

CITY OF HARLINGEN
HOUSING REHABILITATION PROGRAMS
GUIDELINES

Table of Contents

A. Program Goals & Public Awareness.....	2
B. Qualifications	3
C. Income Limits	4
D. Loan Program Requirements	4
E. Applicant Information Required	4
F. Zero Interest Loans.....	5
G. Deferred Loan Program.....	5-6
H. Emergency Loan Program.....	6
I. Lead Based Paint.....	7
J. Program Implementation	9
K. Staff Inspection/Bid Specification	11
L. Contractor Requirements & Responsibilities.....	13
M. Subcontractors	15
N. Preparation, Receipt & Opening of Bids.....	16
O. Qualifications of Bidders.....	16
P. Housing Rehabilitation Grievance Policy	17
Q. Provisions of Contract	18
R. List of Forms	20

CITY OF HARLINGEN COMMUNITY DEVELOPMENT DEPARTMENT
HOUSING REHABILITATION PROGRAM GUIDELINES

The purpose of the City of Harlingen's Community Development Housing Rehabilitation Program is to provide rehabilitation assistance to eligible low and moderate income Homeowners residing in the corporate city limits of Harlingen. The Program's Objective is to implement a rehabilitation program to arrest the deterioration of substandard homes by rehabilitating them to conform to the International Property Maintenance Code and its amendments, City of Harlingen's Housing Rehabilitation Performance Manual and other applicable State Laws, City Codes and Ordinances.

The goal of the City of Harlingen's Housing Rehabilitation Program is to work in partnership with qualified Homeowners to maintain the existing housing stock in decent, safe, sanitary and affordable conditions.

Assistance through any of the Housing Rehabilitation Programs shall be voluntary and relocation assistance shall not be provided.

PUBLIC AWARENESS

The Community Development Department may advertise that it is accepting applications for Housing Rehabilitation Program Assistance through local newspapers or the broadcast media.

Inquiries may be received through a variety of methods, including telephone inquiries, walk-ins and letters. Staff will respond to these inquiries by providing a verbal or written description of program requirements including brochures and other documentation available to the public.

Staff encourages interested and potentially eligible homeowners to schedule a personal interview with a staff member.

Complaints regarding lack of understanding of the program, the level of service provided, the public awareness process, or other matters shall be promptly addressed, if possible by a staff person. If a complaint cannot be resolved at that level, the complaint will be forwarded to the Community Development Director for resolution and documentation. If no resolution can be found, the matter will be forwarded to the Assistant City Manager, and/or forwarded to the Community Development Advisory Board Rehabilitation Grievance Committee.

QUALIFICATIONS

1. All prior Housing Rehabilitation Program recipients/applicants will not be eligible to apply for assistance until the current or forgiven deferred loan/grant is paid in full.
2. An applicant must be a resident of the City of Harlingen, and live in the home to be rehabilitated before applying for any of the City of Harlingen's Housing Rehabilitation Programs.
3. Applicant must also have a warranty deed in their name.
4. An applicant will not be eligible for assistance if:
 - a. **Non-elderly Head of Household** has real property (other than home to be rehabilitated), or cash assets in excess of \$10,000.00.
 - b. **Elderly Head of Household** (62 years of age or older), has real property (other than home to be rehabilitated), or cash assets over \$20,000.00.
 - c. **Disabled Head of Household** has real property (other than home to be rehabilitated), or cash assets over \$20,000.00.
5. An applicant who has *more than one* dwelling structure on the property to be rehabilitated shall not be eligible for assistance unless the applicant agrees to remove the excess structure upon the execution of the construction contract.
6. An applicant who is accepted for assistance shall first remove all abandoned appliances, junked vehicles, trash, rubbish, etc. from the property before assistance is rendered.
7. An applicant who is operating a business out of said home will not be eligible for assistance under any Housing Rehabilitation Program.
8. Second Lien Position: The City will take a second lien position if the first lien balance is not more than 50% of the appraised value of the property, based on latest tax rolls.
9. An applicant must meet the low to moderate income criteria as set forth by the Department of Housing and Urban Development's Part V (Section 8) requirements as they are now or may be adopted by HUD on a yearly basis.
10. Total family income is determined by computing the income of all the persons residing in the household at the time the application is submitted. (Excluding income of household members under the age of 18) However, income earned by household members over the age 21 and attending school beyond high school shall be included as part of the family income.

ELIGIBILITY INCOME GUIDELINES

These figures are revised annually by the Department of Housing and Urban Development. (Revised figures to be inserted as necessary)

(Attachment #1)

1. Any applicant, whose property is located within a 100-year flood plain according to current FEMA Flood Insurance Rate Maps, shall not be eligible for assistance under any of the City of Harlingen's Housing Rehabilitation Programs.
2. In the case where the Housing Rehabilitation Specialist has determined that the costs for rehabilitation exceed program guidelines (\$25,000.00), the applicant will be referred to the Harlingen Community Development Corporation for possible assistance through the Replacement Housing Program. (Replacement Housing Program requires the owner of the property to voluntarily demolish the structure.

ALL LOAN PROGRAMS WILL REQUIRE, AT MINIMUM, THE FOLLOWING

1. Title search on property.
2. Credit analysis on homeowners.
3. Status of City, School and County Taxes.
4. Verification of income and financial analysis.
5. Property to be located inside the Harlingen City Limits.

INFORMATION NEEDED FROM APPLICANT FOR PROCESSING OF APPLICATION

1. Proof of ownership - Warranty Deed
2. Utility receipts with applicant's name
3. Copies of W-2's and 1040's (if employed)
4. Verification of -other income, or assets
5. Verification of Employment
6. Verification of Unemployment check
7. Verification of Social Security, SSI, etc., checks
8. Verification of Bank deposits
9. Receipts of paid City, School and County Taxes

HOUSING REHABILITATION PROGRAMS AVAILABLE

ZERO INTEREST LOANS

The Community Development Department provides zero interest loans to qualified homeowners for the rehabilitation of their substandard homes. Loan applications are accepted at the Community Development Department, City Hall, 502 E. Tyler, Harlingen, Texas. Loans will be serviced through the department. Applicants must meet the following requirements:

1. Income: Applicant's total income may not exceed 80% of the median income for the area, adjusted to family size.
2. Ownership: Applicant/Homeowner must live in said home and have clear title to property, (although City is willing to take a second lien position if possible).
3. Credit: Applicant's credit history will be verified with a credit reporting agency.
4. Taxes: City, School, and County Taxes must be paid and up to date at the time application is submitted.
5. Income to Debt Ratio: Applicant's total monthly housing expenses including rehabilitation loan plus taxes and insurance, must not exceed 30% of the applicant's gross monthly income. Applicant's total monthly debt payment, including housing expenses plus other installment payments must not exceed 40% of the applicant's gross monthly income.
6. Loans are for a maximum of \$25,000.00 per home at 0% interest rate with up to fifteen (15) years to repay and can be combined with the Deferred Loan Program.
7. Qualified Applicants who own a home built prior to 1978 will be provided a grant that covers 100% of the total expense to perform a Lead Based Paint Risk Assessment/Inspection, all lab fees, interim controls and/or abatement procedures, and clearance testing to ensure that the home is lead safe.

DEFERRED LOAN PROGRAM

Deferred Loans are for qualified elderly head of households (62 years of age or older), or disabled Head of Household homeowners and must meet the following requirements.

1. Ownership: Applicant/Homeowner must live in said home and have clear title to property (although City is willing to take a second lien position).
2. Terms: Deferred Loans are for a maximum of \$15,000.00 per home, and shall be forgiven at a rate of 1/10th per year for elderly Applicants under 65 and disabled Applicants. Deferred Loans for elderly applicant (65 and older) and/or elderly disabled shall be forgiven at a rate of 1/5th per year. Deferred Loans less any amounts forgiven shall be due and payable upon the occurrence of any one or more of the following events:
 - a. Sale of the property by Applicant; or
 - b. Lease or conveyance of property by Applicant for a period exceeding thirty (30) calendar days, or;
 - c. Applicant ceases to reside or dwell in and on the property for a continuous period of thirty (30) days.

3. Qualified applicants who own a home built prior to 1978 will be provided a grant that covers 100% of the total expense to perform a Lead-Based Paint Risk Assessment/Inspection, all lab fees, interim controls and/or abatement procedures and clearance testing to ensure that the home is lead safe.

Upon the death of Homeowner(s), the City may at its option; either declare the unforgiven portion of this Note to be immediately due and payable or renegotiate this note with a new homeowner to provide for payment of principal and interest (if applicable), providing the new homeowner meets HUD low income guidelines.

EMERGENCY REHABILITATION LOAN PROGRAM

The Emergency Rehabilitation Loan program provides the Community Development Department with the ability to help those homeowners with severe housing deficiencies. An emergency is defined as conditions that makes a house uninhabitable, extremely dangerous to the occupants, or is capable of causing severe health problems. When a homeowner requests assistance, either during or between application periods and shows an emergency exists, the Housing Rehabilitation Specialist conducts a rough inspection to verify the extent of the emergency.

Because this program is derived from the Housing Rehabilitation Program, the applicant must fulfill all of the requirements for the Zero Interest Loan program and requirements listed in this section.

- a. **DEFINITION OF EMERGENCY:** An emergency is defined as conditions that makes a house uninhabitable, extremely dangerous to the occupants, or is capable of causing severe health problems. The Housing Rehabilitation Specialist will decide if an emergency exists, and provide the appropriate documentation. Emergencies may consist of but not be limited to, leaking roofs, hazardous wiring and meter service, backed up or damaged sewer lines, damaged water lines and water heater breakage or malfunction.
- b. **NO PROPERTIES IDENTIFIED BY THE CODE ENFORCEMENT OFFICER FOR DEMOLITION MAY BE HELPED UNDER THE EMERGENCY LOAN PROGRAM.**

The maximum amount for an emergency loan is \$3,000.00, and will be made at 0% interest.

LEAD BASE PAINT TESTING AND LEAD HAZARD REDUCTION PLAN

All Applicants qualifying for assistance under any of the loan programs will have their homes tested for lead based paint according to HUD guidelines if their home was constructed prior to 1978 except those properties exempt under the following:

Residential structures built after January 1, 1978.
Emergency action activities.

Existence of Lead Based Paint unlikely:

- Areas where state and local governments banned lead based paint prior to January 1, 1978.
- Properties found not to contain lead based paint during earlier testing that meets the requirements of prior evaluations.
- Properties where all lead based paint has been identified and removed using approved methods.

Human threat Unlikely:

- Unoccupied units that will be demolished.
- Property not used for human residential habitation.
- Rehabilitation that does not disturb paint.

Child Occupancy Unlikely:

- Zero room dwelling units.
- Elderly and disabled housing (does not apply to single family units).

Any expenses classified as costs related to Lead Hazard Evaluation and Reduction Costs shall be covered by a grant and not be included when calculating Rehabilitation costs (loan amount). Including:

Soft Costs:

Financing Fees

Credit reports

Title binders and insurance

Recordation fees, transaction taxes

Legal and accounting fees

Appraisals

Architectural and engineering fees including specifications and job progress inspections

Project costs incurred by the Community Development Department that are directly related to a specific project

Administrative Costs

Relocation Costs (See page 1)

Environmental Reviews

Acquisition of the Property

Lead Hazard Evaluation and Reduction Costs

Homeowners shall be provided with information about the hazards of lead based paint. Testing shall be completed by a certified lead based paint testing professional. Personnel shall be required to follow all HUD standards regarding the testing of lead base paint.

The following actions must be taken to protect occupants from lead-based paint hazards associated with lead hazards associated with lead hazard reduction activities.

- Occupants may not enter the worksite during lead hazard reduction activities. Reentry is permitted only after lead hazard reduction activities are completed and the dwelling has passed a clearance examination.
- Occupants of the unit must temporarily relocate during lead hazard reduction activities. Relocation shall be voluntary as part of the program assistance to be provided. Relocation must be done before lead hazard reduction activities begin.

Relocation is recommended when lead reduction procedures require that:

- 1) Utilities such as water, electricity, and gas are turned off for periods exceeding eight hours.
- 2) Lead reduction takes place in the kitchen or available bathrooms.
- 3) Extensive lead reduction in several rooms requiring work over several days.
- 4) Occupants cannot be prevented from entering the containment site after hours.
- 5) Debris and lead dust cannot be contained in the worksite and may spread to occupied areas.
- 6) A pregnant woman or a child under the age of six occupies the home.

Circumstances when occupant relocation is not required:

- 1) Treatment will not disturb lead-based paint or lead-contaminated dust.
- 2) Treatment of the interior will be completed within one period in eight daytime hours, the site will be contained, and the work will not create other safety, health, or environmental hazards.
- 3) Only the building's exterior is treated; the windows, doors, ventilation intakes, and other openings near the worksite are sealed during hazard reduction activities and cleaned afterward; and a lead safe entry is provided.
- 4) Treatment will be completed within five calendar days; the work area is sealed; at the end of each day, the area within 10 feet of the containment area is cleared of debris; at the end of each day, occupants have safe access to sleeping areas, bathroom, and kitchen facilities; and treatment does not create other safety, health, or environmental hazards.

Occupants belongings should be protected from lead contamination during lead hazard reduction activities by relocating or covering and sealing them and ensure that the worksite is secured

METHOD OF IMPLEMENTATION FOR ZERO INTEREST, DEFERRED AND EMERGENCY LOAN PROGRAMS

Applications for assistance under any of the Housing Programs will be processed and reviewed by the Community Development Staff. The Community Development Staff will formally accept or reject all applications for assistance based on meeting program requirements by staff review of submitted information received from the applicant, the credit reporting agency, Title Company, etc.

Applications for program assistance will be taken on a "first come first serve" basis, except in emergency assistance cases. Applicants will be chosen for eligibility review from a waiting list.

If an applicant is eligible for assistance, the Community Development Staff will help homeowner, if he so chooses, through the bidding process by advertising for proposals and receiving bids from general contractors. However, the homeowner may elect to seek a bid proposal from any qualified contractor on their own. (Any contractor selected by homeowner shall apply for contractor eligibility through the Housing Rehabilitation Department, and must be approved before bidding on a project). Bid proposals must be according to the Housing Rehabilitation Guidelines.

Zero Interest Loans: In order to ensure maximum use of CDBG funds, the lowest qualified bidder will be awarded the rehabilitation project. In cases where the lowest bid exceeds the loan limit, the homeowner will have the option of:

1. Paying the difference over the maximum loan amount, or
2. Reducing the amount of work to be done to comply with the maximum loan limits (although all safety, health and code violations shall not be omitted from specifications), or
3. The case can be rejected from participation as said property will be considered beyond rehabilitation program assistance, and the project can be referred over to the Harlingen Community Development Corporation (HCDC), for consideration in the Replacement Housing Program. (Replacement Housing Program requires the Owner of the property to voluntarily demolish the structure.

Deferred Loans: In order to ensure maximum use of CDBG funds, the lowest qualified bidder will be awarded the rehabilitation project. A maximum of two contracts per cycle will be awarded per Contractor.

After the Contractor has been selected, the Community Development Staff will prepare and present loan documents to the Harlingen City Commission for approval. All work done under the Housing Rehabilitation Program is subject to the conditions and provisions set forth in the program's Mechanic's Lien Contract, Housing Rehabilitation Contract, Promissory Note, etc., which is signed by both the Contractor and Applicant before commencement of the rehabilitation work.

If an unforeseen problem arises during the construction period, a change order may be submitted. Change orders, if necessary, will be reviewed on a case by case basis and must be approved in writing by the Housing Rehabilitation Specialist, Community

Development Director, Contractor and Homeowner before proceeding with the work being requested. Loan amount including change orders may not exceed the maximum loan limits, unless an unforeseen problem arises such as (including, but not limited to):

- a. Deteriorated roof decking
- b. Deteriorated foundation beams
- c. Faulty electrical wiring
- d. Damaged plumbing lines (gas, water, sewer)
- e. Interior wall and roof framing.

Change orders for unforeseen items, may not exceed 15% of the maximum loan limits.

All participants (Applicants and Contractors), must abide by the Housing Rehabilitation Guidelines and procedures as established by the Community Development Housing Program Staff to participate in the program. The Housing Rehabilitation Specialist will assist the Homeowner in ensuring that all work is completed and passes City Inspection according to rehabilitation specifications, floor plans and/or City's Building Code and Ordinances. In addition, the Housing Rehabilitation Specialist will conduct a final inspection of the structure when notified to do so in writing by the Contractor. When final inspection determines that the rehabilitation work has been satisfactorily completed according to the Housing Rehabilitation Specifications, floor plans, construction contract, City of Harlingen's Housing Rehabilitation Performance Manual and all applicable City Codes and Ordinances, the Housing Rehabilitation Staff shall obtain from the Contractor a signed "Contractor's Affidavit", along with affidavits from the electrician's and plumber's if applicable. Warranties for specific items will also be requested from contractor before final payment is made.

Homeowners and Contractors are encouraged to resolve any dispute among themselves. If Homeowner and Contractor are not able to reach a mutual agreeable solution, then the dispute may be brought before the Community Development Department to review the situation and make a resolution ruling. If the ruling is unacceptable by both parties, then the parties may seek legal recourse. The City of Harlingen will not be a party to such litigation.

Applicants who cancel applications after title search, credit report, lead based paint inspection/testing, and specifications have been made shall be charged a fee of \$35.00 if they reapply later plus any costs incurred for lead base paint inspection/testing. Applicants who postpone their applications will be placed at the bottom of the waiting list. The City of Harlingen will maintain all applications and files as required by the U.S. Department of Housing and Urban Development, and will be available for review by the U.S. Department of Housing and Urban Development Staff.

Each applicant will have the right to appeal any action taken by the City's Community Development Department. Any appeal must be filed with the Community Development Department of the City of Harlingen for review by the CDAB Grievance Committee; should said grievance not be resolved by the Grievance Committee, said grievance may be heard by the Harlingen City Commission upon written request by the applicant. The appeal must be made within fifteen (15) days from the date a decision was rendered or from the date the grievance occurred and became known to the applicant. If Applicant is not satisfied with the decision, the complainant may then write to the U.S. Department of Housing and Urban Development (the funding agency for the Community Development Block Grant Program).

The City of Harlingen covenants that neither member of its organization nor staff member who exercises influence on the decision making process presently has or will have any interest, direct or indirect, with any person, corporation, company or association hired to carry out any program activities or is a beneficiary of any program activity. All applicants will be required to sign a Conflict of Interest statement under which any existing or potential conflict of interest must be revealed.

STAFF INSPECTION, BID SPECIFICATIONS PHASE

The Housing Rehabilitation Specialist will visit the site of the proposed project to do an inspection of the home to be rehabilitated and develop a preliminary work write-up. Primary areas to be rehabilitated will be those outlined in the International Property Maintenance Code. This code provides the minimum requirements necessary to maintain any residential occupancy in a safe and sanitary condition. Following the preliminary inspection, the Housing Rehabilitation Specialist will help Homeowner in developing a floor plan and specifications explaining work that is to be done on the home.

After the floor plan and specifications have been completed, the Housing Rehabilitation Specialist will provide applicant with a preliminary cost estimate for all repairs to be made on home. If the estimated construction cost exceeds the maximum loan limits, and applicant can not pay for the excess cost to meet International Property Maintenance Code, the Housing Rehabilitation Specialist shall refer the applicant to the Harlingen Community Development Corporation (HCDC) for consideration in participation in the Replacement Housing Loan Program. If the project cannot be qualified under any program, the Housing Rehabilitation Specialist shall recommend that the project be rejected.

Upon approval of preliminary specifications by homeowner, the Housing Rehabilitation Specialist will develop detailed bid specifications and floor plans to provide bidding Contractors with a description of all work that is to be done on home. Detailed specifications will include a floor plan of the structure and a detailed description of all work to be done. Applicant will be required to sign a "Specification Approval" form. This is to confirm their agreement and full understanding of work to be done, and items to be installed.

The Community Development Department will assist Homeowner through the bidding process by advertising for construction bidders through the local newspaper. A minimum of fifteen (15) days will be given to allow contractors enough time to prepare a bid and meet HUD regulations. Staff will hold a pre-bid conference with all bidding contractors to discuss any questions regarding specifications, floor plans and site locations. It is mandatory that any contractor wishing to bid on any housing Rehabilitation project attend the pre-bid conference. Contractors not attending the pre-bid conference *will not* be allowed to bid on any Housing Rehabilitation project. Contractors must submit bids for Housing Rehabilitation projects to the Community Development Department in a sealed envelope within the time allotted, as specified in advertisement for bids, otherwise bids will not be considered. All bids will be opened at a scheduled bid opening -as specified in advertisement for bids.

Contractors will be awarded a maximum of two (2) Rehabilitation contracts per bidding cycle. In the case that a Contractor is determined to be the lowest bidder on more than

two contracts, the contracts to be awarded will be awarded based on the date of the loan application. The remaining bids will be awarded to the next lowest qualified bidder(s).

Bidders proposals will be in effect for thirty (30) days after correctly submitting bid, and the successful bid shall be awarded during this period. A proceed order is signed and authorized by the Homeowner will be issued to the successful bidder no later than fifteen (15) days from the bid award date. If the foregoing time limits are exceeded, it shall be the bidders prerogative to withdraw his/her bid in writing, if he/she desires.

If all bids are over the maximum loan limit amount, bids will be reviewed by the Applicant and Housing Rehabilitation Specialist to decide what items, if any, listed in the Rehabilitation Specifications can be eliminated, but still address all code related repairs. Non code related repairs may be eliminated to bring project within maximum loan limits. If project cannot be reduced to the maximum loan limit amount, the applicant may choose to pay the difference, up to 10% of the loan limit amount.

Once a Contractor has been selected, authorization to start construction will be in a Notice to Proceed Order to the Contractor. Contractor will be required to start construction on project within ten (10) working days of contract signing. Following approval of loans by the City of Harlingen City Commissioners, the Housing Rehabilitation Staff will prepare loan documents, and notify applicant of the closing date. During the loan closing process, all necessary loan documents and construction contracts are signed by Homeowner and contractor. The Homeowner, Contractor, and Housing Rehabilitation Staff shall attend the loan closing.

During the construction phase, the Housing Rehabilitation Specialist will make periodic inspections to insure work is completed in a satisfactory manner and to insure compliance with specifications, floor plans, City codes, City of Harlingen Housing Rehabilitation Performance Manual and other terms and conditions of the construction contract.

Where collection of regular monthly payments is required, the Housing Rehabilitation Staff will provide the borrower with a payment booklet along with a copy of all documents signed by the parties involved.

CONTRACTOR REQUIREMENTS AND RESPONSIBILITIES:

Contractors shall be required to furnish evidence of Commercial General Liability Insurance protecting the Owner(s) in an amount of not less than \$300,000.00 Each Occurrence, \$300,000.00 General Aggregate, \$300,000.00 Products & Completed Operations Aggregate in case of bodily injury including death and property damage (inclusion of Builder's Risk Ins.) arising out of the work performed by or on behalf of the Contractor; evidence of Automobile Liability Insurance coverage in an amount of at least \$20,000.00 each person, \$40,000.00 each accident for bodily injury including death and \$15,000.00 for property damage, as required by the Texas Safety Responsibility Act.

Plumbers and Electricians hired by Contractors must have master license for their respective trades and have their professions registered with the City of Harlingen. Plumbers and Electricians will be required to obtain their own permits. General Contractor will not be allowed to pick up permits for their plumbers or electricians. Contractor shall be required to obtain all necessary building permits before starting construction. Contractor will also call upon the proper authorities for code compliance inspections and assume the fee for the same.

Contractor shall submit sealed bids promptly and accurately to the Community Development Department at 502 E. Tyler, Harlingen Texas, on or before the time specified in the bid packet.

Contractors will be allowed to visit proposed construction sites after bid packets are issued. Contractor shall be required to attend pre-bid conference. During the pre-bid conference Contractor will clarify if so needed, with the Housing Rehabilitation Staff, any item stated on the specifications, otherwise, the specifications shall remain as written.

Contractor shall review specifications with accompanying floor plans so that any item or any work specified in either the specifications or floor plans are to be executed the same as if occurring in both. Any items of labor or articles of materials that are neither directly nor indirectly shown on the drawings or mentioned in the specifications but are nevertheless necessary for proper completion of the obvious intention hereof, are to be provided by the Contractor in his bid. Should any drawings or dimensions be omitted on the scale drawings where are necessary for a clear and comprehensive understanding, or should any errors appear in either, it will be the responsibility of the Contractor to advise the proper parties, but not go on with the work in uncertainty. All materials of all kinds and character, except those materials included in the contract of a subcontractor, are to be furnished by the General Contractor unless otherwise therein described.

The Contractor is to furnish all transportation, labor, materials, apparatuses and tools for doing the entire work in the best possible and most rapid manner; and to its entire proper and substantial completion. Any trees, shrubs, etc., which need to be cut or removed shall be the Contractor's responsibility. The Contractor shall be held responsible for any violation of City Ordinances.

The Contractor shall remove all rubbish, waste material and construction material from site no less than once a week, and keep the premises as clean as possible during the process of the rehabilitation work. At the time of project completion, the Contractor shall deliver the building in a broom clean condition. Contractor shall be required to

commence work within ten (10) working days from contract signing, and shall meet deadline for completion of project as specified in the Construction Contract. Any contractor exceeding this deadline will be penalized according to the construction contract. Contractors will be given one additional work day for every rain day during the construction period as specified in the Construction Contract. All labor is to be done in a skillful and thorough manner. All material to be of the dimension, design and grade as specified. Unless specified otherwise, any patented materials specified by trade name are to be applied or installed strictly according to manufacturer's specifications.

Contractor shall be responsible for any subcontractors hired to do any part of this contract. Contractor will be allowed one extension on each job, providing said extension is justifiable and requested by Contractor in writing. Contractor will be allowed one change order on each job, provided said change order is justifiable. Any telephone wiring removed or damaged by Contractor or Subcontractor shall be replaced or reinstalled at Contractor's expense. Property items that do not call for removal on the specifications shall be reinstalled or replaced by Contractor before final inspection. Contractor shall request final inspection only when the job is 100% complete. Final inspection shall include among other requirements, trash removal from premises. Plumbing and electrical work will need to be inspected and approved by the City of Harlingen Building Inspection Department before final payment can be made to General Contractor. When job is 100% complete, the contractor shall submit a General Contractor's notarized sworn affidavit that all material suppliers and subcontractors have been fully paid, and liens against the property have been released. Contractor shall submit all pay requests in writing, no less than five (5) working days before payment being **issued**. Drawdown requests for contractor payments will not be processed until all documents for payment have been signed by Homeowner, Contractor and Community Development Staff. Payments will be made out according to completion percentage as specified below:

PAYMENTS TO GENERAL CONTRACTOR:

- 30% of contract at 33% completion
- 30% of contract at 66% completion
- 30% of contract at 100% completion
- 10% of contract three (3) months after completion
- 100%

Contractor shall guarantee all work performed for three (3) months (see exceptions below) from date of final acceptance by homeowner and the Community Development Department. Actions on three-month warranty items are strictly required from Contractor. All Homeowner complaints regarding repairs during the three-month warranty period shall be submitted in writing to the Community Development Department within the time required by the Community Development Department.

Contractor shall present Homeowner and the Community Development Department written copies of warranties as follows:

1. Labor and material on pea gravel roofs: minimum of three (3) years
2. Labor on shingle roofs: one (1) year
3. Material on shingle roofs: Copy of manufacturers fifteen (15) year warranty.
4. Labor and material on water heaters: Minimum one (1) year warranty.
5. Material on water heater: Copy of Manufacturer's warranty.

6. Labor and material for gas wall heaters: one (1) year.
7. Material on gas wall heaters: Copy of manufacturer's warranty.
8. Roll Roofing: one (1) year material and labor

Deficiencies must be corrected within ten (10) working days from Contractors receipt of a certified registered letter from the City of Harlingen Community Development Department on behalf of Homeowner, unless a danger exists to Homeowner. In this case repairs shall be done immediately upon receipt of certified letter. If Contractor fails to repair said items within the ten-day period, the Homeowner has the option of requesting in writing that the City hire another Contractor to make repairs and pay them from the original contractors' retainage. Contractors shall give Homeowner and the Community Development Department a copy of all manufacturer's and suppliers written warranties covering material and equipment furnished under the contract from Contractor.

With respect to all work performed under this contract, the Contractor shall:

1. Comply with the safety standard provisions of applicable laws, building and construction code and the "Manual of Accident prevention in Construction" published by the Associated General Contractors of America," the requirements of the Occupational Safety and Health Act of 1970, (Public law 91-956), and the requirements of Title 29 of the Code of Federal Regulations Sec. 1518, as published in the Federal Register Vol. 36, #75, Saturday, April 17, 1971.
2. Exercise every precaution at all times for the prevention of accidents and the protection of persons (including employees), and property.
3. Maintain at his/her office or other well-known place at the job site, all articles necessary to give first aid to the injured, and shall make standing arrangements for the immediate removal to a hospital or a doctors care of persons (including employees who may be injured on the job site.) In no case shall employees be allowed to work at a job site before the employer has arranged for removal of the injured person(s) to a hospital or doctor's care.

SUB-CONTRACTORS

The General Contractors are specifically advised that any person, firm or party to whom it is proposed to award a subcontract under this contract must:

1. Be acceptable to both the Owner and the Community Development Department.
2. Submit a certification by proposed subcontractor concerning Labor Standards and prevailing wage requirements. (HUD Form 1422); approval of the proposed contract award cannot be given by the Community Development Department unless and until the proposed subcontractor ahs submitted the Certifications and/or other evidence showing that they have fully complied with any requirements to which they are subject to.
3. Although the bidder is not required to attach such certifications by proposed contractors to his bid, the bidder is hereby advised of this requirement to that appropriate action can be taken to prevent subsequent delay in sub-contractor awards.

4. Electrician and plumbing subcontractors will obtain permits from the Harlingen Building Inspection office. General Contractors will not be allowed to pick up permits for plumbers or electricians.

PREPARATION, RECEIPT AND OPENING OF BIDS

Each bid must be submitted on the supplied form and be accompanied by:

1. Non-Collusion Affidavit;
2. Agreement to provide the following: General Contractor's and Subcontractor's (plumbers, electricians, etc.) certificate of registration with the City of Harlingen.

Housing Rehabilitation Bids will be received by the Community Development Department of the City of Harlingen until date and time specified on public notice, and then publicly opened and read aloud. The envelopes containing the bids must be sealed, addressed to the City of Harlingen, Community Development Dept. 502 E. Tyler, Harlingen, Texas.

The City may consider informal any bid not prepared and submitted in accordance with the provisions thereof and may waive any informalities or reject any and all bids. Any bid may be withdrawn prior to the above scheduled time for the opening of bids or authorized postponement thereof. Any bid received after the time and date specified shall not be considered.

A minimum of two bids correctly submitted as specified above, are required per bid opening on each project. The City reserves the right to reject any or all bids.

QUALIFICATIONS OF BIDDERS:

The City may make investigations as deemed necessary to determine the ability of the bidder to perform the rehabilitation work and the bidder shall furnish to the City of Harlingen all such information and dates for the purpose as the City may request. The City reserves the right to reject any bid if the evidence submitted by or investigation of, such bidder fails to satisfy the City that such bidder is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein. Conditional bids will not be accepted.

Bidder must agree to commence work on or before a date to be specified in a written "Proceed Order" from the Homeowner and to fully complete the rehabilitation work within the time period determined by the Housing Rehabilitation Specialist. Bidder must agree to also pay as a penalty, the sum of \$75.00 for each working day thereafter as specified in the Housing Rehabilitation Contract.

Each bidder must inform himself/herself fully of the conditions relating to the construction of the project and the employment of labor thereon. Contractor/Bidder will acknowledge that he/she is familiar with conditions enabling him to estimate costs or work as called for. Quantities and dimensions as indicated on specifications and floor plans are approximate. It is the Contractors responsibility to verify all quantities and dimensions for the purpose of estimating. Failure to do so will not relieve a successful

bidder of his obligations to furnish all material and labor necessary to carry out the provisions of his/her contract. Insofar as possible, the Contractor, in carrying out his/her work must employ such methods or means as will not cause any interruption of, or interference with the work of any other Contractor. If a Homeowner remains in the home during rehabilitation of the home, and a utility is to be turned off for rehabilitation purposes, and left off for more than twenty-four hours, there will be a fine of \$50.00 per day unless temporary facilities are set up on the premises at the Contractor's expense.

No interpretation of the meaning of the plans, specifications of other pre-bid documents will be made to any bidder orally.

Any and all such interpretations and any supplemental instructions will be in the form of written addenda to the specifications which, if issued, will be mailed to all prospective bidders or may be distributed at the pre-bid conference. Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his/her bid as submitted. All addendums so issued shall become a part of the Contract documents.

The Bidder's attention is directed to the fact that all applicable State Laws, Municipal Ordinances and the rules and regulations of all authorities having jurisdiction over construction of the project shall apply to the contract throughout and they will be deemed to be included in the contract the same as though herein written out in full.

At the time of opening of bids, each bidder will be presumed to have inspected the site and to have read and to be thoroughly familiar with the plans, specifications and contract documents (including all addendum and/or interpretations). The failure or omission of any bidder to examine any form, instrument or document shall in no way relieve any bidder from obligation in respect of his/her bid.

HOUSING REHABILITATION GRIEVANCE POLICY:

The Grievance Policy of the Community Development Housing Rehabilitation Program of the City of Harlingen provides for a Grievance Committee to hear and review any complaints directly related to the Housing Rehabilitation Program. A three member subcommittee herein called the "CDAB Rehabilitation Grievance Committee" shall meet when necessary to review any problems arising from the Housing Rehabilitation Program which may not have been satisfactorily resolved by the Housing Rehabilitation Staff.

Any person who has applied for participation and/or received assistance under the Housing Rehabilitation Program may register any complaints in writing with the Community Development Dept. The Community Development Director shall have thirty (30) days to respond to said complaint. If Community Development Director's response is unsatisfactory, Complainant may then request in writing a review of the matter by the CDAB Rehabilitation Grievance Committee. Date for Grievance Committee meeting shall be set within forty-five (45) days from receipt of complaint. Complainant shall be notified of such date.

The Rehabilitation Grievance Committee shall review complaint as registered in writing. Review will contain:

1. Initial written complaint submitted to the Community Development Director
2. Response from the Community Development Director.
3. Complainants request for review by the CDAB Rehabilitation Grievance Committee.
4. Any information provided by Complainant or Housing Rehabilitation Staff directly related to the written complaint.

Complainant and Housing Rehabilitation Staff may be present for Committee Review.

The CDAB Rehabilitation Grievance Committee, upon reviewing all related information to complaint, shall meet in closed session to reach a consensus decision. The decision shall be provided in writing to Community Development Director and Complainant within fifteen (15) days of the meeting. The CDAB Rehabilitation Grievance Committee has no legal power to alter any contract, agreement, or document of the City of Harlingen, but shall act in an advisory capacity to correct the issue being reviewed.

The elective commission of the City of Harlingen shall have the final decision regarding any action of the CDAB Rehabilitation Grievance Committee.

If Complainant is dissatisfied with the decision of the CDAB Rehabilitation Grievance Committee, Complainant may then write to the U.S. Dept. of Housing and Urban Development (the funding agency for the Community Development Block Grant Program).

PROVISIONS OF CONTRACT:

The City of Harlingen may make such investigations as deemed necessary to determine the ability of the Contractor to perform the rehabilitation work and the Contractor will furnish to the City all such information and dates for the purpose as the City may request. The City reserves the right to reject any bid if the evidence submitted by or investigation of such Contractor fails to satisfy the City that such Contractor is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.

Failure to comply with all provisions of the Program Guidelines, the Housing Rehabilitation Construction Contract, City of Harlingen's Housing Rehabilitation Performance Manual and all applicable City Codes' and Ordinances will constitute grounds for corrective action by the City and may disqualify Contractors participation in the Rehabilitation Program.

If Contractor disagrees with the Community Development Departments determination, he/she may appeal the decision by requesting, in writing to go before the CDAB Rehabilitation Grievance Committee.

Forms

File Check List	Contractors Affidavit	Income to Debt Ratio Form
Spec. Approval form	3 month pay request	Release Order
Award letter to contractor	Ineligible applicant	Household Annual Income Form
Proceed order	Homeowner complaint	Promissory Note Deferred
Roof Warranty	Subcontractor affidavit (Elect)	Promissory Note Low Interest
Change Order	Subcontractor affidavit (plumber)	Application
Request for payment	Contractor Bid form	Financial Privacy Notice
Interoffice Memo to Finance	Certificate of Acceptance	Mech. Lien Contract
Contractor payment request	Homeowners Bid Auth. form	Deed of Trust
33% completion form	Application checklist	Rehabilitation Const. contract
66% completion form	Flood Zone Verification	Transfer of Lien
Final inspection form	Rehabilitation Loan Agreement	Lead Base Paint Booklet
Compliance Review Form	Elderly Waiver for relocation	Lead Safe Housing Worksheet
Lead Safe Rule Applicability Form	Notice of Lead Hazard Reduction	