

MEETING NOTICE

The Policy Advisory Board (PAB) for the Washington County Community Development Block Grant (CDBG) and HOME Investments Partnerships Program will meet at **7:00 pm** on **Thursday December 9, 2021**. The meeting will occur through Zoom.

Call in option: If the first number is full, dial the next number:

1-346-248-7799

1-669-900-6833

Meeting ID: 820 6308 2723 **Passcode:** 173545

Video option: If you'd like to connect to Zoom to view the presentation, click the link:

<https://us02web.zoom.us/j/82063082723?pwd=cWtJY3FuaTVMODUwcGdPaWM1aU5MQT09>

For further information, contact the Office of Community Development at 503-846-8814.

PAB MEETING AGENDA

1. (Action) Approval of Minutes, November 18, 2021 Meeting (enclosed)
2. (Info) Manufactured Housing Communities, Presentation 2: Strategies (enclosed)
3. (Action) Approval of Housing Rehabilitation Program Policy Changes (enclosed)
4. (Info) Miscellaneous and Announcements

- ACTION -

POLICY ADVISORY BOARD (PAB) for the Washington County Community Development Block Grant (CDBG) Program and HOME Investment Partnerships Program, **November 18th, 2021 7:00 pm** via Zoom.

POLICY ADVISORY BOARD MEETING MINUTES

The following persons were present:

PAB REPRESENTATIVES:

Banks	*Stephanie Jones
Beaverton	Javier Mena
Cornelius	*Luis Hernandez
Forest Grove	*Mariana Valezuela
Gaston	*David Meeker
Hillsboro	Chris Hartye
King City	*Micah Paulsen
North Plains	*Trista Papen
Sherwood	Tim Rosener
Tigard	*Liz Newton
Tualatin	*Bridget Brooks

*Denotes Primaries

OCD STAFF:

Jennie Proctor, Program Manager
Lauren Thomas, Administrative Specialist II
Ann Hawkins, Housing & Community Development Specialist
Natalie Williams, Housing & Community Development Specialist
Mari Valencia-Aguilar, Housing & Community Development Specialist
Andree Tremoulet, Housing & Community Development Specialist

GUESTS:

Brooke Harrison, TetraTech Engineer

Chair Stephanie Jones called the meeting to order at 7:00 pm.

1. APPROVAL OF September 16, 2021 MINUTES

Liz Newton MOVED TO APPROVE the September 16th, 2021 MINUTES.
Mariana Valenzuela SECONDED. Motion CARRIED. (11 yes, 0 no)

2. CITY OF GASTON 3RD STREET IMPROVEMENTS CONTINGENCY REQUEST

Natalie Williams reviewed the Gaston contingency.

The City of Gaston was awarded \$170,000 in FY 2018-2019 for it's Third Street Improvements Project. It is now seeking an additional \$42,150 CDBG funding to make much needed repairs to the waterlines on Third Street. The existing condition of the Third Street waterline is poor. During the relocation of a fire hydrant and subgrade replacement for the current third street improvements project, it was discovered that the existing waterline does not have sufficient

coverage and the PVC material currently in place is now considered obsolete for that usage. The service connections at the main had corroded to the point of breakage and the line had to be shut down for one day due to a failed joint.

The decision to hold a special Gaston City County session to approve the additional waterline improvements was made so the City could take advantage of the current construction contract. By adding this work to the current contract through a change order instead of performing the work under a new project, the City can save in several areas, as described below:

- Mobilization, demolition, erosion control, traffic control and other overhead costs already included in the current project. The estimate savings would be \$8,000 to \$11,000.
- Removal and replacement of subgrade and asphalt installed during the current contract. The estimated savings would be \$12,000 to \$15,000.
- Engineering, bidding services and construction management of a new project. The estimated savings would be \$25,000 to \$30,000.

The total estimated savings to the City by including the water improvements in the existing construction contract is \$45,000 to \$56,000. It should also be noted that the cost of the C900 PVC pipe that would be used for this project has increased by approximately 80% to 120% over the last twelve months and suppliers have indicated that costs will continue to increase. The estimates provided above do not include this potential escalation in materials cost. The estimates above also do not include costs associated with City staffing and administration of the project. Lastly, the fact that residents along Third Street and the neighboring School District would ask why the road is being torn up again may not have a monetary cost but does come at a cost to the city. The current contractor, D&D Concrete, has agreed to perform the installation of approximately 500 ft of pipe, new valves and fittings, connections to existing services and to the existing main, abandonment of the exiting pipe, testing and disinfection for \$84,300. The unit costs provided by the contractor have been compared to the existing contract and other utility projects and are found to be acceptable.

A full Environmental Assessment was completed for the Third Street Project which means that no further environmental action is required. The additional waterline work has no environmental or archeological impact. No additional right-of-way, easements, or permits are required.

The City's water demand and consumption records indicate losses in the system as high as 50%. The City of Gaston must pay the City of Hillsboro for this volume of water but cannot recoup any of the cost by billing a customer. In an effort to mitigate this costly waste, the City has begun preventative maintenance as the water budget allows. The preventative maintenance includes leak detection studies- as well as valve and hydrant replacement. The last leak detection study was performed in 2017 and covered only a portion of the City.

The Public Works Director estimates that the cost to perform a leak detection study for the entire City would range between \$10,000 to \$12,000. The City recently took advantage of another street project to replace two fire hydrants and has replaced three additional hydrants under separate work orders. The estimated cost to replace a single hydrant is \$9,500 to \$13,000. The City has received an informal quote for the replacement of a small diameter 300 ft waterline for approximately \$50,000. It has been difficult for the City to be aggressively proactive; however, as smaller immediate repairs take precedence over larger preventative maintenance repair types.

It is unknown why this utility improvement was not included in the scope of work for the original application. The Public Works Director, Grant Writer and City Engineer that were involved in the original application no longer work for the City.

Brooke Harrison, Project Engineer with TetraTech, was present for the meeting to answer any questions however, there were none.

Bridget Brooks MOVED TO APPROVE the additional \$42,150 contingency request to Project #0101 to enable the City of Gaston to complete the waterline replacement that lays directly under the project site during construction of the Third Street Project. Micah Paulsen SECONDED. Motion CARRIED. (9 yes, 0 no)

3. BRIEFING ON THE MANUFACTURED HOUSING COMMUNITIES – PART 1 DATA AND RISK

Jennie Proctor introduced Andree Tremoulet, who is a part-time temporary staff person with the Office of Community Development (OCD). Andree has been working on special projects for us.

Andree presented part 1 data for the manufactured housing communities. During the 2020-2024 Consolidated Planning process, the Con Plan Work Group discussed strategies to address different areas of need across all types of affordable housing. One of those needs had to do with the risk to manufactured home park communities, a significant source of lower-cost, unsubsidized, owner-occupied housing in Washington County. The concern stemmed from the possibility that residents of manufactured housing communities might be displaced as the economic and land development landscape continued to heat up and land prices rose. A study of this risk was deemed a priority strategy to address early in the five-year planning horizon.

Washington County's 4,000 to 4,500 "mobile homes" (officially called manufactured homes or manufactured housing) in 42 manufactured housing communities (MHCs) are likely the County's largest source of unsubsidized affordable housing. Most residents are homeowners. Their continued presence depends on a delicate balance between the interests of landowners and

homeowners. This arrangement---owner occupied homes located on rented spaces owned by a landlord---is called divided asset ownership. It results in lower housing costs for homeowners but also comes with the potential risk of displacement. For investors, it results in a reliable income stream with less upfront investment than apartments.

For homeowners, who are primarily older adults and families with modest incomes, displacement can be catastrophic. It results in the loss of their home (their primary asset), their community, and an affordable place to live. It uproots families from supportive ties and schools. For older adults, loss of home and all that is familiar sometimes precipitates a move into assisted living or a subsidized skilled nursing facility.

The trauma to older adults of an involuntary move has been associated with negative health impacts and the possibility of a shortened life span. Importantly to policymakers, the loss of this housing also increases the demand for subsidized housing.

The vulnerability of this housing sector is not an abstract concern; for Washington County, it is real if not imminent. Washington County led the state in MHC closures during the real estate boom of 2001 – 2007. The County lost fifteen MHCs to closure for redevelopment, displacing approximately 1,100 households. In most cases, the closures were a form of suburban gentrification. While laws adopted in 2007 by the Oregon Legislature and changes in the housing market have forestalled additional closures in the County since and just about eliminated them statewide, a few closures for redevelopment are occurring in the Portland Metro area. In addition, some homeowners in the Metro region have faced displacement due to rising rents for spaces in their manufactured housing communities.

Section 1: Data Findings

1.1: Washington County has 42 manufactured housing communities (MHCs) with 4,000 to 4,500 spaces for homes.

1.2: Nearly half (45%) the manufactured homes in MHCs countywide are in unincorporated Washington County and just over half are in cities.

1.3: Manufactured housing communities (MHCs) provide a significant portion of Washington County's lower-cost housing and are likely one of the County's largest sources of unsubsidized affordable housing.

1.4: The "average" manufactured home in an MHC in the County is a 38-year-old doublewide.

1.5: MHCs primarily serve two population groups: older adults and younger family households, both of whom are seeking independence and lower-cost single family home ownership. Within the region, manufactured housing

residents are more likely to identify as White for race and Latinx for ethnicity than households overall. They are more likely to be disabled.

1.6: Manufactured homes have an inherent value to the people who own them. A family or individual with a modest income can own a manufactured home while keeping monthly expenses affordable. It is their housing of choice; many prefer it to other options available to them.

1.7: The industry has a range of MHC owner types. It has changed over time.

1.8: While Washington County does have a variety of MHC owners, ownership is relatively concentrated among a handful of investors. The investment goals and choices these five owners have an outsized impact on this housing segment.

Section 2: Risk Analysis Findings

2.1. During the real estate boom of 2001-2007, fifteen MHCs closed in Washington County, displacing approximately 1,100 households.

2.2. Beginning in 2007, the Oregon Legislature adopted measures to assist residents displaced by a closure.

2.3. Divided asset ownership drives the inherent vulnerability of residents to displacement, but it also contributes to the affordability of MHCs.

2.4. Washington County faces two primary forms of displacement involving MHCs: a) closure and redevelopment of entire MHCs, and b) individual displacement due to rent increases that residents cannot afford.

2.5: Displacement of individual homeowners through rent increases and other means is occurring now in Washington County.

2.6: Displacement through MHC closures has not occurred in Washington County since 2007.

2.7: Closure of MHCs for redevelopment may not be imminent, but the likelihood of closure is expected to increase over time as land values increase and MHC infrastructure ages. Two main factors affect the likelihood of future closures: the profitability of redevelopment, and the investment goals and personal preferences of the MHC owner. A third potential factor is deteriorated MHC infrastructure due to lack of maintenance and investment.

2.8: Washington County has a variety of MHC owners, and, broadly speaking, investment goals may vary somewhat by investor type. Ultimately, the choice to redevelop is an individual decision affected by the personal preferences of the owner.

2.9: The impacts of displacement can be devastating financially and psychologically for individuals. Park closures also reduce the quantity of the County's lower-cost housing stock and increase the demand for subsidized housing.

At the December meeting, Andree will present part 2 which includes eleven potential actions in four strategy areas that could help address the stability of this segment of the County's lower cost housing market.

The PAB discussed things cities have done to preserve these communities and discussed opportunities for potential interventions and policies to help homeowners and tenants in these manufactured home communities.

Jennie discussed the County's Housing Production Opportunity Fund. It was originally approved in 2016 for \$300,000 for the first few years and is now for \$4 million with a projection out for 5 years. The OCD and the Housing Authority created an allocation plan for this funding: \$2.5 million to multi-family rental, \$1 million to homeownership, and \$500,000 for special needs housing (such as manufactured home communities that are interested in resident-owned cooperatives).

4. UPDATE ON FY22/23 CDBG AND HOME APPLICATIONS

Ann reviewed the applications received and application cycle timelines for CDBG and HOME FY22/23.

On October 8, 2021, applications were due for CDBG and HOME assistance for the 2022-2023 funding cycle. Staff received a total of eight CDBG applications and three HOME development applications.

A current review of the applications indicates that the sponsors requested a total of \$905,000 in CDBG funds and total of \$3,000,000 in HOME funds. The following is a breakdown, by category, of the number of requests received and the total amount of federal funds requested. These do not include set-asides.

Funding Source	Program Category	Applications submitted	Total amount of CDBG funds requested
CDBG	Infrastructure Improvements	1	\$475,000
CDBG	Public Facilities	1	\$250,000

CDBG	Public Services	6*	\$180,000
		CDBG Subtotal	\$905,000
HOME	Housing Development	3*	\$3,000,000

The three HOME applications are:

- BRIDGE Housing Corporation – Belleau Woods (\$600,000)
- Community Partners for Affordable Housing, Inc. – Woodland Hearth (\$1,200,000)
- REACH Community Development, Inc. – Dartmoth Crossing (\$1,200,000)

The six CDBG Public Services applications are (each for \$30,000):

- CASA for Children, Inc. – Crucial Advocacy for Washington County Children in Foster Care
- Ecumenical Ministries of Oregon – Second Home
- Family Promise of Tualatin Valley – Housing Case Management Services
- Good Neighbor Center – Expanded Childcare/Preschool Programming and Subsidy
- Project Homeless Connect – PHC Day Center
- St. Vincent de Paul, Tigard Conference – Rent and Utility Assistance

The one CDBG Infrastructure application is:

- City of Cornelius – South 12th Ave Pedestrian Corridor (\$475,000)

The one CDBG Facilities application is:

- Just Compassion of East Washington County – Campus Development (\$250,000)

The timelines for the 2022-2023 were reviewed:

Action	Due Date
CDBG Application Proposal Workshop HOME Application Proposal Workshop	August 25, 2021 August 26, 2021
Letter of Intent Due (CDBG only)	September 17, 2021
Application Proposals Due	October 8, 2021
Staff Evaluations Completed & Distributed	January 13, 2022
Sponsor Presentations	January 27, 2022

Policy Advisory Board (PAB) Rates Applications	January 30, 2022
PAB Approves List of Projects	February 10, 2022
PAB Approves Draft Action Plan	April 14, 2022
Board of Commissioners Approves Action Plan	May 3, 2022
Projects Funded – Program Year Begins	July 1, 2022

Staff requested that PAB members mark these very important dates on their calendars and requested that they designate one representative from their jurisdiction to be in attendance for all the planned meetings or activities.

5. MISCELLANEOUS AND ANNOUNCEMENTS

The next PAB meeting will be on December 9th.

Chair Stephanie Jones adjourned the meeting at 8:26 pm.

- INFO -

DATE: December 2, 2021

TO: Policy Advisory Board

FROM: Staff, Office of Community Development

SUBJECT: Manufactured Housing Communities, Presentation 2: Strategies

This memo introduces the second of two presentations to the Policy Advisory Board on Manufactured Housing Communities (MHCs). At your November meeting, staff presented data about the 42 MHCs in the county, the 4,000 to 4,500 households who live there, and the risks inherent to this form of lower-cost owner-occupied housing. The follow-up presentation at your December meeting will focus on strategies that could be taken to enhance and preserve MHCs and respond to displacement and potential closures.

Attachment A summarizes eleven potential actions organized under four broad strategies. These strategies were developed in collaboration with staff from other County departments and key nonprofits; thus, they represent realistic steps that could be taken. Due to Covid, they were not created with kind of in-depth engagement with MHC residents and owners originally envisioned but instead were based on engagement with and vetting by professionals knowledgeable about the industry and the residents. Some strategies, notably those dealing with land use and planning, would likely require public notice and engagement as part of the formal drafting and adoption process.

Category A strategies are ones that can be undertaken without additional resources or formal authorization by the Board of County Commissioners, while Category B strategies cannot. Most of the strategies can be implemented by County staff on a countywide basis, but ones related to land use/zoning would require crafting and adoption by individual jurisdictions.

The approximately 45-page report, *Washington County's Manufactured Housing Communities: Facts, Risks, and Actions*, should be available in draft form in late December/early January. It will contain additional information about each strategy area, organized as follows:

- Background and rationale
- Existing policies and resources
- New actions

In January, staff will present information about MHCs to the Board of County Commissioners during their work sessions. We are presenting this information to you in advance of those work sessions to invite your feedback and thoughts about the kinds of assistance and information that could be useful to cities interested in this topic. As you read through the attached list and listen to the presentation, please consider these questions:

- What do you think of the strategies? Any concerns? Do any seem be particularly important?
- Do you have ideas that are not yet on the list?
- If the county were able to sponsor one or more follow-up online workshops/info sessions for public officials and staff from cities, what topics would you like covered? What times of day would work best—evenings, working hours, etc.?

Thank you for your interest in this topic.

Strategies for Manufactured Housing Communities in Washington County

Discussion Draft December 2021

Strategy	Category	Leads
Strategy Area I: Enhance existing communities		
A. Community Engagement and Service Provision <ul style="list-style-type: none"> Support community engagement and organizing involving manufactured housing communities. (Short, medium, and long-term approaches) Incorporate outreach and service provision to residents in manufactured housing communities in agency programs. 	A & B A	Office of Equity, Inclusion, & Engagement (OEIE) Multiple departments, including Health & Human Services; and Disability, Aging & Veteran Services
B. Home Improvement Strategies <ul style="list-style-type: none"> Expand Home Access and Repair for the Disabled and Elderly (HARDE) program managed by the Office of Community Development. 	B	Office of Community Development (OCD)
C. Tax Cancellation Strategy for MHC Homeowners <ul style="list-style-type: none"> Analyze alternative county property tax cancellation scenarios for MHC residents. 	B	Board of County Commissioners (BCC), Assessment & Taxation (A&T)
Strategy Area II: Preserve existing communities		
A. Land Use/Community Development Code <ul style="list-style-type: none"> Consider land use and development code strategies. 	B	Long Range Planning Section, LUT
B. Preserved Affordable Housing Communities and Opportunity to Purchase <ul style="list-style-type: none"> Provide funding for preservation through cooperative and nonprofit ownership. Research and adopt a property tax strategy for supporting purchase and preservation of MHCs as affordable housing. 	A B	OCD BCC, A&T
Strategy Area III: Respond in the event of displacement		
A. Manufactured Housing Community Closures and Individual Displacement <ul style="list-style-type: none"> Form a local Displacement Response Team. Expand capacity of local response team when closure occurs. 	A B	OCD and others OCD and others
B. Displacement Prevention Strategy <ul style="list-style-type: none"> Explore allowing MHC residents who own their homes to apply for housing vouchers through HAWC 	A	Housing Authority of Washington County (HAWC)
Strategy Area IV: Encourage affordable homeownership opportunities		
<ul style="list-style-type: none"> Consider integrating factory-built housing as a more affordable/less costly middle housing option. 	B	Long Range Planning Section, LUT.

Categories: A = Implementation can begin now. B = Strategy requires authorization or resources before proceeding.

- ACTION -

Agenda Item #3

DATE: December 2, 2021

To: Policy Advisory Board

FROM: Staff, Office of Community Development

SUBJECT: Approval of Housing Rehabilitation Program Policy Changes

The Office of Community Development manages the County's Housing Rehabilitation Program. The program offers two components: 1). a loan program (DIBL: Deferred Interest-Bearing Loans) offering up to \$25,000 to make improvements to a single-family home and 2). the Home Access and Repair for the Disabled and Elderly (HARDE) program providing grants of up to \$8,000 for urgent repairs and accessibility improvements to homeowners living in single family units and manufactured homes. Funding housing rehabilitation programs is a high priority affordability strategy in most communities because the purpose of these programs is to keep people safe and healthy in their already affordable home. Most of the improvements address serious livability issues that impact the health of the residents and threaten the viability of the affordable housing stock in the community.

The program policies were last updated in 2018, raising the limit of the HARDE Grant amount from \$3,500 to \$8,000 to reflect the increases in labor and materials costs. The last time any substantial updates were made to the program policies was March 1, 2005. The current policies are not very comprehensive and when situations arose that had no clear policy solution, staff were required to make decisions on how to best serve the clients while remaining fiscally and ethically responsible and fair to all program participants and contractors.

During the past year, Housing Rehabilitation staff has been working to update and create a more comprehensive policy document creating a framework for how to address unusual situations; deal evenly with client and contractor disputes; and become more in line with updated HUD guidance on the issues of lead-based paint, participant eligibility, and floodplain considerations.

Other than making a more consistent and comprehensive policy document, the following substantive changes or additions have been made to the policy document:

- Incorporating a clear statement on Equal Access and Limited English Proficient Assistance Plan (LEAP)
- Increasing the amount of HARDE grants from \$8,000 to \$10,000

Approval of Housing Rehabilitation Program Policy Changes

December 2, 2021

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- Increasing household asset limits, currently at \$15,000 for HARDE and \$30,000 for DIBL, to \$100,000, HARDE and \$200,000 DIBL for liquidable assets, and for homeowners that own additional property, be in-line with the HOME Ownership Value Limits, updated each year by HUD. HUD has long calculated assets as a portion of income for Housing Rehabilitation Programs through the Part 5 Technical Guide for Determining Income and allowances. HUD places no asset restrictions on Housing Rehabilitation programs other than the income generated from such assets. The current asset cap of \$15,000 for HARDE and \$30,000 for DIBL Loans excludes individuals who receive income from an investment property and who may otherwise qualify based upon income. This year to-date, 6 potential applicants that went through the prescreening process were deemed to have more than the allowable level of assets but seemed to otherwise qualify for assistance. Staff have noted that the most common issues surrounding asset denials are interest or ownership of investment properties, money market type retirement accounts designed to allow for a stream of income over the remainder of the clients life but that are fully accessible, and other more modern financial offerings that are not traditional retirement types of income but meet the HUD and local definition for assets. Staff will continue to calculate the income value of assets and disqualify applicants that are over income as normal, but staff feels that by not updating the asset limitations or eliminating them altogether we fail to help those who have planned for their retirement by purchasing an income property to supplement their income and would otherwise qualify for our services.
- Providing a better way to approach emergency repairs by shortening the bid period and the number of contractors to which a bid will be sent
- Adding language about marijuana. Marijuana, including medical marijuana, must not be present on any property that receives Community Development Block Grant funding. HUD has declared that marijuana is a federally illegal substance, regardless of state law.
- Adding the Programmatic Agreement with the State Historic Preservation allowing an expedited review process for certain types of repairs on Historic Properties
- Clarifying our processes regarding lead-based paint repairs and not counting lead paint hazard reduction costs as part of the grant or loan for applicants

Approval of Housing Rehabilitation Program Policy Changes

December 2, 2021

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- Adding language about Manufactured/Mobile Home assistance regarding how a unit is positioned and secured on a property and manufactured/mobile home used as a rental property
- Adding language about homeowner contribution to the rehabilitation project once it is under contract
- Clarifying the requirements of fire and flood insurance
- Adding language for the Loan Review Board process
- Adding language about continued occupancy, a requirement for owner-occupied rehabilitation
- More comprehensive explanation of the DIBL Loan Payment process
- Adding language about DIBL Loan Payoff request
- Adding language about Loan Default or Foreclosure
- Outlining a clearer expectation for participating contractors
- Providing guidance on how to handle homeowner-contractor disputes

Attached is the updated Program Policy document for the Housing Rehabilitation Program.

The statement about non-discrimination and LEAP will be forthcoming based on assistance from the Office of Equity, Inclusion and Community Engagement.

OCD staff will be present to address any questions you may have.

STAFF RECOMMENDATION: Your Board endorse the 2021 Housing Rehabilitation Program Policy Manual for approval by the Board of County Commissioners.



WASHINGTON COUNTY

OFFICE OF COMMUNITY DEVELOPMENT

HOUSING REHABILITATION PROGRAM

POLICIES

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PROGRAM OVERVIEW

Washington County, acting by and through the Office of Community Development, shall provide housing rehabilitation, accessibility and/or repair assistance through the Community Development Block Grant (CDBG) program¹, as approved by the U. S. Department of Housing and Urban Development (HUD), to income eligible applicants residing within Washington County, excluding the city of Beaverton and the city of Hillsboro.²

The owner-occupied Housing Rehabilitation Program is designed to preserve existing housing and enhance the quality of the neighborhoods by providing decent, safe, and sanitary housing for extremely low, very low- and low-income homeowners³ as defined by HUD

The Housing Rehabilitation Programs included herein are conducted in accordance with all applicable laws, rules, codes and regulations of Washington County, cities located within Washington County, the State of Oregon, and the HUD.

The policy guidelines contained herein have been developed on a general basis and some interpretation of these guidelines may be required from time to time. Interpretation of policy guidelines shall be the responsibility of Housing Rehabilitation staff or the designated representative consistent with CDBG rules and regulations, and other Federal, State, and local laws.

PURPOSE

The purpose of this document is to establish and standardize the policies of Washington County's owner-occupied Housing Rehabilitation Program to promote fairness, consistency, and equitable treatment of applicants and recipients of program services. The goals of the owner-occupied Housing Rehabilitation Program are:

1. Assist residents with lower incomes.
2. Preserve habitable and affordable single-family housing stock in Washington County.
3. Eliminate unsafe and unhealthy conditions in low-income homes.
4. Assist residents and renters with lower incomes who are elderly or disabled, or both, by improving accessibility within their homes or rental units.
5. Enable elderly residents to live independently within their own homes by providing assistance to make repairs to their homes.
6. Reduce home energy consumption & costs by improving energy conservation of homes.

The Housing Rehabilitation Program is designed to bring eligible dwellings into compliance with applicable codes and standards to reduce ongoing and future maintenance costs, promote energy efficiency, and preserve decent affordable owner-occupied housing. Washington County currently has two Housing Rehabilitation programs:

1. Home Access and Repair for Disabled and Elderly (HARDE)
2. The Deferred Interest-Bearing Loan Program (DIBL)

Washington County's Housing Rehabilitation Program is not intended to address maintenance issues or to be used for homeowners who intend to sell their home upon completion of rehabilitation.

¹ Should HOME Program assistance be utilized for this program in the future, these policies would also apply except that full code improvements will be required.

² Washington County manages the city of Hillsboro Housing Rehabilitation Program pursuant to a separate Intergovernmental Agreement (IGA) which *incorporates these policies*. The City of Beaverton and the City of Hillsboro each administer their own CDBG programs. Washington County funds cannot be used to fund a project in those cities unless under an intergovernmental agreement.]

³ Applicants who are under a rental contract may qualify for accessibility improvements through the HARDE program.

ADMINISTRATION

The Housing Rehabilitation Program is funded by the Housing and Urban Development (HUD) with Community Development Block Grant Funds (CDBG). Washington County Office of Community Development is responsible for the administration and execution of all program activities in compliance with the adopted policies, procedures, and applicable HUD regulations. The Housing Rehabilitation Coordinator is responsible for general oversight of the program, which includes policy oversight and program implementation. The Community Development Program Manager is responsible for community relations issues associated with the program. All policies and procedures contained herein, or amendments made to, become effective on the date of adoption by the Policy Advisory Board and the Washington County Board of County Commissioners.

APPLICABILITY

While all rehabilitation awards are subject to the requirements of this policy and related procedures, there may be additional special provisions and limitations on rehabilitation awards. Consequently, additional requirements not shown in this policy or procedures may apply. This policy, and the procedures provided herein, may be amended from time to time by Housing Rehabilitation staff and approved by the Policy Advisory Board and the Board of County Commissioners to reflect changes in the requirements. Housing rehabilitation assistance shall be provided until all funding has been expended.

EQUAL OPPORTUNITY

Washington County's Housing Rehabilitation Program does business in accordance with the Federal Fair Housing Law, Federal Equal Credit Opportunity Act, and all applicable state laws. These laws, among other things, provide that it is illegal to discriminate against any person on the basis of race, color, age, religion, sex, marital status, or national origin.

Any individual participating in the Housing Rehabilitation Program who believes that they may have been discriminated against may discuss the matter with the Office of Community Development Program Manager.

Contact information:

Washington County
Office of Community Development
Housing Rehabilitation Program
328 W. Main Street, Suite 100
Hillsboro, OR 97123
503-846-8897

Equal Access and LEAP statement

TYPES AND TERMS OF HOUSING REHABILITATION ASSISTANCE

The Home Access and Repair for the Disabled and Elderly (HARDE) program is to provide grants up to \$10,000 to assist elderly (age 62 or older), and/or disabled homeowners or renters with incomes at or below 50% of median family income based on the Portland Metropolitan Statistical Area (PMSA) with repairs or accessibility improvements to their home. Repairs to vital components, of the home are essential, including but not limited to, mechanical, electrical, plumbing, and structural to ensure a decent, safe, and healthy living environment and are eligible for grants. Eligible repairs also include repairs to address accessibility to remove material and architectural barriers which restrict mobility and ease of access to the dwelling for elderly and disabled occupants. Housing Rehabilitation staff will inspect the dwelling to ensure it meets the requirements of the HARDE program to determine eligibility. HARDE assistance is in the form of a grant and is therefore not subject to repayment.

Applicants that qualify for the HARDE program are prohibited from using funds for non-essential repairs or luxury costs. Costs for items such as remodeling, swimming pools, spas, and new fence construction are excluded from funding. In general, cosmetic improvements that are not essential to the long-term structural soundness of the dwelling or not necessary to the health and safety of the occupants will not be authorized and will not be eligible for the program.

The Deferred Interest-Bearing Loan (DIBL) program is to provide deferred loans up to \$25,000 to assist homeowners with lower incomes (at or below 80% of median family income based on the PMSA), with repairs or accessibility improvements to their home. DIBL rehabilitation assistance is available to homeowners who need larger rehabilitation of the dwelling to ensure a decent, safe, and healthy living environment. DIBL assistance is in the form of a loan and a lien will be placed on the property. Loans do not require monthly payments (i.e., they are deferred) and will accrue interest at 3% annually for the first ten years). Housing Rehabilitation staff will inspect the dwelling to ensure it meets the requirements of the DIBL program to determine eligibility.

Applicants that qualify for DIBL assistance must hold "fee simple title" or be purchasers under a valid and enforceable land sale contract. The land sale contract must state the current owner, as identified on Washington County Assessment and Taxation, the purchaser, and the purchase amount, payment terms, and term of the agreement.

Homeowners who qualify for DIBL assistance may use up to 10% of the loan amount for non-essential items. Non-essential items are items that are not necessarily in need of repair but increase the livability/efficiency of the home. Examples: light fixture upgrade, plumbing fixture upgrade, flooring upgrade, etc. Non-essential items identified by the homeowner that do not fall into the scope of the DIBL program must be approved by the Housing Rehabilitation Coordinator or Housing Rehabilitation Specialist. Non-essential items will be approved only if all code and necessary repair items have been addressed.

Rehabilitation assistance under HARDE and DIBL is available to homeowners residing in homes that are substandard and suitable for rehabilitation. Funds shall be used for those repairs necessary to bring the home to a basic acceptable living condition. In addition to home repairs, most projects can include provisions for correction of health/safety code violations issued by Code Enforcement or a Homeowners Association (HOA). Washington County Housing Rehabilitation staff will make the determination whether a home is not suitable for rehabilitation.

ADDITIONAL ELIGIBILITY CONSIDERATIONS

Applicants who have had a previous DIBL, have repaid the loan in full, and three (3) years has passed from project closeout, may apply for and be eligible for another loan.

Applicants who have received a HARDE grant in the past and reside on the same property for which the grant was received, may receive additional assistance if all funds have not been expended to the maximum grant amount and will be required to re-qualify. The applicant would be placed on the waiting list. A period of one year must pass before the applicant could apply for the remaining funds.

Applicants who have received a HARDE grant in the past and live on a different property from which the previous grant was received, may apply for the HARDE program if three (3) years has passed.

Applicants who live on a property that has previously received repairs via a HARDE grant received by a different owner, may apply for the HARDE program.

APPLICATION

Applications for HARDE and DIBL are processed on a first-come, first-served basis. Once an applicant is qualified, a project may be assessed and ranked against other qualified applications in based on code compliance priorities; any emergency code non-compliance event need takes priority. Emergencies may include, but are not limited to, a failed heating system in winter, leaking roof, failed electrical or plumbing/septic systems. Housing Rehabilitation staff may reject any application despite the presence of eligible work. Reasons for rejection may include, but are not limited to: lack of program funds,, conditions requiring substantial rehab beyond the scope of the program,, rehab cost exceeding program limits,, title issues,, ineligible tenants, or factors that suggest the applicant may be unable to comply with the terms of the program.

WAITLIST MANAGEMENT

The waitlists for HARDE and DIBL will be maintained in accordance of this policy. Applicants will be placed on the waitlist when the application is received. Applicant information will be entered and maintained in the database until the application reaches the top of the list. Once at the top of the list the qualification process will start, and the applicant will be contacted by phone, letter, or an email to request additional documentation. Applicants that have critical or emergency repairs may be moved to the top of the waitlist. Critical or emergency repairs include but are not limited to, leaking water in the home, failure of a vital component, lack of accessibility to adequate water supply, failed sewer, or an actively leaking roof. A homeowner in a manufactured housing community that has received an eviction notice due to issues that can be addressed by the HARDE program may also be eligible to move to the top of the waitlist.

OVERVIEW OF THE HOUSING REHABILITATION PROCESS

The applicant can call or come into the Office of Community Development to complete a questionnaire. Verbal information will be collected regarding income and ownership, as well as a brief description of the repairs being requested. If it appears an applicant preliminarily qualifies for the program, the applicant will be given an application and an income questionnaire. A returned completed application, with questionnaire, will be placed on the waitlist. Full determination of eligibility occurs when an applicant reaches the top of the waitlist.

Applicants will be contacted to participate in the program according to the application date (the date initially applied). Exceptions may be given to emergency repairs, which will be addressed as soon as possible.

Once an applicant has completed the application and is placed on the waitlist and their project is ready to move forward, additional information will be requested, by phone, letter, or email. The applicant will be required to respond with the requested information within 14 days. Housing Rehabilitation staff will keep a log of all contact with an applicant.

The applicant will be found non-compliant or non-responsive if:

1. The applicant does not timely respond.
2. The applicant does not provide the required documentation available for completion of their application.
3. Applicants taking more than 30 days to complete the application process shall be deemed non-responsive.

If an applicant is found non-compliant or non-responsive during the application process, the applicant will be notified in writing, by email or conventual mail after the 14-day period, informing the applicant has been removed from the waitlist and will have to reapply.

If an applicant has a valid reason and is not able to complete the application process in the 14-day period, the applicant may request an extension in writing noting the reason they are not able to complete the process. The Housing Rehabilitation staff will decide to approve or deny the extension. In no circumstance shall an extension go over 30 days.

HOUSEHOLD SELECTION AND ELIGIBILITY

Eligible applicants will be accepted to participate in the Housing Rehabilitation Program in the order that their application appears on the waitlist. If there is no waitlist, applicants will be selected on a first-come first-served basis.

Applicants must submit all information requested in the letter received within 14 days. Applicants must provide complete and accurate information regarding household composition, household income, and housing situation. Failure to disclose information which may affect the eligibility requirements may constitute fraud and result in denial of the application.

Household eligibility will be assessed as follows:

1. Ownership—applicant must be named on the recorded warranty deed or title, as the owner of property. If a property has been inherited, the necessary legal documentation must be submitted and must be filed with Assessment and Taxation proving ownership. If a property is in probate, the probate process must be completed, and ownership established before assistance can be given. Land/Sale Contracts are a valid proof of ownership as long as the contract is between the current recorded or titled owner and the applicant and must have equity to protect the loan. Tenants receiving accessibility improvements must have a rental agreement and permission from the owner before they can receive assistance.
2. Occupancy—homeowners must reside in the property. Owners who apply and do not occupy the property, either temporarily or permanently, will be denied. The only exception to this eligibility requirement is if a tenant is applying for accessibility improvements. If a tenant applies, the owner of the property must be on title and a valid rental agreement between the tenant and property owner must be in place.
3. Property Taxes—property taxes must be up to date. The HARDE program does allow for deferral of property taxes through state or county programs.
4. Mortgage Payment—must be current (DIBL program).
5. Maximum Income—for the purpose of the Housing Rehabilitation programs, all persons named on the title and all persons occupying the property are considered household members for determining income eligibility. All household members age 18 and over are required to submit income verification documents regardless of relationship to applicant.
6. Tenant Income—if a household has renters residing in the home, the renter's income is not counted toward household income. The proceeds of the rent paid to the homeowner are counted toward household income. A valid written rental agreement shall be submitted with the application. The rental agreement shall, at minimum, include lease term, owner, occupants, rental amount, and due date.

ASSETS

HARDE

Household assets may not exceed \$100,000 for the HARDE program.

DIBL

Household assets may not exceed \$200,000 for the DIBL program.

Assets calculation includes liquidable retirement accounts, investments, and other real assets held for investment purposes as per HUD's Part 5 Inclusions and Exclusions to Calculating Income. Assets income values shall be calculated at either (i) real value of interest; (ii) income generated; or (iii) at the Passbook rate of 2%.

In addition to the monetary limits listed above, assets include other properties owned by applicant. The applicant may own another property if the property is used as an investment property for the purpose of additional income. Investment properties will not be included in the asset limit calculation on liquidable assets used to determine eligibility for the programs. Investment properties must be at or below the HOME Homeownership Value Limits, updated annually by HUD. To provide evidence of income from investment properties documentation detailing the arrangement and income received must be submitted as part of the determination of income process. Acceptable documentation includes but is not limited to lease agreements, tax returns detailing the rent received alongside bank statements showing the deposits, other items to be accepted at the discretion of the Housing Rehabilitation staff.

INCOME

The annual income definition found at 24 CFR Part 5 will be used to income-qualify an applicant. Annual income is used to determine program eligibility. The Part 5 definition of annual income is the *amount of income of all adult household members, age 18 and over, that is anticipated to be received during the coming 12-month period*. Applicants must meet the income guidelines that are updated annually by HUD.

In addition to the information requested on the application and income questionnaire, complete, accurate and up-to-date documentation of income is required of all applicants. Income documents shall be:

1. Required for all household members age 18 and over.
2. Zero Income Certification shall be required for all household members age 18 and over who are not employed.
3. Copies – original documents will not be accepted.
4. No more than 6 months old at the time of qualification.
5. Complete and must include all pages.

Documents can be mailed, e-mailed, or dropped off in person at the Office of Community Development.

INCOME DOCUMENTATION

The applicant shall provide, as applicable, all the following documentation, based on the income questionnaire:

1. Pay Stubs - 3 months
2. Social Security/Social Security Disability Benefit Award Letter, current year
3. Veterans Benefit Letter
4. Workers Compensation Letter
5. Alimony, copy of court order
6. Regular Monetary Contributions
7. Child Support Statements for past 12-months including dollar amount received. For support not paid through a court order, submit a statement from the person providing the payments
8. Retirement Pensions/Annuities statement verifying gross monthly benefit
9. Interest Statements
10. Unemployment Compensation Benefit Letter
11. Self-employment Income provide a copy of IRS Tax Return and Profit and Loss Statement. If applicant does not file taxes a notarized statement reflecting earnings and expenses for the last two years, including dates, address of jobs, amounts paid, related expenses, and IRS Verification of Non-filing status for last two years
12. Bank Statement - 3 months, all pages
13. Public Assistance Letter
14. Any other income document that may apply
15. Assets statements for past 3 months: assets shall include checking, savings, other bank accounts, stocks, bonds, CD's, trusts, real estate, and cash held by any household member.
16. Home business applicants shall provide most current year's tax return

PROPERTY ELIGIBILITY

1. The property must be in Washington County, excluding the city of Beaverton.
2. Properties located in the city of Hillsboro are not eligible for DIBL.
3. The property must be owner-occupied. There are exceptions to this for tenant accessibility improvements.
4. The annual income and all household members over the age of 18, occupying the property must not exceed HUD established income guidelines.
5. The property must not have any federal, state, or municipal tax liens.
6. The property cannot have a reverse mortgage.
7. The property must not be offered for sale.
8. The property must be economically feasible for rehabilitation. If costs for repairs exceed program limits, or a home is such disrepair that the costs are not justifiable, the property may not be eligible.
9. Applicants will be required to clean up any accumulation of personal items, old furniture, junk, or other property that may impede the ability of the contractor to complete the scope of work.
10. The structure must NOT be located in a floodway. A structure in a defined 100-year flood plain must show proof of flood insurance.
11. Marijuana, including medical marijuana, must not be present on any property that receives Community Development Block Grant funding. HUD has declared that marijuana is a federally illegal substance, regardless of state law.
- 12.

ENVIRONMENTAL REVIEW

In accordance with HUD regulations, the environmental effects of each activity carried out with federal funds must be assessed. Washington County is responsible for conducting Environmental Review of projects selected for Housing Rehabilitation Program funding. Compliance with environmental requirements is mandatory prior to the applicant entering into any contracts or any work being done on the project. The applicant is responsible for providing all documentation that is requested by Housing Rehabilitation staff relevant to the Environmental Review. The following documentation will be submitted to the Program Manager for signature:

1. Ownership Information
2. Site Specific Evaluation by HR Staff
3. File Checklist
4. Wetlands Map
5. Geonet Map
6. Flood Plain Map
7. Environmental Justice Report (EJ Screen)

HISTORIC PRESERVATION (SHPO)

Homes of historic value will be reviewed on a case-by-case basis by Housing Rehabilitation staff. Staff will determine the age of the home based on Assessment and Taxations records. If a property is fifty years or older, a report will be sent to the Oregon State Historic Preservation Offices (SHPO) for review. An OR SHPO Submittal Form and an OR SHPO Clearance Form will be submitted to the SHPO following the Go Digital Instructions. The project cannot be approved until the response from SHPO is received unless 30 days have passed since submittal.

PROGRAMMATIC AGREEMENT

Projects that include scope of work items that are not considered an “exempt activity” under the Programmatic Agreement, will be reviewed pursuant to the process established therein prior to the Washington County Office of Community Development approving the commencement of any alterations on property otherwise eligible for assistance under minor housing rehabilitation programs. The Programmatic Agreement does not apply to projects that require Archaeological Review but does include all those projects that engage in ground disturbance activities.

ARCHAEOLOGY

If a property involves ground disturbance, a letter will be sent to the SHPO State Archaeologist, State of Oregon Liaison to Oregon Tribes, Cultural Protection Coordinator, Confederated Tribes of Grand Ronde, Cultural Resources Director Confederated Tribes of Siletz Indians, and Cultural Resources Confederated Tribes of the Warm Springs Reservation of Oregon.

LEAD BASED PAINT

HUD issued regulations protect young children from lead-based paint hazards in homes that receive financial assistance from the federal government. The regulations establish requirements for testing of all painted surfaces, interim controls, and abatement of lead-based paint hazards in housing built before 1978, when lead-based paint was banned nationwide for consumer use.

Any property constructed before 1978 shall comply with the Residential Lead-Based Hazard Reduction Act of 1992 and EPA’s Lead Renovation, Repair and Painting Program.

It shall be the policy of the Office of Community Development Housing Rehabilitation Program that a visual inspection is performed on all dwelling units, and if warranted, dwelling may be XRF tested or paint chip samples taken for laboratory testing for the presence of lead-based paint.

Each applicant applying for the Housing Rehabilitation Program shall receive a copy of the EPA booklet 740-F-08-002 titled “Renovate Right” and sign the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards.

For any project involving lead-based paint, the Housing Rehabilitation Coordinator or Housing Rehabilitation Specialist must have the contractors/subcontractors RRP training Certificate on file before contract will be awarded.

At the completion of the Housing Rehabilitation project, clearance testing will be required. Sampling will be performed by certified lead inspector with a third-party laboratory providing analysis.

Some work projects may be accomplished without a lead-based paint inspection when it is determined by the Housing Rehabilitation Coordinator or Housing Rehabilitation Specialist that the work will not disturb more than 2 sq ft within a single room or more than 10% of a single lead-based painted component. Examples include, but are not limited to, electrical repair, plumbing repair, roofing, or some heating work.

If a clearance test is required, the first dust wipes, and/or soils test will be paid by the Housing Rehabilitation Program. If this testing fails, the contractor will be responsible for all additional cleanup work necessary and will pay for further testing until the project will pass. A 5% retainage of the original bid amount will be held until final clearance is given.

At the homeowner's request, a copy of the laboratory results will be provided within ten (10) business days of the report being received by the Housing Rehabilitation staff.

Friction or impact areas containing high levels of lead-based paint may be removed, replaced, or if feasible, may be enclosed or encapsulated. All construction materials are required to be removed from the property. In the event the project calls for removal of lead-based paint materials, the charge for the removal will not be applied toward the allowable grant/loan amount for the Rehabilitation Housing Program.

If a lead-based paint inspection has been performed and the homeowner(s) alters, modifies, and/or removes, or has someone else alter, modify, and/or remove any material previously identified as containing high levels of lead-based paint from the home prior to the start of the Housing Rehabilitation project, the homeowner may be financially responsible for a lead-based paint clearance inspection and cleaning if required.

Only after the Housing Rehabilitation Coordinator or Housing Rehabilitation Specialist receives a satisfactory (passing) report from the laboratory will the 5% retainage be processed through a final request for the next payment cycle to the contractor.

The Office of Community Development will have staff or will hire a third-party certified lead-based paint inspector to perform the clearance inspection (collection of dust wipes from applicable work areas). The samples will be sent to an accredited laboratory for analysis for any interior work performed, such as replacing entry doors, and/or windows. A soil analysis from the exterior may also be required.

Building Home-March 2008 Lead hazard reduction costs are not counted as hard costs for the purposes of determining the level of assistance Under 24 CFR Part 35 (Lead Safe Housing Rule).

HUD DEFINITION—FLOODPLAINS/FLOODWAY

***100-Year Floodplains (or 1 Percent Annual Chance Floodplains)** are areas near lakes, rivers, streams, or other bodies of water with at least a 1% chance of flood occurrence in any given year. HUD projects within a 100-Year Floodplain must complete the [8-Step Decision-making Process](#) to determine whether there are practicable alternatives to locating the project in the floodplain, unless an exception in section 55.12 applies.*

***A Regulatory Floodway** comprises the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. This is the segment of the floodplain that will generally carry flow of flood waters during a flood and is typically the area of greatest risk to structures in the floodplain. HUD financial assistance is prohibited in floodways unless an exception in section 55.12(c) applies or the project is a functionally dependent use (e.g. dams, marinas, and port facilities) or a floodplain function restoration activity.*

After it has been determined the applicant is eligible for the Housing Rehabilitation Program, the Housing Rehabilitation Coordinator or the Housing Rehabilitation Specialist will perform an inspection of the property to determine if the property is located within a floodway therefore impacting eligibility for participation.

Where questions of eligibility arise based on extenuating circumstances, the applicant may be referred to the Program Manager, who will advise on the eligibility status in accordance with the applicable policy, rules, and regulations.

ELIGIBLE REPAIRS

Housing rehabilitation assistance may only be provided to cover the cost of rehabilitation necessary to bring the property into compliance with locally adopted and applicable federal, state, city, county codes and regulations. The scope of work will be prioritized based on life, health, and safety.

Landscaping (including removal of weeds, junk, debris, and garbage) is not eligible unless required under a local ordinance or the resident is facing disciplinary action from a Homeowners Association or Manufactured Home Park.

Drainage to remove stagnant water next to a foundation may be considered eligible.

The removal of dilapidated structures not attached to the living space is not eligible unless such structure directly affects the living space or prevents usage of a primary walkway.

Built in appliances such as garbage disposals, dishwashers, stoves, and ovens may be replaced if they are broken. Free standing appliances such as washers and dryers are not eligible for replacement with Housing Rehabilitation Program funds. A refrigerator may be replaced by a refrigerator of the same size and style.

Allowable rehabilitation work includes, but it not limited to:

- Electrical wiring, fixtures, or system
- Heating, venting
- Roofs, porches, walls, and structural load bearing walls
- Foundations
- Health and safety items
- Removal and replacement of decks and porches as long as the deck or porch provides direct access or egress, (entry/exit) to the home or have been cited for a code violation
- Items necessary to correct miscellaneous code violations
- Widening of doors for accessibility
- Installation of ramps
- Walk-in/roll-in showers
- Grab bars
- Hearing-impaired smoke detectors
- Specialty plumbing fixtures
- Lowering of light switches
- Other permanent fixtures that may be necessary for accessibility
- Unsafe fireplaces or woodstoves—applicant may qualify for Wood Stove Exchange Program
- Removal of unused fireplaces or woodstoves to stop draft from openings
- Weather stripping/caulking
- Insulation
- Windows
- Doors
- Interior paint
- Exterior paint
- Siding
- Flooring
- Garbage disposal if leaking
- Tree removal if code violation, causing damage to home or plumbing system

- Plumbing
- Plumbing fixtures if in disrepair and leaking
- Electrical panel
- Wiring if causing a hazard.
- Light fixtures that are a hazard
- Exterior water lines from street connection to home
- Exterior sewer lines from street connection to home
- Exterior water and sewer connections and lines on the exterior of home
- Well or septic repair
- Septic dumping
- Fencing—can only be installed if a property has a code violation either by Code Enforcement or a Homeowners Association
- Deck—a deck can be installed to address access or egress (entry/exit) issues at the property, size will be determined on a case by case basis
- Demo work—includes work associated with Lead Based Paint and Code Violations
- Ceiling repair
- Work not included on this list will be reviewed on a case by case basis and may or may not be approved by Housing Rehabilitation Staff
- Hard wired A/C units in manufactured/mobile homes. - Units shall be installed through a wall, be hard wired and become part of the unit.

EMERGENCY REPAIRS

The following conditions will be given priority over other types of improvements:

1. No water due to faulty plumbing
2. Faulty and/or dangerous electrical systems
3. Excessive roof deterioration/leakage
4. No heat in the winter
5. Structural problems

Applicants with a documented medical need will be given priority over other applicants. A project of medical necessity requires a statement from the homeowner's doctor specifying the specifics of the emergency repair necessary.

After the initial site visit by the Housing Rehabilitation Coordinator or Housing Rehabilitation Specialist, a scope of work will be written, and a Bid Request will be sent to three to five contractors and will be due by the date specified on the Bid Request. However, if three bids have not been received by the specified date, a selection will be made from available Bid Request. Appropriate procedures will be used for completing the emergency rehabilitation in an expeditious manner.

MANUFACTURED/MOBILE HOMES

Manufactured/Mobile Homes—Owner-occupied manufactured/mobile homes must be attached to a permanent utility hook-up, have a foundation, be on a gravel or concrete slab, be on pier post/block and be located on land that is owned by the owner or located within a manufactured/mobile home park where a fee is collected to house the manufactured/mobile home to be eligible for the Housing Rehabilitation Program. Travel trailers or any recreational vehicles used as a residence are not eligible for repairs under the Housing Rehabilitation Program.

Owners who own land and have a manufactured or mobile home may apply for a DIBL. The owner must have sufficient equity in the property to cover the loan.

Manufactured homes/mobile homes that are owned and are occupied by renters may be eligible for the HARDE to address accessibility only. A Rental/Owner Agreement would need to be completed prior to any accessibility improvements.

HOMEOWNER CONTRIBUTION

Once a property has been inspected and the scope of work has been approved, a homeowner cannot offer to or contribute to perform any of the work listed in the scope of work. Contractors will be responsible for completing all project work in the scope of work under the contract.

DIBL LOAN PROCESSING

When an applicant has met the criteria for the loan program, (income, property, mortgage, and insurance requirements), a Title Report and Credit Report will be ordered for each applicant on title. **FIRE and FLOOD INSURANCE**

The applicant must maintain fire insurance on the property for the duration of the loan(s). The insurance must be an amount adequate to cover all encumbrances on the property. The insurance must identify the County as Loss Payee for the loan(s). An insurance binder shall be provided to the County.

The applicant shall maintain flood insurance in areas designated by HUD as flood prone. The. The applicants required to maintain flood insurance in an amount adequate to secure the DIBL loan for the duration of the loan. The policy must designate the County as Loss Payee.

LOAN REVIEW BOARD

The Housing Rehabilitation Coordinator will complete a Loan Summary and submit it the Program Manager for approval. Once approved by the Program Manager the Loan Review Board will be contacted to schedule a meeting to discuss the project and determine whether to approve the project to move forward. The following documentation will be sent to the Loan Review Board:

1. Loan Summary
2. Photos of the Property

Upon approval of the loan, the Housing Rehabilitation Coordinator will schedule a conference with the homeowner(s). At that time, all legal documentation will be reviewed and given to the homeowner to read prior to the closing.

A Deed of Trust will be recorded in the property records of Washington County prior to any rehabilitation work starting to ensure the amount of the loan is correct on the Trust Deed and Promissory Note and to avoid doing multiple loan modifications. Once the project has been completed the Housing Rehabilitation Coordinator will update the amount of funds loaned for the rehabilitation work on the Promissory Note and include the recording information from the Trust Deed.

CONTINUED OCCUPANCY

The property must be occupied as the applicant's principal residence for the duration of the loan. It is the responsibility of the applicant to inform Housing Rehabilitation staff if mortgages on the property are going to be in arrears, foreclosure, or default. If an applicant is going to vacate the property, they must notify Housing Rehabilitation staff of their intentions and the loan will become due and payable.

DIBL LOAN PAYMENTS

Payments can be mailed or delivered to the Office of Community Development. Once received, the Administrative Specialist completes the deposit slips, makes bank deposits, and enters the information into program software. Checks that have been received to pay off a loan will be scanned to the Housing Rehabilitation Coordinator to be recorded in the program software as paid.

Once the final loan payoff check has been entered into the software, the Housing Rehabilitation Coordinator will prepare the documents for reconveyance. Once the documents have been signed by the Program Manager, they will be loaded into ECATS for approval by Purchasing, County Counsel, and the County Administrator. Once approved the Reconveyance document will be recorded and sent to the homeowner.

DIBL PAYOFF REQUEST

When a payoff request is received by phone, email, fax or mail, a payoff request is sent to the requester. Once a payment is received, the Housing Rehabilitation Coordinator is responsible for entering payoff amounts into the loan tracking software.

Three days after the final repayment check has been deposited the Housing Rehabilitation Coordinator will prepare the Reconveyance documents. Reconveyance documents must be sent to the homeowner or the Title Company within 30 days of payoff.

1. Request for Reconveyance—this document is signed by the Program Manager
2. Appointment of Successor Trustee—this document is used if the County is not listed on the Trust Deed as the Trustee and is signed by the County Counsel.
3. Deed of Reconveyance—this document is used if the County is listed as Trustee on the Trust Deed and is signed by County Counsel.

The Reconveyance Documents, together with the following documents will be copied, and a full Reconveyance packet will be delivered to purchasing prior to uploading the documents to Contract Management Web:

1. Any Correspondence—emails, fax, mail, etc.
2. Payoff Request
3. Check
4. Recorded Trust Deed
5. Promissory Note

Once the executed documents have been received from purchasing, the Housing Rehabilitation Coordinator will scan and save the documents to the electronic client file. An executed copy will be uploaded to the Contract Management Web and the original will be sent per the instructions on the Payoff Request. Originals are sent either to the homeowner or the Title Company.

LOAN DEFAULT OF FORECLOSURE

The following shall constitute a condition of loan default:

1. Nonpayment
2. Lack of insurance or property tax payment
3. Change in title or use without approval
4. Default on senior loans or lien
5. Unit is no longer the principal residence of the homeowner

Upon any condition of default, the Lender will send a letter to the Borrower notifying the Borrower of the default condition. If the default condition continues then the Lender may start a formal process of foreclosure in accordance with applicable law.

When a senior lien holder initiates a foreclosure process and the County is notified of the proceedings as a junior lien holder, the County may cancel the foreclosure proceedings by "reinstating" the senior lien holder(s). Housing Rehabilitation staff, based on information available, will determine if it is cost effective to secure the funds awarded by paying off the senior lien holder(s) in total and whether to begin additional proceedings remove the debtors from the home. The reinstatement amount or payoff amount to any senior lien holder(s) must be obtained by contacting the senior lien holder(s) and will include all delinquent payments, late charges, and fees to date.

CONTRACTORS

All contractors who wish to bid on approved projects shall be:

1. Licensed with the Oregon Construction Contractors Board
2. Bonded and insured
3. A registered vendor with Washington County

4. Trained lead-safe, licensed or certified and follow specific lead-safe work practices as required by federal law and the *Renovation, Repair and Painting Rule* for all renovation, repair and painting work in pre-1978 homes or child-occupied facilities
5. Licensed for lead-based paint renovation for pre-1978 homes as required by Oregon law. Information may be found by calling 971.673.0440 or email leadprogram@state.or.us
6. In compliance with the Housing Rehabilitation Program's general conditions, bid instructions or contractor application and have no unresolved complaints with the Oregon Construction Contractors Board
7. Able provide a one-year warranty on all work performed through the Housing Rehabilitation Program, as set forth by the Oregon Construction Contractors Board

The homeowner is responsible to contact the contractor for any warranty-related problems. If the homeowner does not feel that the contractor has lived up to warranty obligations, the homeowner may appeal to the Oregon Construction Contractors Board and not to the County or Housing Rehabilitation Program. Change order(s), must be executed for any and all modifications, made to the original job specifications approved with the construction contract. A change order must be signed by the contractor and homeowner and must be approved in writing by the Housing Rehabilitation Coordinator or Housing Rehabilitation Specialist before change work can begin. Change orders will not be authorized for additional work desired by the applicant, unless it is to include emergency work which is necessary to prevent further property damage. Only under unusual circumstances will change orders be allowed with the approval of the Housing Rehabilitation Coordinator or the Housing Rehabilitation Specialist. Total requests shall not exceed 10% of the total contract amount during the course of the Project. If change orders are necessary, the grant or loan amount will be increased to the new contract total. Work performed without an approved change order will not be paid for by the Housing Rehabilitation Program and the work will not be covered under the contractor's warranty.

Housing rehabilitation projects are to be completed in a timely manner. Projects from \$0-\$10,000 shall be completed within 30-days from the date the construction contract is signed. Projects from \$10,001-\$25,000 shall be completed within 60-days from the date the construction contract is signed. If an extension of time is required, the contractor shall inform the Housing Rehabilitation staff in writing stating the reason for the extension and noting the new completion date. Housing rehabilitation staff will approve or deny the extension of time request and any approved extension shall be memorized in a fully executed change order stating the new completion date.

HARDE Project that have unforeseen repairs that require repair may not exceed 10% of the total grant amount through a change order. The Housing Rehabilitation staff will determine if the work is eligible.

NOTICE TO PROCEED

Contractors must receive a Notice to Proceed prior to any work being started on a project from Housing Rehabilitation staff. If a contractor starts a project without a Notice to Proceed, the contractor may not be paid for the work started or completed prior to the Notice to Proceed. The Notice to Proceed will state the purchase order number that is assigned to the project.

CONTRACTOR PAYMENTS

Invoices for payments must be submitted to the Office of Community Development when a project is complete. For construction contract over \$6,000, progress payment for up to 50% of the project cost may be requested when the project is 60% complete. Approval of a progress payment request will be made at the sole discretion of Housing Rehabilitation staff.

CONTRACTOR AND/OR HOMEOWNER DISPUTE

Notwithstanding normal permitting and inspection, neither the County nor the Office of Community Development, Housing Rehabilitation Program will assume any responsibility or liability for construction of the project. Rehabilitation of any unit and conformance with all applicable local, state, and federal codes and requirements is the sole responsibility of the contractor.

In the event a contractor is unable to complete a project, the Housing Rehabilitation Program will assist in providing assistance necessary to ensure completion of the project by requesting new bids for the uncompleted work. Any funds owed to the original contractor will not be paid until all work has been completed and the amount of any additional work performed

due to incomplete work will be deducted from the amount owed the original contractor. The new bids for remaining work cannot exceed the amount remaining in the grant.

Should a grant or loan recipient discharge the contractor under contract to do the project, the Housing Rehabilitation staff will solicit bids to have the project completed. The previous contractor will be paid for the work they have been completed up to the time of termination. The grant or loan recipient will allow the previous contractor to come and claim any tools or unused materials left on site, unless the grant or loan recipient wishes to pay fair market value for any items left behind. The grant or loan recipient will not willfully damage or destroy materials or tools owned by the contractor who has been discharged, such action is grounds to withdraw any and all assistance in the Housing Rehabilitation Program offered by Washington County and notice of such action will be sent to partnering agencies as well.

Should a grant or loan recipient delay an approved project, without good cause, for more than seven days, the Housing Rehabilitation Program retains the right to terminate the project and pay the contractor for completed work. In this event, if a homeowner is not willing to sign a Completion Certificate, Housing Rehabilitation staff will note the file, inspect the work that was completed, and have the contractor sign and submit for payment.

RIGHT OF APPEAL

An applicant can appeal the denial of a loan or grant application. Such an appeal will be reviewed by the LRB and a recommendation to change or sustain an earlier decision will be forwarded to the Program Manager. The Program Manager can uphold or deny an appeal. If contested by the applicant, the Program Manager's decision may be appealed to the Policy Advisory Board. The PAB will make a final determination and no further appeals will be allowed. The PAB may appoint an appeals sub-committee to perform this final review.