



**HOME Investment Partnerships Program  
2020 Homeowner Rehabilitation  
Phase I Application Guide**

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## **PROGRAM OVERVIEW**

The HOME Program is a federally funded, large-scale grant program governed by 24 CFR Part 92, designed to strengthen partnerships between public and private agencies to provide affordable housing within state and local communities. HOME funds can be used by state and local governments that are designated as Participating Jurisdictions (PJs). The Homeowner Rehabilitation Program allows local communities to use HOME funds to improve their housing situation by reconstructing or rehabilitating dilapidated housing.

The HOME Program was created to help your community by:

- Providing low and very-low income persons with decent, safe, sanitary, and affordable housing,
- Allowing you to design and implement a game-plan for achieving decent, affordable housing within your community,
- Strengthening partnerships among government and private agencies in the production of decent, affordable housing for your community, and
- Making various forms of technical and financial assistance available to your community.

The Department of Housing and Urban Development (HUD) allocates funds by formula among eligible state and local governments to strengthen public-private partnerships to provide affordable housing. Participating Jurisdictions may use HOME funds to carry out housing strategies through homebuyer assistance, homeowner Rehabilitation, multi-family rental housing, and tenant-based rental assistance to benefit low and very-low income families. Families must meet income qualifications based on size of household in the area in which the housing unit is located.

There are four (4) purposes of the HOME program:

- Expand the supply of decent, safe, sanitary, and affordable housing.
- Strengthen the abilities of states and units of general local government to design and implement strategies for achieving an adequate supply of affordable housing.
- Provide participating jurisdictions, on a coordinated basis, with the various forms of federal housing assistance.
- Ensure adherence to all applicable federal and state regulations by all parties involved in projects funded with these funds.

The purpose of this HOME Homeowner Rehabilitation Program manual will provide guidance in developing your application and help explain federal and state requirements. This manual also provides the following steps in putting together a successful application:

- Procure for a Project Administrator, if applicable
- Receive Board approval to apply for funding
- Conduct Citizen Participation Hearings
- Complete Homeowner Rehabilitation Application
- Submit Application within application timeline
- Meet Threshold & Scoring Requirements

The primary responsibility is to enforce the regulations associated with the Homeowner Rehabilitation program and to make sure every project meets its objective as well as the State's general objectives. If a grantee is funded but fail to meet its responsibilities, MHC may suspend, withhold, reduce, or withdraw the grant, or even require repayment of funds.

This manual has been specifically organized and designed to aid with the information needed to take advantage of the opportunities available in the Homeowner Rehabilitation program. All materials in this manual are provided to assist in enhancing your community.

## **HOMEOWNER REHABILITATION ALLOCATION**

MHC will commit funds for homeowner rehabilitation, reconstruction and replacement. Projects may be structured as 100% Rehabilitation or Rehabilitation/Replacement. 100% Reconstruction is not an option.

Based on the award of Homeowner Rehabilitation applications, recipients are eligible to receive project administrative funding in the amount of \$5,000. These funds are not eligible until the written agreement between MHC and recipients has been executed. Project delivery cost is available for those carrying out activities in the Homeowner Reconstruction/Rehabilitation categories, with exception of local units of government, which administer the projects.

## **DISTRIBUTION PROCESS**

HOME Rehabilitation funds will be distributed in accordance with the State's Annual Action Plan and Consolidation Plan. Mississippi Home Corporation will distribute funds statewide to eligible applicants using a competitive process, except for the non-competitive set asides.

## **ELIGIBLE APPLICANTS**

Eligible local units of government may apply for HOME Homeowner Rehabilitation funding through a competitive process.

**Any applicant, application preparer, or other parties involved in previously awarded projects with unresolved audit(s) or monitoring findings or concerns will not be considered for funding.**

**HOME Rehabilitation applications that have been prepared by an application preparer who is involved in a pending debarment or suspension proceeding before a state or federal agent shall not be reviewed.**

## **POLICIES AND PROCEDURES**

### **Affirmative Marketing Procedures**

All local units of government that participate in or receive Homeowner Rehabilitation funds must comply with 24 CFR Part 92 Subpart H 92.351. To comply, affirmative marketing procedures and requirements must be adopted.

Each grant recipient must display in public view, English and Spanish version posters affirming Equal Housing Opportunity as amended under the Fair Housing Amendments Act of 1988. In areas where Vietnamese language is prevalent, this version of the poster must be displayed.

The State requires grant recipients to establish appropriate procedures and requirements to affirmatively market units in the HOME projects and to assess the results of their efforts in accordance with the HOME program regulations. Procedures and requirements must include the following:

- ❑ Methods for informing the public and homeowners of federal fair housing laws and the grant recipient's affirmative marketing policy.
- ❑ Requirements and practices for homeowners to follow in complying with the grant recipient's affirmative marketing procedures and requirements.
- ❑ Special outreach procedures to be used by grant recipients to inform and solicit applications from homeowners who would not otherwise apply. Grant recipients may wish to use community organizations, places of worship, employment centers, fair housing counseling agencies, social service centers, and other resources for this outreach.
- ❑ Grant recipients must maintain a file containing all marketing efforts (i.e. copies of newspapers, letters, roster of telephone calls, etc.)
- ❑ Grant recipients must maintain a listing of all tenants residing in each unit at the time of application submittal through the end of compliance period.
- ❑ Records must be kept on file describing efforts and results of grant recipients and owners in affirmatively marketing units.
- ❑ Owner advertisement of vacant units must contain the fair housing opportunity logo or statement.

## **Minority/Women Business Outreach Programs**

Mississippi Home Corporation (MHC) strongly encourages the promotion and participation of Minority/Women Business Enterprises (MBE/WBE) in every aspect of the HOME program. To assure total support from all citizens and grantees the following requirements will be a part of each recipient's program goals:

- ❑ Public Law 95-507
- ❑ Executive Orders 11625 and 12432 (MBE)
- ❑ Executive Orders 12138 (WBE)

The State certifies that HOME program funds will be awarded in accordance with the non-discrimination and equal opportunity requirements set forth in the program regulations. The State's Minority Business Directory can be obtained by accessing the website at [www.mississippi.org/home-page/business-services/minority-women-owned-business/](http://www.mississippi.org/home-page/business-services/minority-women-owned-business/).

In keeping with HUD policy and that of MHC's, all grant recipients of HOME funds require the following actions:

- ❑ Contact at two or more minority/women owned businesses by certified mail and allow them the opportunity to submit a proposal or bid to provide any service needed.
- ❑ Forward a copy of the Request for Proposal (RFP) or Invitation to Bid (IFB) to the Mississippi Procurement Technical Assistance Program in accordance with the Mississippi Code 31-7-13 for electronic dissemination to MBE/WBE through an automated Bid Management Program.
- ❑ Maintain records to document the extent of MBE/WBE contracting and subcontracting.
- ❑ Adopt a resolution by the current board, signed by the current chief elected official, establishing local goals for MBE/WBE participation. The resolution must be adopted within the **current program year**. It is recommended that the local goals be no less than those of the Federal: five percent (5%) for MBE's and five percent (5%) for WBE's.
- ❑ Submit a copy of the resolution to MHC. The resolution must be signed by the current chief elected official.
- ❑ Incorporate the goal statement in all bid packets.
- ❑ Grantees will be awarded rating factor points in subsequent applications based on their efforts in meeting the State's MBE/WBE goals.

## **FEDERAL REQUIREMENTS**

All recipients are required to comply with federal and state requirements. The following briefly describes major requirements that may apply.

- ❑ **Cost Principles for State Local Governments** – All contracts for HOME funds will comply with the regulations, policies, guidelines, and requirements in 2 CFR Part 200. Also, the following requirements of:

- ... 24 CFR Part 84.21 (d), Bonding and Insurance
- ... 24 CFR Part 84.21 (e), Standards for Financial Management Systems
- ... 24 CFR Part 84.51, Monitoring and Reporting Program Performance, paragraph 2
- ... 24 CFR 84.40-84.50, Procurement Standards
- ... 24 CFR 84.84, Conflict of Interest

### **Recipients are responsible for audit costs**

- ... Audits must be conducted in accordance with 24 CFR Part 44, Non-Federal Governmental Audit Requirements and
- ... 2 CFR Part 200, Audits of Institutions of Higher Education and other Non-Profit Institutions.

### **Local units of government must follow procurement requirements**

- ... 24 CFR Part A-85,
- ... State of Mississippi Procurement laws (whichever is more stringent)

**Closeouts** – HOME funds from each federal fiscal year (i.e., the allocation and any reallocated funds from the federal fiscal year appropriated) will be closed out when all the requirements of 24 CFR Part 92.507 have been met.

**Recordkeeping** – Each recipient must establish and maintain sufficient records to enable the State to determine whether the applicant has met the requirements of 24 CFR Part 92.508.

**Conflict of Interest** – Recipients must comply with the requirements of 24 CFR §92.356 which states no person who exercises decision making responsibilities of the program may benefit from a HOME-assisted activity, either for themselves or those with whom they have family or business ties. Applicants will comply with federal requirements in addition to policy and procedures guidelines incorporated by MHC.

**Displacement, Relocation and Acquisition** – Recipients must adhere to 24 CFR Part §92.353 HOME Regulations which addresses Displacement and Relocation Requirements and the policy and procedure guidelines for the HOME Program. When displacement and relocation is triggered, the relocation cost is deducted from the activity's construction budget. Applicants must provide a written displacement, relocation policy and procedures guidelines as a Special Conditions Clearance. A written agreement must be executed prior to awarding or reimbursing funding for displacement and relocation activities.

### **Period of Affordability**

The Homeowner Rehabilitation program imposes affordability requirements that must be met well beyond the initial investment of HOME funds. MHC enforces the period of Affordability by securing through self-enforcing legal mechanisms (deed restriction). The deed restriction is recorded and file with the Chancery Court within the area where HOME funds are invested. MHC conducts periodic monitoring to ensure occupancy as the owner's principal residence. A copy of the recorded deed restriction must be submitted to MHC with 45 days of the completion of the unit and prior to keys being transferred to the homeowner. This document is reviewed for recordkeeping during closeout monitoring visits for homeownership activities. Upon sale of a housing unit prior to the affordability period, funds must be paid back in accordance with 24 CFR Part 92.

<b>HOME Activity</b>	<b>Affordability Period</b>
Homeowner Rehabilitation	5
Homeowner Reconstruction	10

### **FEDERAL LAWS THAT APPLY TO HOME**

Recipients shall administer all programs and activities relating to housing and community development in a manner to affirmatively further fair housing.

**Cranston-Gonzalez National Affordable Housing Act of 1990** - This Act authorized the HOME Program. All applicable provisions of the act shall be adhered to by recipients.

The purposes of this Act are:

- ❑ to help families not owning a home to save for a down payment for the purchase of a home;
- ❑ to retain wherever feasible as housing affordable to low-income families those dwelling units produced for such purpose with Federal assistance;
- ❑ to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of housing affordable to low-income and moderate-income families;
- ❑ to expand and improve Federal rental assistance for very low-income families; and
- ❑ to increase the supply of supportive housing, which combines structural features and services needed to enable persons with special needs to live with dignity and independence.

**Title VI of the Civil Rights Act of 1964** – This Act provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the recipient receives federal financial assistance.



**Fair Housing Act or Title VIII of the Civil Rights Act of 1968** – This Act prohibits discrimination against certain classes of people (protected classes). The protected classes are: race, color, religion, sex, national origin, disability, and familial status. This act defines who is protected, what type of housing is covered by the law, and what types of actions constitute illegal discrimination. The requirements of the Fair Housing Act apply to housing regardless of whether it is developed or otherwise assisted with Federal funds.

**Section 504 of the Rehabilitation Act Of 1973** – This Act provides that no qualified individual with a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

**American with Disabilities Act (ADA)** – Title II of the Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities in all programs, activities, and services of a public entity (i.e., state or local government; or department, agency, special purpose district, or other instrumentality of a state, or states, or local government). The prohibitions against discrimination under Title II of the ADA are essentially the same as those in Section 504, except they apply to all programs, activities, and services of a public entity, not just those funded with Federal financial assistance.

- **Title III of the ADA** prohibits discrimination based on disability in public accommodations and commercial facilities. These do not include housing but do include the rental office of a facility (such as childcare) located in the housing project that is open to the public.

**Age Discrimination Act of 1975** – Prohibits discrimination based on age in programs or activities receiving Federal financial assistance, directly or through contractual, licensing, or other arrangements use age distinctions or take any other actions which have the effect, based on age of:

- ❑ Excluding individuals from denying them the benefits subjecting them to discrimination under, a program or activity receiving Federal financial assistance; or
- ❑ Denying or limiting individuals their opportunity to participate in any program or activity receiving Federal financial assistance.

**Executive Order 11063, Non-Discrimination** – Directs HUD and all other executive departments and agencies to take appropriate action to promote the abandonment of discriminatory practices with respect to property or facilities owned or operated by the Federal Government or provided with Federal financial assistance in the sale, leasing, rental, or other disposition of such property or facilities.

**Executive Order 12892, Equal Opportunity in Housing** – Provides that programs and activities relating to housing and urban development (including any Federal agency having regulatory or supervisory authority over financial institutions) shall be administered in a manner affirmatively to further the purposes of the Act and shall cooperate with the Secretary of Housing and Urban Development, who shall be responsible for exercising leadership in furthering the design and delivery of Federal programs and activities.

**The Architectural Barriers Act of 1968** – Requires buildings and facilities that are constructed by or on behalf of, or leased by the United States, or buildings financed, in whole or in part, by a grant or loan made by the United States to be accessible to persons with mobility impairments.

**National Environmental Policy Act and 24 CFR Part 58** – This Act provides for the identification of environmental impacts of proposed projects utilizing federal funds. This includes the preparation of environmental assessments and, where necessary, environmental impact statements. All construction projects will require an environmental review.

**Lead-Safe Housing Regulation** – Under this Act, the construction or rehabilitation of residential structures or non-dwelling facilities commonly used by children under six years of age and under, with federal assistance, shall show compliance with regulations contained in 24 CFR Part 35.

The State will continue to address the reduction of lead-based paint hazards in a manner consistent with the current activities at the Department of Health. These activities include, but are not limited to the following:

- All properties built before 1978 must pass a visual lead-safe inspection.
- The state will continue its efforts to reduce the hazards of lead-based paint through a coordinated outreach effort to provide lead-based paint hazard reduction information and construction contractors.

The State of Mississippi will abide by HUD's requirement for notification, evaluation and reduction of lead-based paint hazards in federally owned residential property and housing receiving federal assistance (Lead Safe Housing Act 24 CFR Part 35).

**Government-Wide Restriction on Lobbying** – This Act ensures that no federal funds will be paid for influencing or attempting to influence an officer or employee of any agency or Member of Congress, in conjunction with awarding of any federal contracts, grants, loans, etc.

**Section 3 of the Housing and Urban Development Act of 1968** – As amended requires that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are in, or owned in substantial part by, persons residing in the area of the project. (12 U.S.C. 1701u) Executive Orders 11625, 12432, and 12138

- **Employment:** Under the Section 3 program, HUD requires contractors and subcontractors to use their best efforts to give low-and very low-income persons the training and employment opportunities generated by public housing development, operating subsidies, and modernization assistance. For other programs that provide housing and community development assistance, HUD is required to ensure that, to the greatest extent feasible opportunities for training and employment arising in connection with housing rehabilitation, housing construction, or other public construction are given to such persons in the metropolitan area or nonmetropolitan area or nonmetropolitan county. For both categories, the law establishes priorities among eligible persons.

- **Contracting:** Section 3 also requires contractors and subcontractors to make their best efforts to award contracts to businesses that provide economic opportunities for low and very low-income persons. In providing housing and CD assistance under other programs, HUD is required to ensure that contracts awarded for work in connection with housing rehabilitation, housing construction, or other public construction are given to businesses that provide economic opportunities for such persons in the metropolitan area or nonmetropolitan county. For both categories, the law establishes priorities among eligible persons.

## **GENERAL REQUIREMENTS**

Recipients are required to carry out their projects in accordance with the regulations for the HOME Investment Partnerships Program, Final Rule, 24 CFR Part 92, as amended and with other applicable federal and state laws and provisions which can be found at [www.hud.gov](http://www.hud.gov).

The HOME Program Description, Final Rule, application package, and any subsequent changes, additions, clarifications, requirements, and assurances issued by the State or HUD relating to the HOME Rehabilitation program shall govern the operation of the program. Should any questions of interpretation of any rule, requirement, or regulation arise, the State's decision shall be final.

To apply for 2020 HOME Rehabilitation funds, an applicant must have no unresolved audit or monitoring findings or unresolved issues by any state or federal agency. An applicant that received previous HOME Rehabilitation funds must have submitted an acceptable closeout package. An official notification letter which indicates the project has met all close-out requirements must have been received by application submission and a copy of said letter must be included in the application.

**A Public Hearing must be conducted at least seven (7) days prior to submission of the application. The proof of publication of notice, roster, and minutes of the meeting must be submitted as part of the application. The minutes must bear the signature of the applicant's Chief Elected Official. The applicant must publish notice of the public hearing not less than fourteen (14) or more than twenty (20) calendar days (including weekend and holidays) prior to the date of the hearing in the newspaper of general circulation. The day after the newspaper's publication is considered as day one (1) of the public hearing notification. Applicants shall not conduct Public Hearings on holidays. Citizen Participation requirements must be conducted in accordance with the States' Citizen Participation Plan.**

During the review of the applications, staff will verify information for accuracy and determine feasibility and readiness of the project. This review may result in disqualification of an application or adjustment of request for funding. The adjustment will be based on verification of cost and the availability of HOME funds. MHC reserves the right to increase or decrease the points awarded in any rating factor based on information gained during the review process.

In the event there is a tie in the rating process, MHC will use the per capita income for the applicant's locale. If an additional tiebreaker is needed, the highest unemployment rate for the month prior to the application due date will be considered.

Exceptions to minimum and maximum grant amounts may be allowed by MHC depending on circumstances and benefits to the local unit of government and the State of Mississippi.

Any application that has been prepared by an application preparer who is involved in a pending suspension or debarment proceeding, or otherwise deemed ineligible shall not be reviewed. **If a Local Unit of Government has any MHC concerns that have not been resolved, MHC may not review the application and the application may be disqualified from consideration in funding. This includes but is not limited to delinquent loan payments, failing to submit required reports, etc.**

**Additionally, no person who is involved in a suspension or debarment proceeding shall be allowed to administer a HOME Rehabilitation project.**

For an applicant to receive points in the MBE/WBE category on a previously funded HOME project, the firm/company must be certified through the following cite:

<http://secure.mississippi.org/CertifiedMinorityBusinessReports/>

## **HOMEOWNER REHABILITATION**

Applications for Homeowner Rehabilitation of single family owner-occupied by very low and low-income families are accepted **Tuesday, May 12, 2020 - Monday, May 18, 2020**. HOME funds will be distributed statewide to eligible local units of government using a competitive process.

Phase I applications will be rated based on designated rating criteria consistent with the needs identified in the 2020 Annual Action Plan. Applications that rank within the funding range available will move on to Phase II of the application process. Phase II will consist of identifying the proposed units for assistance as well as alternate homeowners. Site visits will be conducted after Phase II to make the final determination of funding.

## **GRANT AWARD AMOUNTS**

The allocation for the Homeowner Rehabilitation category is contingent upon the availability of funds to the State of Mississippi from the U.S. Department of Housing and Urban Development. The maximum grant size is \$600,000. The maximum amount for a rehabilitation activity is \$50,000\* per unit for hard construction. Historical rehabilitation will be allowed \$60,000\* per unit for hard construction. Funded awards must make up of 100% rehabilitation or rehabilitation/reconstruction/replacement.

\* MHC has the right to grant waivers on a case by case basis, based on the property condition or need.

## **Application Format**

Applications submitted for 2020 should be submitted in the following format:

- One (1) original
- Bind all documents securely together in an 8.5 x 11 in. or 8.5 x 14 in. folder or notebook. Applications **MUST** be submitted in the required format to ensure documentation remains secure.
- All sections of the application must be separated with tabs identifying the information contained in each section.

## **THRESHOLD REQUIREMENTS**

An applicant must meet threshold requirements to be eligible for Phase I application review. Documentation satisfying threshold must be included in the application identified by tabs.

### **Requirements:**

1. Applicant applying for Homeowner Rehabilitation funds must have never been funded or HOME-funded grants must be completely closed.
2. An applicant must have no unresolved audit, monitoring findings, or unresolved investigations by any state or federal agency. **The absence of an audit constitutes an audit finding.**
3. Applications must be consistent with the State's Consolidated Plan.
4. An applicant must comply with the Citizen Participation Requirements and submit documentation in the application, which indicates a Public Hearing was held at least seven (7) days prior to the submission of an application. The required documentation must include the Proof of Publication, signed minutes of the meeting, and the attendance roster. The Notice for the Public Hearing should have been published at least fourteen (14) and no more than twenty (20) calendar days (including weekends and legal holidays) before the hearing is held. The **day after** the newspaper's publication is considered as day one (1) of the public hearing notification.
5. MHC will not review or rate a project that is determined to be infeasible. MHC reserves the right to make this determination.