

IHCDA 2015 & 2016 CDBG OOR Awardee Webinar

CONGRATULATIONS!

- Reminders:
 - Please mute your phones by using *1
 - Type in questions during the webinar.
 - There will also be a Q&A session at the end of the webinar.

TABLE OF CONTENTS

- Introduction of staff
- Example timeline
- Program Requirements
- Construction
 - Lead
 - Priority List
 - Third Party Inspections
 - Construction Standards
- Funds Management
 - Benchmark policy
 - Modifications policy
- Q&A

Real Estate Production Staff

Matt Rayburn: Deputy Executive Director and Chief Real Estate Development Officer

Samantha Spergel: Director of Real Estate Production

Leesa Norton: Real Estate Coordinator

Becky Richardson: Funds Management & Reporting Specialist

Dave Pugh: Design and Construction Review Analyst

Regional Real Estate Production Analysts:

Northwest: Dani Miller

Northeast & Marion County: Aj Bytnar

Southwest: Chris Nevels

Southeast: Dani Miller

ANALYST MAP



Indiana Housing & Community Development Authority

Director of Real Estate Production
Samantha Spergel — SSpergel@ihcda.in.gov

317.232.0599

Real Estate Production Analyst
Danielle Miller DanMiller@ihcda.in.gov

317.233.3895

Real Estate Production Analyst
Aj Bytnar ABytnar@ihcda.in.gov

317-233-0543

Real Estate Production Analyst
Chris Nevels CNevels@ihcda.in.gov

317.234.2158

Real Estate Production Analyst
Danielle Miller DanMiller@ihcda.in.gov

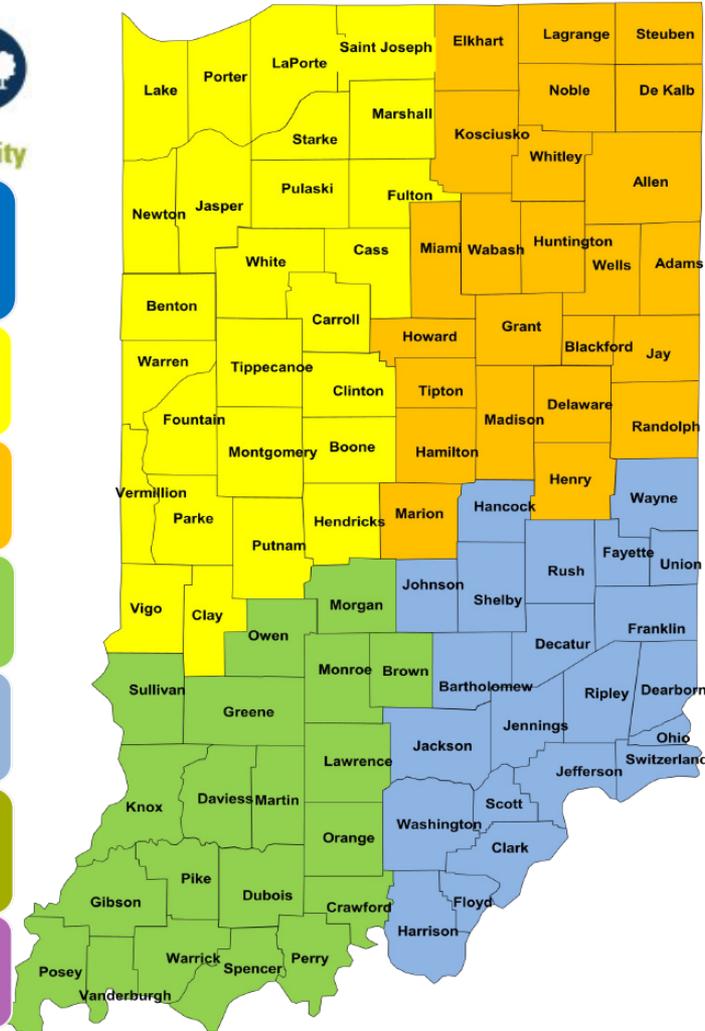
317.233.3895

Funds Management and Reporting Specialist
Becky Richardson BRichardson@ihcda.in.gov

317.232.7754

Real Estate Coordinator
Leesa Norton LNorton@ihcda.in.gov

317-232-7781



EXAMPLE TIMELINE

Pre-award	Months 1-6	Months 7-12	Months 13-18
Board Approval	Inspections for work specifications	Work specifications out for bid	Finish rehab work
ERR Approval	Submission of 106 packets	Approval of bid	Claim rehab costs
First Publication	Submission of set-up forms with PD budget	Submission of revised set-up forms with rehab costs	Schedule inspection
Release of Funds	Begin drawing funds	Begin rehab work	Submit completion report
	Approval of 106 packets		

PROGRAM REQUIREMENTS

PROGRAM REQUIREMENTS

- Beneficiary must:
 - Own the property and occupy the property
 - Be income eligible – annual income equal or less than 80% of Area Median Income
 - See RED Notice 15-24 for Federal Program Income and Rent Limits:
 - <http://www.in.gov/myihcda/rednotices.htm>
 - Execute Duplication of Benefits
 - Complete Homeowner OOR Agreement prior to the lien and restrictive covenant agreement. This explains to the homeowner the requirements associated with the assistance.

PROGRAM REQUIREMENTS (CONT'D)

Recipient Must:

- Hold two Public Hearings at each phase of the process
- Complete Environmental Review Record (ERR)
- Use Competitive Procurement Procedures
- Address Lead Based Paint (24 CFR Part 35)
- Schedule Two Inspections
 - First, after completion of documented scope of work
 - Second, upon completion of construction
- Additional Federal Regulations may apply. Please consult the HOME and CDBG Program Manual: <http://www.in.gov/myihcda/2490.htm>

PROGRAM REQUIREMENTS (CONT'D)

Environmental Review Record and Section 106

- Two originally signed copies of ERR workbook are submitted with the funding application.
- Once funded, the ERR and 106 Historic Review documentation is reviewed. IHCDCA will contact the applicant if additional documentation is needed.
- For awards with multiple sites, site specific documents (Exhibit G and the OOR priority list) are required to be sent in to IHCDCA as each site is determined.
- For site specific reviews, submit an Exhibit G and OOR Priority List with all supporting documentation for each site.

Training will be held on November 9, 2016 beginning at 9:00 a.m.

- You can register at the following link: [ERR and Section 106 Training](#)

PROGRAM REQUIREMENTS (CONT'D)

Amount of CDBG or CDBG-D subsidy per unit	Affordability Period
Under \$5,000	1 year
\$5,000.01 - \$10,000.00	2 years
Over \$10,000.00	3 years

- The affordability period starts at the time that the grantee submits its completion reports for a specific address to IHCDA and these reports are approved.
- The affordability period starts at the time that the grantee submits its completion reports for a specific address to IHCDA **and** these reports are approved.
- Contact regional analyst when requesting payoff amount or release once affordability period ends.
- If a homeowner sells their home before the affordability ends, they will owe the prorated amount based on the recorded lien's affordability period.
- A homeowner can sell a home to another income qualified owner and transfer lien to the new owner.

CONSTRUCTION: DAVE PUGH

LEAD

- HUD's Lead Safe Housing Rule 24 CFR Part 35 must be addressed in all projects receiving CDBG funding.
- Most common exemptions to the Lead Safe Housing Rule are:
 - A residential property for which construction was completed on or after Jan 1, 1978
 - Any rehabilitation that does not disturb a painted surface
 - Housing for the elderly, or a residential property designated exclusively for persons with disabilities; except this exemption shall not apply if a child less than age 6 resides or is expected to reside in the dwelling unit (see definitions of "housing for the elderly" and "expected to reside" in § 35.110).
- De minimus levels are not an exemption to the Lead Safe Housing Rule
- All lead based paint hazards noted in a risk assessment must be addressed
- Your scope of work must identify what repairs are LBP hazards
- Clearance must be achieved before the final inspection

PRIORITY LIST

REHABILITATION PRIORITY LIST

Priority #1: Health and Safety

- a. ____ Moisture intrusion (including mold assessment and remediation as needed)
- b. ____ Installation of combination audible/visual smoke alarms in accordance with the State Building Code
- c. ____ Non-functioning furnace
- d. ____ Combustion appliance health/safety issues and code violations
- e. ____ Electrical system hazards and building code violations
- f. ____ Plumbing deficiencies and building code violations, including sewer/septic
- g. ____ Urgent AIP modifications :
 - Access to entry door (clear path, ramp, etc.)
 - emergency alert systems
 - update any systems needed for necessary medical equipment

Priority #2: Structural

- h. ____ Roof issues- defective roof covering, decking, structural issues, flashing, gutters
 - i. ____ Structural component and foundation issues
 - j. ____ (various structural issues, interchangeable priority level)
- Pest infestation
 - Interior walls and ceilings repaired as part of structural issue
 - Porches/sidewalks
 - Windows- repaired/replaced as part of structural/security issue
 - Doors- repaired/replaced as part of structural/security issue

Priority #3: Aging in Place Improvements

- k. ____ Accessibility improvements not already addressed in health and safety
- *If Aging in Place program, items listed in the beneficiary's assessment must be addressed

Priority #4: Energy

- l. ____ HVAC deficiencies identified by an energy audit
- m. ____ Insulation and air sealing measures identified by an energy audit

Miscellaneous items - after all other priorities have been addressed and if there is funding remaining additional items may be done for increased comfort

- Window and door replacement not addressed under structural criteria.
- Floor coverings (not addressed under criteria for another priority)
- Replacement of kitchen appliances
- Siding (not addressed under other criteria)

THIRD PARTY INSPECTOR POLICY

The award recipient shall procure, or have on staff, an IHCD A approved inspector to monitor and inspect all IHCD A funded projects prior to construction.

The following list of qualifications are for person(s) seeking to conduct inspections for IHCD A funded projects:

- 3 years previous experience as a building code official or inspector- documented employment with contacts listed for verification
- ICC (International Code Counsel) Residential Building Inspector certificate- completion certificate will need submitted for approval prior to conducting inspections
- Documented experience conducting inspections of 5 or more IHCD A awards must be approved by IHCD A in advance
- Local building code official- current building official in the projects jurisdiction
- Licensed architect- current licensee listed at www.in.gov/pla
- Licensed engineer- current licensee listed at www.in.gov/pla
- Licensed home inspector- current licensee listed at www.in.gov/pla

CONSTRUCTION STANDARDS

Inspections:

- OOR- all units get inspected by the recipients approved inspector at least once when complete.
 - The inspection certification form shouldn't be signed until all repairs are in accordance with all required standards
 - Recommend progress checks by the Recipient/Administrator during construction
- OOR- once the recipient has conducted their inspection and signed the Inspection Certification form IHEDA will conduct an inspection:
- To request the final inspection by IHEDA the following needs submitted for review prior to scheduling:
 - Scope of work (detailed repairs, specifications, and locations)
 - Lead Form (Funds Management)
 - IHEDA Inspection Certification form
 - Electrical Spreadsheet (used to document all electrical upgrades/improvements)
 - Development Features form (based on application and/or scope of work commitment)

CONSTRUCTION STANDARDS (CONT'D)

- All single and multi-family projects shall be inspected once the project has reached approximately 50% of completion by IHCDA
- All single and multi-family projects shall be inspected by IHCDA once the project is complete.
- Documentation required prior to inspections:
 - Rental Rehab (single and multi-family)
 - Scope of work (detailed repairs, specifications, and locations of the rehab work)
 - Lead Form (located in Funds Management)
 - IHCDA Inspection Certification form
 - Development Features form (if applicable to your application commitments)
 - Construction Design Release (if applicable)
 - Certificate of Occupancy (if applicable)
 - New Construction (rental and homebuyer)
 - IHCDA Inspection Certification form (if applicable at this time)
 - Development Features form (if applicable to your application commitments)
 - Construction Design Release (if applicable)
 - Certificate of Occupancy (if applicable)

CONSTRUCTION STANDARDS (CONT'D)

- Scope of Work
 - Detailed list of all work in each room, area, and exterior repairs
 - All components and materials repaired and/or replaced must be identified
 - One PDF document per home/project with all the requested forms shall be emailed for review
 - Based off bid specifications and the contract
- Bid specification and contract
 - Should be as detailed and specific as possible
 - Include all applicable building code language and other requirements to protect all parties involved

FUNDS MANAGEMENT: BECKY RICHARDSON

FUNDS MANAGEMENT

- Submit the set up and completion excel workbook with set up, household characteristics and lead tabs completed.
- Submit the signed homeowner agreement with the set up.
- Submit the property tax record, work specs or lead test letter if the home is exempt, not disturbing paint or passes lead testing.
- Ideally, the liens should be signed at the time the construction contract is signed.
- Submit the set up and completion excel workbook with the lead tab updated (if applicable), completion report and match tab completed.
- The affordability period begins when the completion report is submitted and approved.

FUNDS MANAGEMENT CONT'D

- Lien amounts for CDBG-D include the total amount drawn from the rehabilitation budget line. The rehabilitation budget line includes rehab, lead, ER and program delivery.
- Lien amounts for CDBG include rehabilitation only.
- The Administrator/Grantee is responsible for getting the liens signed, notarized and recorded.

BENCHMARK POLICY FOR 2016 AWARDEES

- Benchmark percentage of funds drawn are at 6, 9, 12 and 15 months.
- At 18 months it is presumed and required that all funds necessary be drawn.
- 2016 Grantees (first year of policy) are required to have the following minimum benchmark percentages.
 - Month 6: 2% drawn
 - Month 9: 10% drawn
 - Month 12: 25% drawn
 - Month 15: 50% drawn
- If the Grantee has not met two of the three benchmarks by Month 12, IHCD may request an in-person meeting to provide technical assistance.

BENCHMARK POLICY CONT'D

- Funds may be deobligated if the grantee has not met a minimum of two of the three benchmarks by Month 15 *and* not drawn a minimum of 50%.
- Grantees may request a deobligation of funds at any time. Voluntary deobligation will not impact future applications.
- Funds may be reallocated. To be eligible to receive additional funding, grantees must meet the following:
 - a. Meet or exceed two benchmark percentages for 6, 9, 12 months;
 - b. Have drawn 25% or more of the award at 12 months; and
 - c. Have income eligible homeowners identified.
- Applicants for 2017 OOR projects will be eligible for points associated with meeting benchmarks.

MODIFICATIONS

- Modification requests are now uploaded online through the same portal used to create and submit claims. Once uploaded, a notification email will be generated to the Real Estate Modification Email.
- Modification responses will be uploaded online. Once the response is uploaded a notification email will be generated and sent to the grantee and/or administrator.
- Modification requests and responses are stored online permanently and can be viewed or printed.
- Detailed instructions on this process will be emailed.

THANK YOU!

Questions?