- Real property acquisition
- Site improvements
- Demolition
- Other eligible expenses including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations;
- Tenant-based rental assistance to eligible household(s), including security deposits.
- Operating expenses of community housing development organizations.

All housing supported with HOME funds must be permanent or transitional housing. The specific eligible costs for these activities are set forth in 24 CFR 92.206 through 209. The activities and costs are eligible only if the housing meets the property standards as outlined at 24 CFR 92.251 upon project completion.

A HOME assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and will be subject to recapture.

3. Eligible Properties

- 1-4 single family unit homes
- Condominiums/cooperatives
- Acquisition, rehabilitation, or new construction of affordable multi-family rental housing.
- Group homes
- Transitional housing and single room occupancy units
- Permanent supportive housing

4. Method of Assistance

City of Bridgeport HOME funds are provided through loans (typically forgivable once the period of affordability has ended).

5. Minimum and Maximum Amount of Assistance

The **minimum amount** of HOME funds that must be invested in a project involving rental housing or homeownership is \$1,000 per HOME-assisted unit in the project.

The **maximum amount** of HOME funds that may be invested in a project involving rental housing or homeownership is the Section 234-Condominium Housing basic mortgage limits, for elevator-type projects. The maximum amount for Bridgeport for 2020 is shown in Table 1 below.

Maximum Per Unit Subsidy Amounts

Effective June 4, 2020

0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
\$63,881	\$73,230	\$89,049	\$115,201	\$126,454

*Actual funding levels will vary project by project and may be lower, based on cost reasonableness, needs of the project and the required subsidy layering review.

6. Projects Containing Both HOME and Non-Home Units

HOME funds may be used to assist one or more housing units in a multi-unit project that contains other non-Home units. However, the following additional restrictions apply:

- Only the actual HOME eligible development costs may be supported by the HOME program.
- Actual HOME eligible development costs can be determined by the following:
 - If the assisted and non-assisted units are not comparable (non-HOME units may contain luxury materials, for example), the actual costs will be determined based on the cost allocation method outlined in HUD Notice CPD-16-15.
 - If the assisted and non-assisted units are comparable in terms of size, features and number of bedrooms, the actual cost of the HOME assisted units will be determined by pro-rating the total HOME eligible development costs of the project so that the proportion of the total development costs charged to the HOME program does not exceed the proportion of the HOME-assisted units in the project.

7. HOME Subsidy Layering and Underwriting Policy

Before committing funds to a project, the City will evaluate the proposal to determine that there will be a reasonable level of profit or return on owner's or developer's investment in a project and that no more HOME funds are invested, alone or in combination with other governmental assistance, than is necessary to provide quality affordable housing that is financially viable for the entire affordability period. This evaluation will include:

- An examination of the sources and uses of funds for the project and a determination that the costs are reasonable;
- An assessment, at minimum, of the current market demand in the neighborhood in which the project will be located, the experience of the developer, the financial capacity of the developer, and firm written financial commitments for the project.

Specific subsidy layering procedures for each activity are included in the policies and procedures for each activity.

A **market demand analysis** is **not required** for purchase assistance or owner-occupied rehab activities.

The City may rely upon the guidelines developed and/or evaluations conducted by other agencies, such as when Low Income Housing Tax Credits (LIHTC) or another HUD program funding, are used.

Section V. Eligible Project Costs

1. Acquisition Costs

Includes costs of acquiring improved or unimproved real property for specific housing projects intended to provide affordable housing.

2. Development Hard Costs

- Includes the actual cost of constructing or rehabilitating housing.
- Utility connections including off-site connections from the property line to the adjacent street.
- Improvements to the project site necessary for the development of the project that is in keeping with improvements of surrounding, standard projects, including:
 - On-site roads
 - Sewer Lines
 - Water lines
- For multi-family rental developments, costs to construct or rehabilitate laundry and/or community facilities located in the same building as the housing for the use of project residents.

3. Soft Costs

Reasonable and necessary costs incurred by the owner for the financing and development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds.

These costs include, but are not limited to:

- Architectural services
- Engineering services
- Preparation of plans, drawings, specifications, or work write-ups
- Costs to process and settle the financing for a project
- Private lender origination fees
- Credit reports
- Fees for title evidence
- Fees for recordation
- Filing of legal documents
- Building permits
- Attorney's fees
- Private appraisal fees
- Fees for an independent cost estimate
- Builders or developers' fees
- Costs of a project audit
- Affirmative marketing and fair housing information to prospective homeowners and tenants
- Staff and overhead costs directly related to carrying out the project, such as:
 - Work specifications preparation;
 - Loan processing inspections;
 - Other services related to assisting potential owners, tenants, and homebuyers;
 - Housing counseling (only for individuals who ultimately occupy a HOME unit);
 - All costs must be reasonable and thoroughly documented (including timesheets detailing actual time worked on HOME activities).
- Costs of environmental review and release of funds in accordance with 24 CFR Part 58 which are directly related to the project.

- Relocation costs (for persons displaced by the project):
 - Replacement housing payments;
 - Moving expenses;
 - Other reasonable out-of-pocket costs incurred in the temporary relocation of persons;
 - Staff time associated with providing relocation to displaced persons (including referrals housing search assistance, property inspections, counseling, and other assistance necessary to minimize hardship).
- Payment of Construction Loan, Bridge Financing, or Guaranteed Loan used for the HOME eligible development.

4. Set Aside for Community Housing Development Organizations (CHDO)

As per the 24 CFR Part 92.300, at least 15 percent of the city’s HOME allocation will be reserved for investment only in housing to be owned, developed, or sponsored by community housing development organizations.

Section VI. Long-Term Affordability

The minimum length of an affordability period depends on the amount of the HOME investment in the property and the type of activity.

HOME Investment per Unit	Affordability Period
Less than \$15,000	5 years
\$15,000-\$40,000	10 years
More than \$40,000	15 years
New Construction of rental housing	20 years
Refinancing of rental housing	15 years

For home purchase programs, the assisted household must maintain the assisted home as their residence throughout the term of the affordability period. If a home purchased with HOME assistance is sold during the period of affordability, **recapture provisions apply**. The recaptured provisions are outlined in the Down payment and Closing Assistance program policies and procedures.

For rental developments, as per the written agreement, the units must remain affordable throughout the term of the affordability period.

Section VII. First-Time Homebuyer Down Payment and Closing Cost Assistance Program

Introduction

The City of Bridgeport's First-Time Homebuyer Down Payment and Closing Cost Assistance Program (DPA Program) is administered by the Department of Housing and Community Development in partnership with nonprofit community partners and/or participating lenders who have been certified by the U.S. Department of Housing and Urban Development (HUD) as housing counseling providers.

Background and General Description of Program

1. Program Objectives

The City of Bridgeport (the "City") will use federal HOME Investment Partnerships Program ("HOME") funds for a First-Time Homebuyer Down Payment and Closing Cost Assistance Program that links homebuyer education and housing counseling with purchase and closing cost assistance for fixed rate, responsible lending mortgage loan products. The City seeks to create a seamless process for first-time homebuyers in which they receive HUD-approved homebuyer education as well as purchase and closing cost assistance. The guidelines on which this program will be based are outlined below:

- Enable long-term, successful homeownership;
- Expand the supply of decent affordable housing available to income-eligible households;
- Provide citywide first-time homebuyer education and counseling services that produce certified homebuyers who qualify for fixed rate responsible lending mortgage loans;
- Expand the City's efforts to affirmatively further fair housing opportunities pursuant to Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) as amended and implemented at 25 CFR 100; Title VI of the Civil Rights Act of 1964; the Age Discrimination Act of 1975; Executive Orders 11063 and 12259 as implemented at 24 CFR Part 107; Section 504 of the Rehabilitation Act of 1973; and Title II of the Americans With Disabilities Act.

2. Homebuyer Eligibility Criteria

To qualify for assistance under this program, the purchaser must meet the definition of a first-time homebuyer.

For the purpose of this program, a first-time homebuyer is defined as a person:

- Who has not had a present ownership interest (see definition) in a principal residence within the past three years; and
- Who has not taken a real estate tax deduction (on IRS Schedule A) for any residence within the past three years; and
- Who has not taken a mortgage interest deduction (on IRS Schedule A) for any residence within the past three years.

Exceptions to the rule:

- A single parent who has only owned a home with a former spouse while married.
- An individual who is a displaced homemaker and has only owned a home with a spouse.
- An individual who has only owned a principal residence not permanently affixed foundation in accordance with applicable regulations.

The buyer's household income must not exceed 80% of the median household income for the Bridgeport, CT HUD Metro Area, adjusted for household size, as determined by HUD.

All adult members of the buyer's household earning income must be counted when evaluating income eligibility.

The **2020** applicable HOME Program Income limits are as follows:

1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$54,950	\$62,800	\$70,650	\$78,500	\$84,800	\$91,100	\$97,350	\$103,650

- Income eligibility for the DPA Program will be calculated in accordance with the *Technical Guide to Determining Income and Allowances for the HOME Program*, HUD 1780-CPD, January 2005. Annual income is defined as adjusted gross income for the purposes of reporting under IRS Form 1040 series for individual federal annual income tax purposes. The City or its administering agency must calculate the annual income of the household by projecting the prevailing rate of income for the household at the time the City or its Administering Agency determines the family is income eligible for the Program.
- The income inclusions and exclusions allowed under the IRS 1040 definition of income are subject to change from tax year to tax year and the table below is a general representation of the IRS Form 1040. This table cannot reflect all updated inclusions and exclusions each tax year. Program partners, participants and applicants are advised to consult the IRS website for the most current version of this form at www.irs.gov.
- Current income inclusions and exclusions are as follows and will be used to determine eligibility to participate in the DPA Program:

Inclusions	Exclusions
Wages, salaries, tips, etc.	Educator expenses
Taxable interest	Certain business expenses of reservists, performing artists and fee-basis government officials
Tax exempt interest	Health savings account deductions
Ordinary and qualified dividends	Moving expenses
Taxable refunds, credits, or offsets of employment tax	Deductible part of self, state and local income taxes
Alimony received	Self-employed SEP, SIMPLE, and other qualified plans
Business income (or loss)	Self-employed health insurance deductions
Capital gain (or loss)	Penalty on early withdrawal of savings
Other gains (or losses)	Alimony paid
IRA distributions	IRA deduction
Pensions and annuities	Student loan interest deduction
Rental real estate, royalties, etc.	Tuition and fees. Attach form partnerships, S corporations, trusts
Farm Income (or loss)	Domestic production activities deduction; Attach form 8903
Unemployment compensation	Money or property that was inherited, willed, or given as a gift
Social Security Benefits	Life insurance proceeds received as a result of someone's death
Other income, including prizes and awards; gambling, lottery, or raffle winnings; jury duty fees, etc.	

- Income eligibility must be determined within six (6) months of purchasing a home assisted with DPA Program funding. Recertification will be necessary if purchase is not made within six (6) months of initial determination.
- Income eligibility will be determined pursuant to §92.203 of the 2013 HOME Program Final Rule: At least two (2) months of source documentation (e.g., wage statements, interest statements, or unemployment compensation documentation) when determining household income for all potential HOME beneficiaries. In the event of a change in employment or salary/wage rate, the City may require more than two (2) months of source documentation to determine income eligibility.

Other Homebuyer Requirements

- A household's **liquid assets** remaining **after** down payment and closing costs may not exceed \$10,000.00.

- Applicants must have a **minimum credit score of 620 on a merged credit report** and may not have filed for bankruptcy during the three years prior to date of application to the Program.
- The applicant must be a **legal resident of the United States** in order to participate in the DPA Program.
- The applicant may **not** have owned any residential real estate in the City of Bridgeport or elsewhere **within the past three (3) years**.
- The applicant **must contribute a minimum of 1% of the purchase price** of the property from his/her own or other non-City resources. All eligible DPA loans must involve the transfer of title at time of closing.

Underwriting Policy

1. First Mortgage Requirements

Fully documented first mortgages approved for funding by FHA, the VA, or a large institutional lender that underwrites to Fannie Mae, Freddie Mac, VA or FHA standards, will be acceptable to establish the applicant's ability to make payments and dependability of income, in addition to the Program's underwriting standards explained below.

Loans approved without full income documentation of the mortgagor(s), often referred to as "**no doc**" or "**stated income**" loans, may **not** be used to purchase a home with Program assistance.

Applicants must have a minimum credit score of 620 and may not have filed for bankruptcy or been foreclosed upon during the three years prior to date of application to the Program.

2. Front and Back Ratios

In order to qualify for program assistance, the homebuyer's front ratio cannot exceed 35%. The front ratio is the percentage of gross monthly income the individual homebuyer is expected to pay for monthly housing costs (i.e., mortgage principal and interest, real estate taxes, and homeowner's insurance).

The applicant's "back ratio" shall not exceed 45%. The back ratio is the percentage of a borrower's gross monthly income that would be required to cover the front ratio costs (monthly housing costs) plus any other mandatory monthly debt payments, such as car loans, personal loans and credit cards, alimony or child support ordered by a court, and/or student loans.

3. Interest Rate

The first mortgage must have a fixed interest rate for the entire term. The rate cannot be more than 100 basis points over the average weekly rate in the Primary Mortgage Market Survey published by Freddie Mac.

No temporary interest rate buy-downs are permitted. Sub-prime rates, adjustable rates, interest-only options, and/or any type of negative amortization shall not be acceptable in the first mortgage.

4. Loan Term

The first mortgage shall be fully amortized over the term of the loan and have a term "all due and payable" in no fewer than 30 years. There shall be no balloon payment requirements or pre-payment penalties included in the terms of the first mortgage.

5. Escrow Account

All households will be required to have escrow accounts for the payment of property taxes, property insurance, and ground lease fees, if applicable.

Determining Assistance Amount

The amount of DPA Program assistance provided to an eligible low-income household cannot exceed \$15,000 for the purchase of a single family (1-4 unit) home within the city limits of Bridgeport. The actual amount of a buyer's assistance shall be computed after the applicant has:

- Identified a home to purchase; and
- Has been pre-approved for a first mortgage in an amount such that their front and back ratios would not exceed the limits specified in section "E 2" above.

The Program assistance shall not exceed the amount needed to allow the applicant to become homeowners ("the affordability gap") while keeping their housing costs affordable.

The first mortgage lender will use their underwriting standards, such as front and back ratios, credit score, and income, and so on to determine the maximum first mortgage amount. The City will verify that the first mortgage meets the first mortgage requirements contained herein, and the Program grant amount will be equal to the amount, required to bridge the gap, between the acquisition cost minus the down payment, the first mortgage, and any other funds available to the buyer (i.e., Employer Assistance Program, Equity Builder, other down payment assistance) **not to exceed \$15,000.**

The assistance will be in the form of a zero percent (0%) interest deferred payment loan that may be completely forgiven at the end of the five-year affordability period if compliance with HOME regulations and the written agreement for DPA Program assistance has been maintained. **The owner must occupy the home for the full term of the loan as his/her primary residence to be eligible for full loan forgiveness.**

Maximum HOME Assistance Per Unit

The total amount of HOME funds that the City may invest on a per-unit basis in affordable housing may not exceed the Section 234-Condominium Housing basic mortgage limits for elevator-type projects. The amounts for FY 2020 are substantially higher than the maximum \$15,000 permitted under this program. The HOME Maximum Per-Unit Subsidy Limits for FY 2020 are shown in the table below.

HOME Maximum Per-Unit Subsidy Limits

Bedrooms	Maximum Assistance Amount
0	\$63,881
1	\$73,230
2	\$89,049
3	\$115,201
4	\$126,454

Source: Federal Register / Vol. 85, No. 108 / Thursday, June 4, 2020
<https://www.govinfo.gov/content/pkg/FR-2020-06-04/pdf/2020-12084.pdf>

Affordability Period

Pursuant to §92.254(a)(4) of the HOME Program Final Rule, the buyer must maintain the HOME-assisted property as their primary residence for at least the minimum affordability period. The minimum affordability period is based on the amount of assistance received, as per the table below.

Homeownership assistance HOME amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

As currently designed, the maximum assistance amount of \$15,000 requires a five-year affordability period.

The City will confirm primary residency requirements on an annual basis through homeowner certifications, utility consumption, and/or tax records.

Enforcement of this affordability period is ensured through the recapture provisions described below and in 24 CFR 92.254 (a)(5)(ii). The principal legal documents that are used to enforce the recapture restrictions are a promissory note, a deed of trust and a HOME Agreement.

Recapture Requirements

If the HOME-assisted housing is transferred, whether voluntarily or involuntarily, during the affordability period, such sale or disposition of the property during the affordability period triggers repayment of the direct HOME subsidy the buyer received when first purchasing the property. Recapture is triggered even if the sale or transfer is to another income eligible household.

If the original homeowner sells their HOME-assisted housing during the affordability period, the amount of HOME assistance recaptured by the City will be based on a pro rata basis, calculated by the length of time the housing was occupied versus the length of the affordability period. The reduction in the amount due will occur annually on the anniversary of the closing of the loan. The annual reduction will be calculated by dividing one by the number of years in the affordability period and reducing the award amount by that amount every year for the term of the loan.

For example, for a five-year affordability period, the loan amount will be reduced by 20% of the initial loan amount annually on the anniversary of the loan closing, for the life of the loan. For a 10-year affordability period, the loan amount will be reduced by 10% of the initial loan amount annually on the anniversary of the loan closing for the term of the loan.

***Example:** On January 2, 2020, Mr. Harvey received an \$8,000 direct City HOME subsidy through the DPA Program to purchase a home, thereby triggering a five-year HOME Program affordability period. He is in compliance with HOME regulations through August 8, 2023, at which point he sells the home. The balance of his loan was reduced by \$1,600 on the January 2, 2021 and another \$1,600 on January 2, 2022. At the time of sale, he must repay \$4,800 of his DPA Program loan from the net proceeds of the sale *(\$8,000-\$3,200). Net proceeds are defined as the sales price of the home minus superior non-HOME loan repayments and any closing costs.*

Resale Restriction

If the City only provides HOME assistance to develop the unit and HOME funds are not used to lower the purchase price from fair market value to an affordable price, a resale provision will be used. The resale provisions will be consistent with the HOME requirements established at 92.254(a)(5)(i). The resale provision will be enforced through the use of a deed restriction that runs with the land.

Homebuyer Counseling

In accordance with Section 92.254 of the HOME Final Rule, homebuyers receiving DPA Program assistance must receive homebuyer counseling from a HUD approved housing counseling agency, including a minimum of 8 hours of homebuyer counseling.

Subject matter for homebuyer counseling may include, but is not limited to:

- Instruction in financial management;
- Homebuyer education;
- Credit management; and
- Job training and/or placement.

Housing counseling will be provided by the City's DPA Program subrecipient and will be paid for by the City. Program participants who have received HUD-approved housing counseling from another city-approved agency prior to applying to the DPA Program may forgo counseling with the City's subrecipient if they provide evidence that they have completed counseling elsewhere.

Section VIII. Eligible Property Types

Eligible properties are one to four-family residential units located within the City of Bridgeport. The eligible property being acquired must comply with all applicable federal, state and local laws, and serve as the buyer's primary residence for the duration of the term of the loan.

Investment properties are ineligible for First-Time Homebuyer Down Payment and Closing Cost Assistance Program funding.

Additional Requirements for Eligible Properties with Rental Units

Program recipients that use HOME assistance to acquire a property with rental units:

- Are subject to City of Bridgeport HOME Program rental compliance monitoring through the duration of the affordability period.
- Must agree to abide by HOME Program rent and income limits when leasing the rental units. HOME Program rent and income limits at the time of purchase will be provided to the buyer by the Department of Housing and Community Development. Tenants of HOME-assisted rental housing are entitled to tenant and participant protections found at §92.253 of the HOME Program Final Rule.

- Must not take any action that results in the displacement of a non-owner occupant of the property being purchased.

Notice to Seller and Voluntary Sales Notice

Prior to application approval, the Administering Agency must receive a completed and executed "Notice to Seller" form (Attachment 1) from the seller that certifies that the seller is the current occupant, or, if applicable, lists the number of months the unit has been vacant.

If the property being purchased has been occupied within the ninety (90) days prior to the date of the purchase offer by anyone other than the legal owner, the City must determine that no one will be displaced by the transaction. The City will use the definitions of Displaced Person and Persons Not Displaced as per 49 CFR 24.2.

The seller must also complete and return the "Voluntary Sales Notice" in which the seller confirms that the sale is voluntary, and that the seller is not eligible for relocation assistance. This document is also attached in Attachment 1.

Sales Agreement Requirements for Properties with Rental Units

To ensure no individuals begin to rent the property after the sales agreement is signed but before loan closing, a provision must be included in the purchase offer that prohibits any tenant, other than the DPA eligible buyer household, from occupying the property before the sale is completed.

If it has been determined that no one has been displaced from the property ninety (90) days prior to the purchase offer, but the seller does intend to rent the property to a tenant prior to the sale, a Move-In Notice must be provided to the tenant prior to occupancy and execution of the lease. (See HUD Handbook 1378, Appendix 29).

Other Requirements

1. Lead-Based Paint

Properties assisted by the DPA Program must be free of lead paint hazards and are subject to HUD's Lead Safe Housing Rule at 24 CFR Part 35, Subparts A, B, K and R.

All HOME-assisted buyers will be issued a copy of the HUD pamphlet "Protect Your Family from Lead in Your Home" and will sign a receipt acknowledging that they have been provided said pamphlet.

Evidence of lead-based paint hazards and appropriate remediation (if necessary) will be determined by the City of Bridgeport. Lead hazard reports must be no less than 90 days old at the time of commitment.

2. Environmental Review

Pursuant to Part 58, properties must also pass a City environmental review. Properties located in a flood plain will require the buyer to purchase City-approved flood insurance.

3. Local Codes

Properties assisted by the DPA Program must comply with local housing code and pass an

inspection by the City of Bridgeport Department of Housing and Commercial Code Enforcement. Inspection reports must be no less than 90 days old at the time of commitment.

4. Clear Title

The property must be free of any liens or encumbrances and have clear title on the date that it is acquired by the homebuyer.

5. Sales Price

The sales price of the property being purchased may not exceed maximum purchase price for the City of Bridgeport as established by the U.S. Department of Housing and Urban Development using FHA single-family mortgage program data. The table below shows the FY 2020 limits for Bridgeport, effective 04/01/20.

HOME Sales Price Limits - FY 2020

1-unit	2-units	3-units	4-units
\$333,000	\$426,000	\$515,000	\$638,000

Source: <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>

6. Written Agreements

The homebuyer will enter into a written agreement with the City detailing all requirements of homebuyer housing programs per 24 CFR Part 92, including, but not limited to:

- Recapture guidelines;
- Affordability period definition;
- Income eligibility guidelines;
- Housing quality standards;
- Lead paint hazard standards;
- Site inspections;
- Program monitoring; and
- Non-compliance remedies and record keeping responsibilities.

7. Mortgages and Notes

The DPA Loan shall be secured by a Mortgage Note and Mortgage Deed, to be recorded on the City of Bridgeport Land Record by the homebuyer's attorney. Copies of recorded documents are to be returned to the Department of Housing and Community Development.

The Mortgage Note and Mortgage Deed shall reference all applicable HOME Program regulations, including, but not limited to:

- Income limits of rental units,
- Affordability period; and
- Primary occupancy requirement.

8. Subsidy Layering Policy

The City will conduct a subsidy layering review for each loan. A positive determination by the City in each of the following key evaluation points is required to pass the subsidy layering review.

- The City is not investing more HOME funds than necessary to provide affordable housing;
- The total available funding (both private and public) does not exceed the total purchase price of the home;
- The closing costs and fees are customary and reasonable in terms of industry standards;
- The applicants are not receiving excessive profit or windfalls from the sale (no cash back to borrower at closing). Cash back to the borrower that is \$100 or less does not need to be returned to the City.

9. Subordination Policy

The subordination of a loan made by the City of Bridgeport under the DPA Program is granted at the discretion of the City. A request for subordination of a DPA loan must be in writing and demonstrate that the new mortgage to which DPA will subordinate is for one or more of the following purposes:

- Refinance an existing mortgage to obtain a reduced (fixed) interest rate resulting in a lower monthly payment for the borrower (no cash out).
- Refinance an existing mortgage to obtain a comparable (fixed) interest rate and extended payment terms resulting in a lower monthly payment for the borrower (No cash out).
- Obtain a home equity loan for the sole purpose of improving the premises for which the City of Bridgeport had made the original DPA loan.
- Refinance an existing mortgage to halt foreclosure proceedings by a lender or halt tax deed foreclosure proceedings; and/or,
- Obtain a loan to pay for medical emergencies not covered by insurance.

For any of the above circumstances, the following terms must be met:

- The new loan must not include debt consolidation or cash-out to the borrower.
- The new loan must not be a Reverse Equity or Adjustable Rate Mortgage.
- The total combined loan to value (all mortgage debt, including the city of Bridgeport loan balance) must be less than 95% of the property value.
- Any loan proceeds in excess of \$100 remaining available at loan closing must be applied as a principal-reduction payment to the new loan balance.
- Lenders may include reasonable and customary closing costs in loan proceeds.

Section IX. Homeowner Rehabilitation Program

Purpose and Program Scope

The goal of the Bridgeport Owner-Occupied Rehab program is to alleviate specific life, health, and/or safety hazards resulting from substandard conditions in a home **owned and occupied by a low-income** household and improve housing stock through major rehabilitation/reconstruction in areas of focused revitalization.

Household and Property Eligibility Criteria

1. Ownership and Property Title

Applicant(s) must hold title to and occupy the assisted property as his or her primary residence. A Contract for Deed does not qualify as holding title or ownership of the property. Other forms of acceptable ownership include:

Inherited Property with Multiple Owners: Under this form of ownership, the applicant must demonstrate him/her as the owner-occupant of the property and that he/she is 1) low-income; 2) occupies the housing as his or her principal residence; and 3) pays all costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities). All persons on the Title who do not occupy the property must agree to sign an affidavit acknowledging approval for the assistance to be provided and that they do not occupy the property (for the purposes of calculating household income).

Living (inter vivos) Trusts: A living trust is created when the owner of a property conveys his or her property to a trust for his or her own benefit or for that of a third party (beneficiaries). The trust holds legal title and the beneficiary holds equitable title. The trustee is under a fiduciary responsibility to hold and manage the trust assets for the beneficiary. All beneficiaries of the trust must qualify as a low-income family and occupy the property as their principal residence. The contingent beneficiaries, who receive no benefit from the trust and have no control over the trust assets until the beneficiary is deceased, need not be low-income. The trust must be valid and enforceable and must ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life. A Living Trust is eligible under the following conditions:

- The beneficiary of the Life Estate or Trust must occupy the property;
- The beneficiary's household income must meet income criteria for the Homeowner Rehabilitation Program; and
- The beneficiary must meet all other conditions of eligibility for the program.

Ownership shall be evidenced and confirmed by review of a title report.

2. Principal Residence

The property must be the applicant's principal residence and must remain the applicant's principal residence and continue to remain principal residence upon completion of the rehabilitation work through the end of the affordability period.

3. Eligible Structures (Dwelling Unit)

Single family homes and properties of up to four attached units are eligible for repair assistance.

4. Property Taxes

The Department of Housing and Community Development will verify that all real estate and property taxes owed to the City of Bridgeport are current. In addition, HCD will also verify that payments owed to the Water Pollution Control Authority (WPCA) are current. Applicants that do not meet these criteria will not be eligible for assistance through the Homeowner Rehabilitation Program. Applicants who are in arrears will be given an opportunity to rectify back taxes/ liens in order to participate in the Homeowner Rehabilitation Program.

5. Location

The property must be located within the city limits of Bridgeport.

6. Homeowners Insurance

Homeowners insurance is required for the property being assisted through Homeowner Rehabilitation Program. Applicants must have valid homeowner insurance prior to being approved for a loan through the City and must maintain property insurance throughout the duration of the five-year loan term.

7. Flood Plain

If the property is located within a 100-year flood plain, the homeowners must provide evidence of flood insurance.

8. Liquid Assets

Applicants must provide information about all liquid assets of the owner(s) of the property. If the property owner has more than \$15,000 in liquid assets, the property owner may be asked to partially support the cost of the rehabilitation. Decisions will be made on a case-by-case basis pending the amount and urgency of repairs necessary and the amount of available liquid assets.

9. Previous Grant/Loan

The applicant(s) must not have received home repair or rehabilitation assistance from the City within the past ten (10) years, and the homeowner must not be under an affordability period after receipt of City down payment assistance.

10. Environmental Review

All properties approved to receive Homeowner Rehabilitation Program funding must be reviewed and approved by City staff to ensure compliance with 24 CFR Part 58 environmental review requirements. Environmental determinations and records are to be conducted by the City's Environmental Review Officer and kept with the project file by the Department of Housing and Community Development.

11. Lead-Based Paint

All homeowners selected to receive Homeowner Rehabilitation Program loans will be required to comply with HUD and City lead-based paint hazard requirements related to assessment and remediation. Housing in which children under six (6) years of age are present will be priority projects for lead remediation. If the property to be assisted with HOME funding shows a presence of lead paint, asbestos or mold, the City of Bridgeport will seek to provide assistance through the Bridgeport Lead Free Families and Healthy Homes Programs to remediate the issue(s).

12. Application Process

Property owners may obtain a Homeowner Rehabilitation Program application from the Department of Housing and Community Development in person, by mail/email or via the Department's website. Applications must be filled out completely to determine eligibility. Income verification for each rehabilitated unit will be completed prior to the first site visit. Applicants who do not meet the U.S. Department of Housing and Urban Development (HUD) income guidelines will not be eligible for assistance.

Waitlists

Assistance under the City of Bridgeport Home Repair Program is limited to a first-approved, first-served basis. HCD shall maintain a 1) **Inquiry List**; 2) **Interest List**; 3) **Intake List**; 4) **Pending Eligibility List**; and 5) **Approved List**.

- **Inquiry List**: Persons who call/inquire about the program are placed on the Inquiry List in the date order received.
- **Interest List**: Persons that have received an application as funds allow and at the applicant's request, will have applications mailed/sent to persons that are on the Inquiry List.
- **Intake List**: Applicants that have returned/submitted an application. Applications that are incomplete will remain on this list and complete applications will move to the Pending Eligibility List.
- **Pending Eligibility List**: Applicants who submit completed applications with all required documents that meet the initial screening criteria and initial feasibility assessment shall be placed on a Pending Eligibility List in date order upon submission of all required documents. Incomplete applications are maintained on the Intake List until such time all required documents are received. Applicants who remain on the Intake List for 90 days will automatically be placed on Inactive Status.
- **Approved List**: Upon receipt of all verification forms and a completion of the eligibility and underwriting process, approved applicants will be removed from the Pending Eligibility List and placed on the Approved List. Only those persons placed on the Approved List are considered as approved and will be assisted in the order they are placed on the Approved List. To ensure the waiting list policy is adhered to, applicant inquiry, intake and approval dates shall be maintained in a Home Repair Program database. HCD reserves the right to close all program lists and accept no further applications when the number of approved applicants exceeds a six (6) month wait for repairs to be completed, or where all funds have been exhausted.

In addition to the Pending Eligibility and Approved Lists, the City shall also maintain Inquiry and Intake Lists for the purpose of assessing program demand. The Inquiry List shall track all phone calls, electronic mail messages, referrals, and walk-in inquiries regarding interest in the program. The Interest List shall track all Applications sent/mailed out for assistance under the program whether completed, approved or not.

Inspection and Scope of Work

There will be a minimum of five (5) site visits to the property. HCD will coordinate these visits with the property owner(s) so that there is minimal inconvenience. These visits will include:

- The first site visit will be from the HCD Construction Manager who will schedule a meeting with the property owner in order to review rehabilitation work to be completed and draft a scope of services. If the property is a multi-family home, all units should be available for inspection. The City may also send a representative from the Department of Housing and Commercial Code Enforcement to inspect conditions at the property. Any Housing Code violations noted by the City's inspector will take a priority over all other repairs requested by the homeowner.
- If an inspector from the Department of Housing and Commercial Code Enforcement did not participate in the initial site visit, they may make a separate appointment to inspect the property for violations.
- If there are children under six (6) years of age living in the home, or if there are children under six (6) years of age living in rental unit(s), there will be a lead inspection conducted by the City of Bridgeport's Lead Division of the Health Department.
- Throughout the rehabilitation process, the HCD Construction Manager will monitor the work being performed by the contractor. These visits generally take place while the contractors are on-site and are not intended to inconvenience the homeowner(s) or contractor.
- At the end of the rehabilitation process, a representative from the City of Bridgeport's Department of Buildings will make a final visit to the site to ensure that construction/rehabilitation meets the housing quality standards required by the City of Bridgeport and HUD. The property must pass a Feasibility Inspection to confirm the feasibility that repairs will extend the life of home within the limits of available funding. Properties in need of substantial repairs beyond the available scope of the program will be deemed not eligible for assistance.

Eligible and Ineligible Activities

Eligible repair activities consist of the removal of deficiencies or health and safety hazards, improving energy efficiency, enhancing accessibility, remediating lead-based paint, and extending the useful life of the property. All improvements must be attached to the property and permanent in nature.

Eligible Repairs

Examples of **eligible** items are:

- Foundation repair;
- Electrical rewiring or repair;
- Plumbing repair;
- Roof replacement or repair;
- Heating system installation or repair;
- Window and door replacement;
- Repair of structurally significant damaged wood;
- Floor coverings where they pose a hazard.

Ineligible Repairs

Ineligible activities consist of any unnecessary physical improvements, any repairs of a cosmetic nature, repairs to sheds, and repairs to garages or any structure not attached to the living unit.

Free-standing appliances and luxury items are not permitted. Examples of luxury items are:

- Swimming pools
- Decks
- Patios and patio cover
- Room additions
- Hot tubs;
- Fireplaces (unless they pose a hazard)
- Custom cabinets
- High-end appliances

Upgrades such as granite counters, hard wood flooring, and stone finishes are **not** allowed unless costs for such materials are priced equal to or less than modest material finishes.

Landscaping is also not allowed except to protect the structural viability of the house, such as drainage, or if required by local ordinance. Items done for beautification or energy efficiency must be in conjunction with a repair required for health or safety reason.

Other ineligible activities include but are not limited to:

- Increasing the number of units on a property;
- Detached garages and other detached structures;
- Luxury finishes (such as marble, stone, staining, hardwood, etc.);
- Private road improvements; and
- Garage door openers.

ADDRESSING MINIMUM PROPERTY STANDARDS AND BUILDING CODES:

The City of Bridgeport's Housing Rehabilitation Program is a Rehabilitation Program and not a remodeling or custom home replacement program.

The Program is primarily intended to repair (if applicable, replace) homes that are in poor or dilapidated condition, have numerous code deficiencies, and do not meet current building and or Housing Quality Standards (HQS) established by the U.S. Department of Housing and Urban Development (HUD) because of deferred maintenance, age, natural or accidental causes.

The Program is not intended to remodel homes but to conserve and preserve the existing housing stock.

Accessibility Improvements

Properties occupied by a disabled household member(s) qualifies for services aimed at removing architectural barriers under this Program. Repairs or improvements increasing overall accessibility may be undertaken.

Eligible accessibility improvements include but may not be limited to:

- Grab bars
- Transitional floor coverings
- Zero entry showers with seats
- Bathtubs with seats
- Replacement of doorknobs with lever action handles
- Plumbing alteration or modifications
- Ramps

- Sliding doors
- Kitchen cabinet modifications
- Widening doorways and hallways
- Toilet alteration or modification
- Electrical switches and outlet relocation

Reasonable accommodations will be made to meet homeowner needs based on the nexus between the homeowner's disability and the improvement requested.

TEMPORARY RELOCATION

Relocation is not contemplated as a part of this rehabilitation program except in the case of reconstruction, if offered. However, if an unanticipated event occurs which requires temporary relocation, such relocation shall be performed in compliance with the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970, as amended, and Section 104(d) and may be paid for using program funds as set out in the Temporary Relocation Policy Guide attached to this procedures manual.

Participant Pre-construction Requirements

Homeowners are responsible for movement or removal of items that will not be repaired and might obstruct the contractor's access to perform repairs.

Debris removal and access are pre-construction requirements to program participation. Property owners will be required to clear the exterior and interior property site of all identified trash, debris, inoperable vehicles and derelict structures prior to receiving program assistance that obstruct or inhibit the contractor from performing repairs, including but not limited to the moving furniture, appliances, or other personal items.

If the owner is elderly or handicapped and cannot physically clear the property or arrange for the removal of the debris, referral will be made for the homeowner to seek assistance from volunteer groups and nonprofits. Failure to move items that obstruct a contractor's ability to perform work within three (3) calendar days following the Notice to Proceed may lead to termination of assistance.

Fair Housing

The Home Repair Program shall be implemented in ways consistent with the City's commitment to fair housing. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with federal, local, or state funding. The Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, sexual orientation, creed, ancestry, national or ethnic origin, age, family or marital status, handicap or disability, or another arbitrary basis.

Program Administration

The HRP is primarily administered by the Department of Housing and Community Development (HCD). HCD is responsible for all aspects of program implementation including:

- Applicant intake and program eligibility determination
- Property assessments
- Temporary relocation, as needed
- Contractor selection
- Bidding

- Construction management
- Payment processing
- Construction progress and final inspections

Contractor Selection

Following initial application intake and site visit by HCD staff, a detailed scope of services will be provided by HCD. It is anticipated that all projects will contain scopes of service totaling less than \$25,000.00. Therefore, the City will seek quotes from a minimum of three (3) qualified contractors.

Contractors will be selected in accordance with the City of Bridgeport's purchasing policies, consistent with the requirements of 2 CFR Part 200.

Contractor responses to bid notices must include, at a minimum, a write-up of the work to be performed and an estimate of cost, by line item or trade category, as per the scope of work.

Following the bid close deadline, HCD will select a qualified contractor using a closed bid process for each project. HCD will ensure compliance with local policies and issue an RX number and Notice to Proceed once they have obtained all necessary compliance documentation.

Pursuant to 2 CFR Part 200, the City will not make any award or permit any subcontract to a party that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs. The Department of Housing and Community Development will be responsible for monitoring contractor eligibility through www.sam.gov. All contractors selected for work on the Homeowner Rehabilitation Program are to be licensed, insured and qualified to perform the rehabilitation work they are proposing. Proposals should address all the deficiency items in the scope of services in sufficient detail so that HCD may ensure compliance with local, state, and federal standards.

Efforts will be made to ensure that small minority- and women-owned business concerns are given opportunities to bid on, and receive, contracts related to work performed through the Homeowner Rehabilitation Program.

Homeowner Work Authorization

Upon review of the scope of work prepared by the City of Bridgeport, the selected homeowner must execute a Homeowner Rehabilitation Agreement with the City and the Contractor detailing, among other things, the work to be performed at their home and an estimated cost of said work.

Loan Closing/Contract Signing

Once the application has been approved, the applicant will execute the following loan documents:

- a. Homeowner Rehabilitation Agreement (referenced above)
- b. Open-End Mortgage Deed (with an owner occupancy requirement)
- c. Mortgage Note and Loan Agreement
- d. Various required mortgage disclosure documents

The Mortgage Deed will be recorded on the City's Land Record at the Town Clerk's Office. The City will be using its attorneys to prepare the documents. The City's attorney will be at the closing to explain the documents to the homeowner. However, they represent the City and not the homeowner. It is recommended that homeowners retain an attorney to represent them in the closing of the loan.

Construction Monitoring

The City of Bridgeport will conduct periodic site visits throughout the duration of the construction process to ensure that the work identified in the scope of services is being carried out in compliance with state and local code. Department of Housing and Community Development staff will inspect the work completed by the contractor with the owner on site to ensure the project is being completed within program guidelines and budget. Contractors will be responsible for obtaining all permits and required inspections from the City of Bridgeport Building Department.

Project Closeout

When all work is complete, a final inspection will be made by the HCD Construction Manager to ensure that work has been completed properly pursuant to local code and construction documents produced in connection with the contractor's bid on the project. Prior to release of final payment, all forms, reports, liens shall be in place.

If a project comes in under budget, encumbered but unspent Homeowner Rehabilitation Program funding will be returned to the Program and reallocated to another eligible project.

Contractor Payment

- Contractor will be authorized to submit two draws for each rehab job, one at 50% completion and one at 100% completion.
- The Department of Housing and Community Development will review all invoices received from the Contractor; ensure work being invoiced was completed; and determine if invoice is eligible for payment.

Approved invoices will be forwarded to the Deputy Director of OPED for final approval and payment authorization. Per City of Bridgeport policy, contractors should expect payment no sooner than thirty (30) days from the date of an invoice and all required documentation is submitted to the City.

Record Retention

HCD will maintain all files related to the Homeowner Rehabilitation Program for the duration of the loan terms, as well as for a period of four (4) years following the submission of the City's Consolidated Annual Performance and Evaluation Report in which the Homeowner Rehabilitation Program is reported on for the last time, pursuant to 24 CFR 570.502(a) (16).

Labor Requirements

Work performed on the Homeowner Rehabilitation Program is to comply with all local, state and federal labor standards, as applicable, and are to be included in all bid documents by City.

Project Closeout and Termination

When all work is complete, a final inspection will be made to release the remaining funds in the Construction Account. Prior to release of final payment, all forms, reports, lien releases, etc., shall be in place. This is the final step in the Rehab Process.

APPLICATION CONTENTS

The HRP Application shall be made available as funds and program capacity allows. When funds are available, the application will be made available.

A complete application consists of:

- Application Form, fully filled out and signed by the Applicant.
- Proof of citizenship or legal residency.
- Copy of Valid Current Identification Card (Driver's License or State of Connecticut ID card).

Verification Forms:

- Verification of employment
- Verification of deposit
- Verification of mortgage or Deed of Trust
- Copies of two (2) most recent bank statements
- Copies of paycheck stubs for the last 60 days for all adult working members of the household.
- Copies of the last two (2) years of tax returns, if self-employed
- Copies of other income documentation, such as award letters for retirement, disability, SSI, TANF, or other income
- Proof of Flood Insurance if property is located within flood plain

APPLICATION INTAKE

All telephone, walk-in, electronic and mailed inquiries for home repair assistance shall be referred to and handled by the intake staff. Following receipt of an initial inquiry, the following intake/initial screening procedures shall be followed:

- Upon receipt of any inquiry regarding the Home Repair Program, the intake staff shall record the inquiry in the **Inquiry Listing**. The Inquiry Listing will be maintained in date order.
- For each inquiry, the city staff shall perform a pre-screening with the interested party for the purposes of preventing an applicant from wasting time by completing a full application, if upon receipt the person would be immediately disqualified. For example, the person resides in an area that cannot receive City assistance. However, under no circumstances will an applicant be denied a copy of an application even if the person would be so disqualified.

For each inquiry, pre-screening may include a review of the following questions:

- Do you own your home? Is the title to the property recorded in your name? Are there any other names listed on the title?
- Are you disabled or 62 years old or older?
- Do you live in the city limits of Bridgeport? If so, do you reside in the property?
- How many adult persons (aged 18 and older) reside within your home?
- Does your total household income equal less than (state the maximum income

- limits for the household size)?
- Do you owe any unpaid property taxes? If so, are you under a property tax payment plan?
- Do you have a mortgage on your home?
- Is your home under threat of foreclosure?

Following initial intake, the HRP Application Packet (“Application”) is mailed/provided to the prospective applicant. Or, if the program is not currently accepting applications due to overwhelming demand/backlog or lack of funding, the person is noted on the **Inquiry List** to be contacted/sent an application when program capacity allows. Applications shall be sent out to applicants in date order of initial inquiry.

PRELIMINARY REVIEW

Upon receipt of a completed Application, staff shall enter the applicant’s information in the **Intake List** and evaluate the Application according the following initial screening criteria and procedures:

IDENTIFICATION: Review identification for consistency with application information, tax records and other documents.

PREVIOUS ASSISTANCE: The applicant name shall be checked against the list of previously assisted homeowners and homebuyers to determine if 1) the applicant has received assistance within the last ten (10) years, or 3) is under an affordability period after receipt of homebuyer assistance under the Downpayment Assistance Program.

LOCATION: Verify and confirm that the location of the applicant residence is within the city limits of Bridgeport.

FLOOD PLAIN: Determine if the applicant residence is located within a 100-year flood plain. If the residence is located in the 100-year flood plain, as determined by FEMA flood control map data, the homeowner must have proof of flood insurance with their application. If the homeowner cannot provide proof of flood insurance, the property is not eligible for assistance.

For all applicants that meet the initial screening criteria, the Intake Specialist shall prepare a file for the client and schedule an Initial Feasibility Inspection. **If the applicant fails to meet any of the initial screening criteria, a rejection letter is sent detailing the reason for denial.**

Eligibility Review and Underwriting

Following preliminary review and feasibility inspection, each HRP application shall be forwarded to underwriting. Eligibility review requirements and other general program guidelines are as follows:

- Underwriting Procedures
- Review of Qualifying Documents

The underwriting and eligibility review process, as applicable, shall involve a thorough review of the following qualifying documents/information:

- Application
- Verification Forms
- Proof of Ownership
- Proof of income

- Credit Report History
- Proof of citizenship/legal Residency
- Proof of Citizenship/legal Residency

Applicant and all household members must be United States citizens or eligible immigrants. Staff will review the documentation provided by the applicant for accuracy and sufficiency. Acceptable documentation includes but may not be limited to:

- A United States Passport
- Birth Certificate
- Certificate of Naturalization

Income Eligibility:

The applicant's household income must not exceed 80% of the area median income as published by HUD. An applicant's income shall be assessed utilizing the definition of income as per the IRS 1040 Long Form. An applicant's income eligibility shall be determined by comparison of the applicant's household income including applicable asset income to the most current HUD published Income Limits. If an applicant's household income does not exceed the HUD published income limits, the applicant shall be deemed as meeting the income eligibility threshold for the Home Repair Program.

Rehabilitation Standards

Please see Attachment 2.

Section X. Monitoring and Project Oversight

The City of Bridgeport will review the proper maintenance, marketing, occupancy, rents and utility allowances of housing funded with HOME funds consistent with HOME program rules and the City's HOME program policies and procedures.

HOME activities will be evaluated on the basis of the following program areas:

- Adherence to HOME guidelines, procedures and regulations for programs as a whole and for individual projects;
- City of Bridgeport policies and procedures and those of program partners;
- Overall administration and management;
- Fair Housing;
- Construction quality, ongoing housing condition and maintenance;
- Davis-Bacon, Lead Based Paint, and other federal requirements, as applicable;
- Cost reasonableness and financial accountability;
- Environmental review.

The City of Bridgeport may withhold, reduce, or terminate funding to a developer or subrecipient where deficiencies have not been sufficiently corrected to the City's and/or HUD's satisfaction.

1. Overall Approach and Project Selection for Monitoring

Project oversight will be provided on all active development projects and will be similar to but generally more rigorous than ongoing monitoring.

Ongoing monitoring will be based primarily on the analysis of regular reports, reports from regular inspections and documents submitted for review as projects are developed and managed through the affordability period. In addition, periodic reviews of market data and cost data may be undertaken. This desk monitoring will be supported by field visits to funded organizations and examination of housing product.

The first line of approach for monitoring will be the maintenance of files and file checklists to assure that all required documentation is produced, reviewed and on hand as needed.

The selection and prioritization of documents, files and organizations to be monitored will utilize a risk reduction approach. The following priorities will be considered:

The early part of a key project phase such as acquisition, construction or rentup will take absolute priority over other efforts, and all development projects will be monitored and inspected at these early phases.

Beyond that basic priority, the following factors will also affect priorities:

- New organizations and any organization with unresolved compliance issues;
- Duties being carried out by new staff;
- Any project that may have special compliance challenges or that is substantially different in terms of size, complexity, or other factors from other projects the developer has undertaken;
- Affordability period compliance.

2. Contract Requirements for Partners

All contracts and agreements include reporting requirements for developers and agreement to open records and open sites.

Terms include:

- Agreement to submit or open any and all records and sites upon request;
- Notification by inclusion in the funding agreement of required records;
- Reporting requirements specific to each project;
- Budgets and limitations on budget changes.

3. Monitoring Tools, Resources and Readiness Procedures

City staff will maintain up to date files for the monitoring activity as a whole, each activity type, and each project. Tools and documents to be maintained in a ready state include:

- Portfolio Tracking spreadsheet (electronic file);
- Templates for File Checklists and document review checklists (attached);
- HUD required checklists;
- Relevant correspondence by developer or project;
- Previous monitoring reports and audits by developer or project;
- Project budgets and contractual performance requirements by project;
- Agreement and covenant templates;
- Current and historic files of HOME income, rent, subsidy and sale price/valuation limits as regularly published by HUD;

Resources required for monitoring include: the HOME final rule, as amended; applicable cross-cutting regulations; CPD Notices dealing with HOME; the Technical Guide for Determining Income and Allowances for the HOME Program (HUD-1780-CPD).

4. Schedule Overview

The City will monitor on ongoing, annual and situational basis.

5. Situational Monitoring

Certain reviews and monitoring will be scheduled or carried out in response to events, especially for projects under planning and development, based on the specific stage or circumstances of the project. This will include:

- Acquisition and procurements;
- Disbursement requisitions;
- Relocation;
- Contracts prior to execution;
- Design review; 504 compliance;
- Environmental review;
- Construction-related wages, hours, Section 3, Equal Opportunity, Debarment, and other labor related interviews and document reviews.

All critical construction phases will be inspected on site by City building officials including a pre-commitment inspection to determine deficiencies and reasonableness of the proposed construction and costs.

Any complaints by neighbors or parties to the project, or un-reconciled paperwork, may call for an on-site inspection, or in-person interview.

Monitors must also confirm that project underwriting has occurred. Those procedures are addressed in the Project Approval and Underwriting section.

For rental projects, situational monitoring will also include:

- Review of initial affirmative marketing, tenant selection and screening, and lease contents;
- Review of initial income certifications and rents;

For homebuyer units, situational monitoring will also include:

- Review of initial affirmative marketing, homebuyer selection and screening;
- Review of initial income certifications and affordability for homebuyers;
- Review of covenants.

6. Ongoing

All expenditure requests will be reviewed for proper documentation, completion of construction costs charged, if applicable, and reconciled with budget. On some projects, construction completion payments may be based on certification by supervising architect.

Project schedule and timeliness of progress will also be monitored.

7. Annual

Each year various city staff as indicated below will review:

- Overall performance and financial health of the developer;
- Accounting procedures and records;
- Status and certification of CHDO, if applicable.
- For rental property:

- Condition of property;
- Proper occupancy and rents according to HOME and other program regulations;
- Affirmative marketing procedures;
- Fair housing and tenant selection;
- Lease provisions;
- Financial health of property.
- For homebuyer property:
 - Occupancy as principal residence;
 - Proper enforcement of covenants and loan agreements.

Pre-On-site-Monitoring Preparation:

Prior to an on-site monitoring visit, the City will provide written notification of the visit to recipient. The notice will provide the following information:

- Dates and time of the monitoring visit;
- A copy of the HOME Monitoring Checklist;
- A list of files to be reviewed;
- A list of properties to be inspected.

The recipient will be asked to provide the City with the following:

- Disbursement and expenditure reports;
- Agreements/contracts;
- Policy guidelines and procedures, administrative plans, and operation manuals;
- Beneficiary data.

Project Monitoring Plan:

A written report will be prepared and provided to the recipient following the completion of each monitoring review. The report will include the following information:

- An explanation of the purpose and scope of the review;
- A list of findings, comments, recommendations and corrective actions to be taken;
- A list of the files reviewed;
- A list of the houses/units inspected;
- A summary of the project funds expended to date;
- An evaluation of project performance to date;
- A time frame for taking corrective action.

Follow-up and Enforcement Actions:

Failure by a developer or owner to carry out corrective action as specified within the specified timeline will result in notification to the Director of Housing regarding next steps for enforcement or collection of funds.

Section XI. Cross-Cutting Federal Regulations

1. Environmental Review

The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

Any funds committed to a HOME activity or project will be conditional on the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58. No HOME funds will be disbursed without the establishment of an Environmental Review Record and the appropriate level of review completed.

Lead Based Paint Hazards:

The HOME Program requires owners/developers to take actions to reduce lead-based paint hazards in HOME-assisted units. Owners must comply with 24 CFR 35, the regulations implementing the Lead Based Paint Poisoning Prevention Act along with requirements for dealing with lead-based paint found in the Uniform Physical Condition Standards (UPCS). Current Part 35 requirements stipulate that all occupants receive and acknowledge notice of the possible presence of lead paint.

Level of Assistance in Property	Hazard Reduction Requirements	Summary of Requirements
Assistance of more than \$5,000 per unit up to and including \$25,000 per unit.	Interim controls.	Interim controls mean a set of measures designed to reduce temporarily human exposure or likely exposure to lead-based paint hazards. Once work is completed, a passing IL Department of Health Lead Safe Certificate must be realized for the exterior, common spaces, and all assisted units. Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based paint maintenance activities, and the establishment and operation of management and resident education programs.

Assistance of more than \$25,000 per unit.	Abatement of lead-based paint hazards.	<p>Abatement means any set of measures designed to permanently eliminate lead-based paint or lead based paint hazards (see definition of “permanent”) on the exterior, common spaces, and all assisted units.</p> <p>Once work is completed, a passing IL Department of Health Lead Free Certificate must be realized for the exterior, common spaces, and all assisted units.</p> <p>Abatement includes:</p> <p>(1) The removal of lead-based paint and dust-lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and</p> <p>(2) All preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures.</p>
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The Lead-Based Paint Poisoning Prevention Act applies to all units in a property assisted with HOME funds, not only to HOME-assisted units. During the compliance review, staff will monitor to ensure that the owner has conducted all necessary activities and maintained appropriate documentation in their files.

Owners/developers must be in compliance with 24 CFR 35 and Sections 302 and 401 of the Lead Based Paint Poisoning Prevention Act. This subpart implements the provisions of 42 U.S.C. 4852d, which impose requirements on the sale or lease of housing. The seller or lessor of housing shall:

- Disclose to the purchaser or lessee the presence of any known lead-based paint and/or lead-based paint hazards;
- Provide available records and reports;
- Provide the purchaser or lessee with a lead hazard information pamphlet;
- Give purchasers a 10-day opportunity to conduct a risk assessment or inspection;
- Attach specific disclosure and warning language to the sales or leasing contract before the purchaser or lessee is obligated under a contract to purchase or lease target housing.

In addition, any disturbance of a painted surface on housing constructed prior to 1978 requires additional testing, notices and remediation as specified by 24 CFR35.

Davis-Bacon and Related Acts:

Any contract for the construction of affordable housing with 12 or more units will require that all laborers and mechanics who are employed to perform work on any project, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974 shall be paid wages at rates which are not less than those that prevail in the locality for similar construction and shall receive overtime compensation in accordance with the Contract Work Hours and Safety Standards Act.

The contractor and its subcontractors shall also comply with all applicable Federal laws and regulations, which pertain to labor standards, including the minimum wage law.

Uniform Relocation Act:

All owners/developers shall be in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.), in accordance with the following objectives:

- To minimize displacement to greatest extent feasible;
- To ensure that owners of real property to be acquired for Federal and federally assisted projects are treated fairly and consistently; to encourage and expedite acquisition by agreements with such owners; to minimize litigation and relieve congestion in the courts; and to promote public confidence in federal and federally-assisted land acquisition programs;
- To ensure that persons displaced as a direct result of Federal or federally assisted projects are treated fairly, consistently, and equitably so that such persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole;
- To ensure that agencies implement these regulations in a manner that is efficient and cost effective.

Fair Housing:

Recipients of HOME funds are held to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 Title VI of the Civil Rights Act of 1964, P. L. 88-352 and the regulations of HUD with respect thereto, including 24 CFR, Parts 1.

Section 109 of the HCD Act of 1974, Title I, prohibits discrimination on the basis of race, color, national origin, disability, age, religion, and sex within Community Development Block Grant (CDBG) programs or activities.

HOME recipients are prohibited from discriminating on the basis of:

- Race
- Color
- Religion
- National origin
- Disability status (Including prior alcohol and illegal substance addictions)
- Familial status
- Ethnicity
- Gender
- Gender identity
- Language(s) spoken
- Literacy
- Sexual orientation
- Veteran status

Discrimination is prohibited in the assistance, tenant selection, sale, rental, and financing of dwellings. It is also prohibited in program administration and any enforcement mechanisms. No person in the United States shall on the ground of race, color, national origin (or any of the other items listed above) be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal funding and/or assistance.

Assistance includes:

- Grants and loans of federal funds;
- The grant or donation of federal property and interests in property;
- The detail of federal personnel;
- The sale and lease of, and the permission to use (on other than a casual or transient basis), federal property or any interest in such property without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale or lease to the recipient;
- Any federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance.

Affirmative Marketing:

Each HOME developer must adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing 5 or more HOME- assisted housing units. HOME developers shall use the Equal Housing Opportunity Slogan, logo, or statement must in all advertisements, public service announcements, press releases, and information mailings. The HUD Fair Housing poster must be displayed in offices where rental activity takes place for all properties with five or more units.

Affirmative marketing steps consist of actions to provide information and otherwise attract eligible without regard to:

- Race
- Color
- National origin
- Sex
- Religion
- Familial status
- Disability

The affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance or families with tenant-based rental assistance provided with HOME funds.

The affirmative marketing requirements and procedures adopted must include:

- Methods for informing the public about federal fair housing laws and the affirmative marketing policy;
- Procedures to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);
- Records that will be kept describing actions taken to affirmatively market units and records to assess the results of these actions.

Developers to the maximum extent possible, will be inclusive of minorities and women (and entities owned by minorities and women) including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities (public and private) in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other federal housing law applicable to such jurisdiction.

Section XII. Conflict of Interest

No person who is an employee, agent, consultant, officer, or elected official or appointed official of the City of Bridgeport or recipient which are receiving HOME funds of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

The conflict of interest provisions above apply to any person.

ATTACHMENT 1

DOWNPAYMENT ASSISTANCE PROGRAM NOTICE TO SELLER

This notice must be signed and dated by the Seller/Owner before the loan will be processed and/or funded.

Seller/Owner

Property Address

Estimated Property Value

This letter is to inform you that the above-referenced property, of which you are the owner, is proposed to be purchased by a person with the assistance of federal funds. This communication is to assure you that this sale is strictly VOLUNTARY, and the purchaser does not have the power of eminent domain. Therefore, your property will not be purchased if negotiations fail to result in an agreed-upon price. The estimated fair-market value of your property noted above is based on the sales price.

Additionally, the vacancy status of your property may impact the proposed purchaser's ability to finance this home purchase. Please provide information below regarding the vacancy status of your property.

To acknowledge your receipt and understanding of the information related above, please select all applicable statements shown below and sign.

I, the Seller, have read and understand the above information.

I hereby certify that the residence has been my primary residence for _____ years/months preceding the sale of the property.

I hereby certify that the residence shown above has been vacant for _____ months preceding the sale of the property.

I hereby certify that, if applicable, the current tenant negotiating purchase at the above-referenced property has been a resident at the above property since ____. For documentation, attached is a copy of the executed lease agreement.

_____ I wish to proceed with the negotiations/sale.
(INITIAL)

_____ I wish to withdraw from the negotiations/sale.
(INITIAL)

Signature

Date

VOLUNTARY SALE NOTICE TO REAL PROPERTY OWNER/SELLER

Date:

Owner(s)/Seller(s): _____

Buyer(s):

Address of Property under Consideration: _____

Dear Owner/Seller:

Property believed to be owned by you is being considered for purchase, as referenced above. Because federal funds in the form of down payment and closing cost assistance to the Buyer may be used in the purchase of your property, we are required to disclose the following information by the U.S. Department of Housing and Urban Development (HUD) Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended (URA), Section 24.101(b)(2):

1. The proposed sale is voluntary. In the event negotiations fail to result in an agreement, the property will not be acquired via voluntary purchase or eminent domain.
2. The fair market value of the property is estimated to be \$_____. However, since this transaction is voluntary, current or future negotiations may result in a price that could be (a) commensurate with this estimate or, (b) for an amount that exceeds or is less than this estimate.

An owner-occupant who conveys his or her property under these terms does not qualify as a displaced person. Additionally, any person who occupies the property for the purpose of obtaining assistance under the URA does not qualify as a displaced person. However, tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible. In accordance with HUD requirements, if the information provided above is disclosed after an option to purchase or contract has been executed between the Buyer and the Seller, the Seller must be provided the opportunity to withdraw from the agreement.

Any title deficiencies, liens, or encumbrances on the property must be cleared prior to any closing. Generally, this is a cost that is borne by the Seller of the property. However, if approved by the City of Bridgeport, these costs may be fully paid by the Seller, by the Buyer or, as negotiated between the Seller and the Buyer, using their own funds. **No federal funds can be used to pay these costs.**

Receipt acknowledged this _____ day of _____, 20__.

Seller

Witness

Seller

Witness

ATTACHMENT 2

REHABILITATION STANDARDS

This is a minimum standard for all single-family housing in our service area. Where it is economically feasible, we want all housing to be:

- Reasonably free from fire and other hazards;
- Comfortable, healthy and well-ventilated;
- Decent appearing inside and out;
- Inexpensive to heat and maintain;
- Solid structurally and weathertight;
- Reasonably equipped for current handicapped occupants.

Compliance with Codes and Other Standards

- This standard equals or exceeds the Housing Quality Standards of the U.S. Department of Housing and Urban Development.
- This standard meets the requirements of the local building, plumbing and electrical codes as they pertain to existing housing, but not as they pertain to new construction.
- When a single room has its interior finish (plaster or wallboard) removed, the rehabilitation in that single room will meet new construction standards for plumbing, electricity, heating and fire ratings. When such removal occurs in over 50 percent of the rooms in a freestanding building, this rule will apply to the whole building. Otherwise, the code for existing housing will prevail.
- Local and federal regulations pertaining to zoning, traffic, drainage, flood plains and fire limits will be observed.

Exterior and Structural Standards

Dilapidated Outbuildings, Fences and Other Structures: Unsafe structures and nuisances will be demolished and removed. Visually blighting structures will be demolished and removed unless their use is essential to the lifestyle of occupants.

Debris, Junk, and Unwanted Trees: Debris, junk and dead or dangerous tree growth will be removed.

Repair of Outbuildings: Unsafe, unsound, or unsightly outbuildings and other structures (fences, walks, etc.) will be repaired one time up to a total estimated cost per dwelling unit of \$1,500.

Walks and Driveways: Badly deteriorated essential paving will be repaired or replaced to result in at least a five-year useful life after rehab. Non-essential deteriorated paving will be removed.

Exterior Requirements: Every dwelling unit will have a mailbox or mail slot and 3" high address numbers.

Steps, Stairways and Porch Decks: These will be reasonably level, even surfaces and have an expected useful life of five years or more after rehab.

Porches: Unsound, unsafe, or unsightly porches that are unwanted or infeasible to repair will be removed. Porch repairs will be made up to a total estimated cost of \$1,500 per dwelling unit to result in an expected useful life of 10 years.

Handrails and Guardrails: These are required on one side of steps or stairs with more than two risers and around porches or platforms over 30" high. Portions of stairs or platforms over 42" above grade or above another floor will have guardrails or balustrades.

Siding and Trim: These will be intact and weatherproof. No component will have an expected useful life less than 10 years. All components will have a continuous coat of paint or bonded finish with an expected life of at least five years. Siding requiring over 40 percent replacement will be resided entirely with vinyl or aluminum.

Foundations: These will be sound, reasonably level and reasonably free from movement for an expected period of 15 years.

Structural Members: Structural framing and masonry should appear to be free from deterioration, rot, or serious termite damage; be adequately sized for current loads; and have a 15-year expected useful life after rehab. Prior to any rehab, all sagging floor joists or rafters will be visually inspected. Significant structural damage and its cause will be corrected.

Insulation: Attic areas and floors over cold crawl spaces will be insulated to R-21 or to cavity capacity if less than three inches of insulation is currently in place. Walls will be insulated only if the plaster or wallboard is removed.

Plastic ground covers will be placed in crawl spaces under insulated floors. Recessed ceiling light fixtures will be covered, leaving an air space, before insulation is placed over them.

Attic and Crawl Space Ventilation: Attics and crawl spaces will be ventilated to remove excess moisture at a minimum ratio of one square foot of vent for each 300 square feet of enclosed space.

Exterior Doors: Doors and hardware must have at least a five-year useful life after rehab. All hollow-core exterior doors will be replaced. Locks will tightly secure doors. If desired by occupants and required to meet ventilation standards, screen doors will be installed on one or two doors per dwelling unit.

Roofs: Roof covering will be replaced if blistered and the mineral covering is substantially deteriorated. Missing or leaking shingles and flashing on functional roofs will be repaired. Broken antennas will be removed. Roofing material shall have at least a five-year expected useful life after rehab (assuming normal maintenance) or shall be replaced with new roofing.

Chimneys: Unsound chimney tops will be repaired or removed. When chimneys are being used for venting, they will be restored, if necessary, to safe and operable condition with an expected useful life of at least 15 years.

Heating System Standards

Heating Systems: Inoperative, hazardous, or inefficient (under 60 percent efficiency per test) heating systems will be repaired to perform at 78 percent or better efficiency or replaced. Replacement space heating systems are acceptable where they are preferred by the occupants and have a lower rehabilitation cost and the same or lower operating cost as compared to central heat. All heating equipment will have a minimum expected useful life of 10 years, if pre-existing, or 20 years, if new. Ductwork may be exposed. Fuel tanks will be located in fire resistant areas. Habitable rooms must be provided with 68-degree heat when the outside temperature is at the average yearly minimum for the locale.

Wood and Coal Stoves: Wood and coal stove installations will have safe clearances from combustible surfaces. Protective floor and wall coverings will be provided, as necessary. Flues will be safe, properly sized and clean.

Electrical System Standards

Electrical Outlets: Every room will have at least one duplex receptacle and one light fixture or two duplex receptacles. Large rooms or those with heavy current electrical loads may require three or more outlets, as determined by the program inspector. Kitchens will have at least two outlets on separate circuits, one of which must have 20 amperes capacity, and one of which may be 15 amperes. Bathrooms will have at least one grounded outlet.

Electrical Wiring: "Knob-and tube" and other older-type wiring will be left in place if safe and serviceable. Where areas are being insulated, knob and-tube will be removed, and all junction

boxes covered. Recessed ceiling light fixtures will be covered before insulation is placed over them.

Ground Fault Interrupters: Electrical outlets within four feet of a bathtub must be removed or replaced with a GFI protected outlet. Any newly wired outlet in a bathroom or within five feet of a kitchen sink area must be GFI protected.

Light Fixtures: Every habitable room must be provided with a light fixture or one outlet controlled by a wall switch. Existing wall or ceiling lights with their own internal switches are acceptable. Common or internal stairways from one floor used as a living area to another must have at least one light controlled by a three-way switch, or in the case of public hallways, a three-way switch on an automatic switching device. Exterior stairs with five risers or more will have a light fixture.

Appliance Outlets: Safe electrical outlets must be provided for all existing appliances or those proposed to be installed during the rehab. Appliances requiring 120 volts may be on a circuit with other outlets so long as there is no obvious evidence the circuit is overloaded. Only essential motors requiring 240 volts must have a separate, dedicated circuit and outlet.

Electrical Service Entrance: The service entrance (whether new or pre-existing) shall be in good condition and sized to safely service all outlets, fixtures and appliances proposed to remain or be newly installed during the rehab. In no case will it be less than 60 amperes. Any service entrance replacement will have a minimum capacity of 100 amperes.

Smoke Detectors: A smoke detector shall be required on each floor that contains a bedroom.

Plumbing System Standards

Kitchen Plumbing: Every dwelling unit will have at least a single bowl kitchen sink with hot and cold water located in the kitchen.

Bathroom Plumbing: Every dwelling unit will have an attached bathroom containing a lavatory (basin) where space permits, a toilet, and a shower or tub.

Plumbing Fixtures: The essential fixtures named above will be in good repair with an expected useful life of 10 years after rehab. They will be replaced only when repair costs exceed 50 percent of new fixture costs. Faucets will be free from leaking for an estimated five years after rehab.

Water Shutoffs: Malfunctioning existing shutoffs will be repaired or removed. There will be at least one accessible main shutoff interior to the structure for each dwelling unit after rehab.

Water Supply Lines: All hot and cold-water lines will be expected to have a 15-year useful life after rehab without major leaks and maintain a three gallon per minute flow. Pressure regulators will be installed where street pressures may exceed 100 p.s.i. Exposed piping is allowed.

Water Waste Lines: Existing drain lines must safely and adequately carry away wastewater and must be vented well enough to prevent significant breaks of the water seal in fixture traps. Existing S-traps or drum traps may remain. Existing traps that are broken may be replaced with similar devices unless the entire wastewater system is being replaced in that room in which case the requirements for new construction will govern.

Exposed piping, PVC and ABS are allowed. Minimum expected life of waste systems is 15 years after rehab.

Wells: Every house not connected to a public water system will have its own system offering safe water at least 20 pounds pressure at each faucet.

Hot Water Heaters: Each dwelling unit shall have a minimum of one 30-gallon hot water heater (or a shared water heater with similar capacity) in good working condition with an expected life of five years. Durable insulating jackets will be provided if this does not require relocating the water heater and results in a safe condition. Water heaters should produce at least 120 degrees F water at all taps. Relief valves and overflow pipes will be properly installed.

New Plumbing System: Where plumbing lines and fixtures are being torn out in a room or entire dwelling unit, new construction codes will be observed to the extent practicable for that room or dwelling unit.

Showers: This standard does not require the installation of a shower where a workable tub with no shower exists.

Shower Areas: Showers in operation must have a watertight wall with an expected useful life of at least five years or an enclosing circular shower curtain/rod apparatus.

Other Interior Standards

Floors: Bathroom and kitchen floors will have a water-resistant, easily cleanable surface. Damaged wood floors will be repaired and painted. Seriously damaged tile or vinyl flooring must be replaced. Basement floors shall be a minimum of 3" poured concrete.

Insect Screens: Every habitable room having windows and/or doors will have at least one window or door screen.

Bathroom Ventilation: Natural or mechanical ventilation is required.

Kitchen Ventilation: A window which can be opened, or vent fan must be present in working order.

Kitchen Cabinets: One-and two-bedroom dwelling units must have one base and one wall cabinet at least 42 inches long. Three-bedroom units must have 72-inch base and 48-inch wall cabinets.

Storage Areas: A built-in storage device at least two feet wide with a shelf and clothes rod are required in or near each bedroom.

Walls: Walls and woodwork should be free from peeling paint and loose or cracked plaster. Rooms with deteriorated or stained paint or wallpaper will be repainted. Solid plaster or wall board that has uneven but sound surfaces will be left alone.

Interior Doors: Any doors that are damaged and beyond repair will be replaced. Slide bolts are allowed. All bedrooms and the bathrooms will have operable doors with a latch.

Windows: Each habitable room, excluding the kitchen area or bathroom, will have at least one operable window or skylight with at least one operable sash with a working device to hold it open. All windows accessible from the ground or porches will have locking hardware.

Storm Windows: Where practicable, every single-glazed window will have an outside storm window in good condition.

Weather Stripping: This will be installed in a prudent manner, recognizing the oxygen requirements and pollution production of heating devices that may be in place. Homes that are heated exclusively with electricity or well-vented furnaces or stoves will be tightly weather-stripped.

Room Sizes, Layouts, Fire Ratings and Fire Exits: The dwelling unit, after rehab, will conform to the requirements in these areas of the BOCA Existing Structures Code/1987, unless unusual conditions merit consideration of a waiver.

Hazardous Materials: Asbestos, radon and lead paint, when positively identified, shall be addressed in conformance with applicable local, state and federal law.

