

# Jefferson Parish Department of Community Development

## Owner Occupied Rehabilitation Program Guidelines



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Attachment A – Owner Occupied Rehabilitation Program Accessibility Request Form **.Error! Bookmark not defined.**

# 1. Program Description

The mission of the Jefferson Parish Department of Community Development (JPDCD) is to make Jefferson Parish a better place to live by supporting community efforts to preserve and expand affordable housing, home ownership and economic opportunities, and to provide equal access to safe, decent and affordable housing.

The Jefferson Parish Owner-Occupied Rehabilitation Program (OOR or Program) is a voluntary program that provides income-eligible homeowners with a loan to make necessary homes repairs. Properties are rehabilitated to make them safe and sanitary, so that they meet current building codes and/or to make the home barrier-free for elderly or disabled persons. The work is based off of locally-adopted rehabilitation standards, which reduce ongoing and future maintenance costs and create decent, affordable housing for Jefferson Parish' residents.

Funds for the operation of this Program are provided by a grant from the U. S. Department of Housing and Urban Development (HUD). HUD regulations require that all houses receiving major rehabilitation work be brought up to a minimum standard. These guidelines represent JPDCD's efforts to meet HUD's requirements.

# 2. Definitions

**Disabled:** an individual that meets the Medicaid or Social Security Administration disability criteria, which includes a finding that an individual cannot do the work that he/she did before becoming disabled; that an individual cannot adjust to other work because of his/her disability; and that the disability has lasted or is expected to last for at least one year or to result in death. To verify an applicant's disability, applicants will be required to show proof that a member of the household receives a monthly benefit from a government agency, resulting from their disability. An applicant must be determined disabled at the time of application.

**Elderly:** an applicant who is 62 years of age or older on the date they submit their application.

**Family:** one or more persons related by blood, marriage, adoption, guardianship or operation of law.

**Low-to-Moderate Income (LMI):** an individual or family whose gross income is below 80 percent of the median income for Jefferson Parish (see Section 6 for more information).

**Owner:** an individual that holds the legal title to the property being rehabilitated.

**Owner-Occupied:** a residential property where the owner resides on a full-time basis.

**Rehabilitation:** a method to provide decent, safe and sanitary housing to low and moderate-income individuals. Rehabilitation is not a method to provide remodeling and/or renovation services.

**Single-Family Property:** property devoted solely to residential use and consisting of one dwelling.

# 3. Eligible Properties

The Program will cover only owner-occupied, single-family homes, which includes cluster homes and town homes. Communal areas, condominiums, and mobile homes are not covered by the Program. Homes must be structurally sound and suitable for rehabilitation under the time and monetary constraints of the Program.

To be eligible, the property may not be assessed or appraised at more than \$184,000, according to parish tax rolls, rehabilitation costs are not expected to exceed \$60,000, or the independent cost estimate does not exceed \$60,000. In addition, if a property has building code violations, and the cost to bring these violations

into conformance would cause the loan amount to exceed the Program's maximum award, the property is ineligible to participate in the Program.

### A. Location of Property

The unit must be located within Jefferson Parish. Homes located in the City of Kenner are not eligible to participate in the Program.

### B. Property Taxes and Liens

To be eligible for the Program, all property taxes must be paid. Applicants may not be delinquent for any tax year unless the homeowner has entered a written agreement with the taxing authority that outlines a payment plan for delinquent taxes, and the homeowner is abiding with the written agreement. Property must be free of any foreclosure actions or liens.

### C. Duplication of Benefits

All applicants must demonstrate, through the application, that they have not received other funds (e.g., insurance, government assistance, etc.) for the same purpose that funding is being requested. If a homeowner has received other funding, documentation must be provided to the Program. Any duplicative funds will be deducted from the applicant's loan award. Homeowners will be required to provide copies of any insurance claims submitted within five years of the date of the application.

### D. Property Value Calculation

Homes with an after-rehabilitation market value that exceeds 95 percent of the median purchase price for the area, based on Federal FHA single family mortgage data, established in April 2018, determined by a certified appraiser, are not eligible for this Program.<sup>1</sup>

## 4. Applicant Criteria

Applicants must be determined income eligible by JPDCD according to HUD requirements (see Section 6: Income Eligibility) and must also meet the Program's definition of elderly and disabled (See Section 2: Definitions). In addition, all applicants must meet the following, as required by HUD and JPDCD:

- Complete an application to the Jefferson Parish Owner Occupied Rehabilitation Program (submit all the documentation requested in the application).
- Applicant must be a U.S. Citizen or must have current U.S. permanent legal resident status.
- Applicant must reside within Jefferson Parish and must have occupied their home for at least one (1) year prior to application.
- Applicant must certify that the home is not being offered for sale, and that it is their primary residence, as indicated per Jefferson Parish tax records.
  - Applicants who own more than one property will not be eligible for this Program.
- The property must qualify for the applicant's Louisiana homestead exemption at the time of application.

## 5. HUD HOME Assistance

Applicants are only allowed to received HUD HOME funding from one program in Jefferson Parish at a time. Jefferson Parish currently runs two HOME funded programs: the OOR Program and the First Time

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<sup>1</sup> <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>

Homebuyer Program. Therefore, once an applicant has received funding from the OOR Program or the First Time Homebuyer Program, they are not eligible to receive additional assistance until their maintenance and/or affordability period has been met. NOTE: This requirement does not apply to funding from the Parish’s VOA or Jefferson Joining Forces programs.

## 6. Income Eligibility

Only low-to-moderate income (LMI) individuals will be eligible for the Program. LMI is defined as having an income less than 80 percent of the median income for Jefferson Parish, adjusted for family size. Family size will be determined by the number of occupants living in the dwelling to be rehabilitated on a regular basis.

Household residents under the age of 18 qualify as dependents of the head of household per the HUD regulations identified in [24 CFR 5.603](#) and are eligible for a dependent deduction. The annual income limits for Jefferson Parish increase based on the number of persons in the household. The below chart represents the household income limits for 2018. JPDCD will update the below chart annually.

<b>2018 Maximum Household Income Limits</b>			
<b>Household Size</b>	<b>Income Limit</b>	<b>Household Size</b>	<b>Income Limit</b>
1 person	\$36,750	5 persons	\$56,700
2 persons	\$42,000	6 persons	\$60,900
3 persons	\$47,250	7 persons	\$65,100
4 persons	\$52,500	8 persons	\$69,300

When calculating income, the entire household’s income must be included. Their incomes are to be aggregated for calculating family income, *see* [24 CFR 5.609](#). The Program is required to include the greater of either:

- Actual income resulting from all net family assets; or
- A percentage of the value of such assets, based upon the current passbook savings rate as determined by the Department of Housing and Urban Development (HUD), when a family has net assets of \$5,000 or more.

Gross Annual Income includes, but is not limited to:

- Child support,
- Social security,
- Pensions,
- Income from annuities,
- Interest income on savings.

### A. Income Documentation

Applicants are required to provide the following income documentation:

- Two most recent paystubs containing year-to-date (YTD) information; if unsatisfactory or unable to provide will require Verification of Employment (valid for 90 days)
- Verification of Employment (VOE) valid for 90 days.
- A written VOE valid for 90 days from the date received. Third party VOE is required



- Tax returns and W-2 for the previous two years or IRS form 4506 T (which gives permission for verification of income reported to the IRS for one to two years prior to the request). Returns must be signed & dated by applicant.
- If self-employed year-to-date, profit and loss statement as of the date of application.
- Two months' worth of bank statements, which each reflect a month's end balance.

#### i. Income Calculation

The applicant is responsible for submitting true and accurate financial information required to document eligibility for the Program. The applicant is also responsible for notifying JPDCD, in writing, of any change in household composition or income within 10 calendar days of such change. Failure to provide updated information may result in exclusion from the Program.

The calculation used to determine gross annual household income shall be consistent with HUD regulations and HUD's definition of income. Income of all household residents age 18 or over, unless they are a full-time student, will be included in the total annual gross household income determination.

Dependents over the age of 18, who are enrolled in school full time, will only include earned income up to a maximum of \$480 per year. If an applicant is a full-time student, the applicant will be required to provide their parents income information so that the JPDCD can determine if the applicant has been claimed as a dependent on their parent's federal income tax return.

## 7. Applicant Selection Process

### A. Annual Lottery

At the beginning of the Program year, JPDCD will open up the Program and will receive applications in person, at announced times and locations—JPDCD will announce the times and locations via their website. Applicants who meet the criteria outlined above are encouraged to apply during this time. After the closing of the application period, JPDCD will conduct a general lottery, open to the public, where applicant's names will be randomly selected. The lottery will determine each applicant's place in the Program for that year.

### B. 2013 Lottery Participants

In 2013, JPDCD conducted a lottery for the Program. Due to the overwhelming response to the Program, and funding restraints, all applicants were not selected for funding. JPDCD is committed to assisting this population. In 2018, JPDCD sent out a survey to all remaining 2013 OOR lottery applicants to gauge continued interest in the Program. Twelve (12) applicants responded to the Program in a timely manner.

Therefore, for 2013 Lottery participants who timely responded to the survey issued in 2018, there will be a second lottery each year until all remaining 2013 applications have either been deemed eligible and assisted by the Program or deemed ineligible by the Program. **2013 lottery participants will be required to submit a Program Interest Survey each year in order to remain eligible for the 2013 lottery funding.** Once an applicant is selected, they will be required to recertify their income and property eligibility.

If an applicant is determined not to be eligible after selection in the lottery, they may not participate in the Program. JPDCD will allocate funding (approximately \$300,000 per year) as follows, between the

general lottery and the 2013 lottery. JPDCD reserves the right to change these amounts, pending funding changes from HUD or priorities from JPDCD.

<b>Year</b>	<b>2013 Lottery Allocation</b>	<b>General Lottery Allocation</b>
2018	60% (\$180,000)	40% (\$120,000)
2019	40% (\$120,000)	60% (\$180,000)
2020	40% (\$120,000)	60% (\$180,000)
2021	20% (\$60,000)	80% (\$240,000)

Once all 2013 lottery participants applications are either assisted by the Program or deemed ineligible for funding from the Program, 100 percent of funding will go towards assisting general lottery participants. The Program will fund as many eligible applicants as it can, until all Program funds have been exhausted. At the end of the Program year, all names will be removed from their respective list until the next Program year.

## 8. Applicant Responsibilities

It is the homeowner’s responsibility to review all construction specifications and to understand the scope of work to be undertaken. The applicant cannot request the contractor to perform any tasks outside of the scope of work. Once the description of work is finalized, the JPDCD staff will review the description of repair work with the homeowner. If the homeowner agrees with the scope of work, he/she will sign the cover sheet of the scope of work. If changes are requested, and approved by JPDCD, the description of repair work will be revised and reviewed with the homeowner.

It is the homeowner’s responsibility to provide access for the contractors, so they can perform all work during normal business hours (unless otherwise agreed upon between contractor and homeowner). If reasonable and timely access is denied to a contractor who is attempting to make a good faith effort to make required repairs, the homeowner will become responsible for these repairs.

It is the homeowner’s responsibility to secure the property when rehabilitation repairs are being made. Movement, and security of movable property are the homeowner’s responsibility. Damages to the homeowner’s property should be reported to JPDCD’s staff, but it is up to the homeowner to pursue damages with contractor for such losses.

### A. General Responsibilities

The applicant is responsible for:

- Making reasonable accommodation to the schedules of the contractor, Jefferson Parish Code Enforcement (Code Enforcement), and JPDCD for the purposes of inspections, access to property, securing of animals, completion of work, etc.
- Identifying the priority of all work items essential for bringing the structure up to code.
- Reviewing, executing, and understanding the contract, work write-up, and associated documents.
- Notifying the contractor and JPDCD of any concerns during the construction period and during the warranty period.
- Participating in the final inspection and executing the final inspection report.
- Providing proper maintenance to all installed items/components to help minimize premature failure or damage.
- Maintaining required insurance for the duration of the maintenance period.

- Moving and storing furniture so that contractors may perform work.
  - Contractors and JPDCD will not be held liable for any damages incident to the work performed.

## B. Property Storage

Homeowners are responsible for providing 100 percent accessibility in the areas being rehabbed, for the duration of the project. This means that 100 percent of the areas mentioned in the scope of work must be cleared of all personal belongings. JPDCD must approve the site's accessibility prior to commencing work on the home. Homeowners should take precautions to remove any items of value from the home prior to commencement of work.

Depending on the property and scope of work, homeowners may be required to place their personal belongings in a storage pod, located on the premises, if the Program and contractor determine that this would be the only way to ensure 100 percent accessibility. The cost of the pod, as well its delivery will be paid for by the Program. In addition, the contractor will assure that the items are moved from the home into the pod and put back in their respective place once work is complete.

## C. Occupancy

The homeowner will continue to occupy the premises during all phases of the rehabilitation, unless not feasible. The contractor will work diligently to complete the contract causing as minimal disruption to the occupants as possible. The contractor agrees to keep the premises clean and orderly while completing the work, and to remove all debris upon completion of the work. Materials and equipment that have been removed and replaced as part of the work shall belong to the contractor, unless otherwise specified.

### i. Temporary Relocation

Depending on the project's scope of work, property occupants may be asked to move out of their homes for a short period of time. Due to the voluntary nature of the Program, JPDCD is not required to pay for relocation. Applicants will be required to find temporary housing and pay for the move at their own expense.

## D. Homeowner Safety

Due to safety concerns, homeowners are not permitted to participate in construction activities or access construction areas during construction. In addition, homeowners are required to sign an indemnity agreement with the contractor, indicating that they will may not hold the contractor liable for any injury, sustained as a result of their own negligence.

## E. Utility Services

The homeowner will permit the contractor to use existing utility services (i.e. water, gas, electricity) as necessary, without charge, during the performance of the work.

Except for reconstruction or other required interruptions, the homeowner must provide all existing utilities for use by the contractor (as they relate to construction only) and must be responsible for continuous maintenance and payment of existing utilities.

## 9. Eligible Costs

Housing rehabilitation assistance may only be provided to cover the cost's necessary to bring the property in compliance with locally adopted, written property standards, and applicable federal, state and Jefferson Parish codes. All conditions described below may be addressed by the Program.

- Eligible repairs include: electrical wiring, fixtures or systems;
- Heating, venting and air-conditioning;
- Roofs, porches, walls and structural load bearing walls;
- Foundations;
- Plumbing;
- Health and safety items;
- Removal or replacement of attached building components (deck, porch) that were specifically cited as a code violation;
- Miscellaneous code violations;
- Widening of doors;
- Installation of ramps;
- Roll-in showers (as space permits);
- Grab bars and permanently attached physical-assist apparatus;
- Air-conditioning (if medically necessary);
- Hearing-impaired smoke detection equipment;
- Specialty plumbing fixtures;
- Lowering of light switches;
- Other permanently attached fixtures determined to be of assistance in removing architectural barriers;
- Replacement of building components (roofs, water heaters, HVAC systems) that have exceeded their life expectancy or, due to condition, are expected to fail within a two-year period from the date of inspection;
- The current edition of the HUD Residential Rehabilitation Inspection Guide, "Life Expectancy of Housing Components" shall be used as the standard to determine the life expectancy of building components for eligibility for replacement;
- Unsafe & unused fireplaces with a deteriorated or unsafe chimney should be disassembled to below the roof line and sealed (roof will be patched over area that chimney penetrated the roof). Unsafe & used fireplaces will be repaired, or an alternate exhaust system will be installed;
- Interior and exterior paint;
- Refinishing or replacement of kitchen or bathroom cabinets;
- Countertop replacement;
- Tile flooring (will be used in high-traffic areas if cost-effective);
- Wood flooring – if cost effective;
- Disposal, refrigerator, stove and dishwasher;
- Door replacement and trim improvements;
- Small storage sheds (10-foot x 12 foot or smaller); and
- Wallpaper- if used to address wall imperfections.

## A. Ineligible Costs

The following are considered luxury items and are NOT allowed by the Program:

- Flooring, such as tile, hard wood floors, etc., that exceed the quality of existing materials and the cost to replace them;
- Hot tubs, whirlpool baths, steam showers;
- Patios or decks;
- Room additions;
- Installation of fireplaces;
- Window treatments other than standard grade mini-blinds;
- Carports or garages;
- Items above standard grade or in excess of approved specifications; and
- Room additions may be approved if they are necessary to install a bathroom facility in a dwelling that otherwise lacks a bathroom or necessary to provide accessibility to the house.

In addition, the following may not be funded by the Program:

- Adding living or finished space;
- Exterior improvements, such as fencing, and landscaping not required by code; and
- Replacement of items determined to be in good condition by staff.

## B. Mold Remediation

If mold is found inside of the home, the contractor is required to notify the Program and take steps to remove all mold from the home.

## C. Lead Based Paint

All Program applicants must be notified about the concerns and dangers of lead-based paint. Documents detailing the risks will be distributed to all Program participants, and signed documentation of the receipt of such information will be made part of the official case file. In addition, each rehabilitation contract shall contain language prohibiting the use of lead-based paint in any home.

For homes built prior to 1978, all of the exposed surfaces will be inspected for the presence of defective surfaces (cracking, peeling, etc.). All defective surfaces will be tested for lead based paint. Should any lead-based paint be found, coverage, removal, or other corrective actions taken will be conducted in a manner that avoids further diffusion of lead particles throughout the residence, and in accordance with HUD regulation [24 CFR Part 35](#).

Applicant's over the age of 62 may elect to waive some of these requirements and may elect to forgo testing for the presence of lead. Those who choose to waive the requirements will be required to sign a disclosure form that indicates the home will not be occupied at any time by pregnant women or children under the age of five. Signing the disclosure will relieve JPDCD of any liability that may result due to the presence of lead paint.

## 10. Maximum Award

The Program will conduct an appraisal of the property as well as perform an Independent Cost Estimate (ICE) prior to committing any funds to the project. The ICE is formatted so that it can be easily compared with bids, with each item broken out into a single, itemized line item. No rehabilitation will be considered

on any property when either: (1) the ICE exceeds 50 percent of the present market value of the property, including the land, as determined by the Program's appraisal; (2) rehabilitation costs are expected to exceed \$60,000; or (3) the ICE exceeds \$60,000.

## 11. Contractor Standards

The Program aims to provide low to moderate income homeowners with the funding and ability to rehabilitate their primary place of residence. JPDCD will oversee and administer the Program. For this Program, JPDCD may enter into agreements with partners, such as the New Orleans Education League of the Construction Industry (NOEL), to manage the implementation process.

### A. Approved Contractors List

Contractors that wish to participate in the Program must complete a contractor application, which may be found at: <http://www.jeffparish.net/index.aspx?page=3848>. Contractors that meet the eligibility criteria below and have submitted a contractor application will be added to the Approved Contractor's List.

### B. Preliminary Status

Contractors will be added to the Approved Contractor's List on a preliminary status until they have established a satisfactory track record. During this period, JPDCD reserves the right to limit the number of jobs it will finance at any given time for any single contractor.

### C. Financial Capacity

Before a contractor may be removed from preliminary status, they must display the ability to fund construction activities, before being reimbursed by the Program. The amount that they will be required to finance will depend on the size and complexity of the project. If contractors are unable to finance projects on a reimbursement basis, they may partner with a non-profit that guarantees loans financed by federal funding. This allows for smaller contractors to bid on larger contracts, which they would not be able to complete on a reimbursement basis.

### D. Suspension

Contractors that continually fail to abide by Program policies may be suspended from participating in the Program. Should a contractor be suspended, Code Enforcement will be notified, and any open permits will be transferred to a new contractor who will complete the remaining work from the existing contract. The Parish Attorney's Office will be notified and will take appropriate legal action against the original non-performing contractor, when appropriate.

During their participation in the Program, JPDCD staff will provide technical assistance to contractors, as needed. Contractors are expected to meet all Program requirements and provide complete and accurate documentation, as outlined in these guidelines. Contractors that fail to provide necessary documentation, or complete substandard work three times in a Program year, will be suspended by the Program. Each time a contractor does not meet a Program requirement, the Program will notify the contractor in writing of the finding against them. For example, contractors who fail to show up to meetings with Program staff and/or homeowners will be given a finding. The contractor will be given written notice of any suspension. The suspension shall be for a term of not less than three months. Finally, contractors may receive a strike from the Program for failing to:

- Maintain and provide proof of insurance;

- Actively pursue a job to ensure timely completion;
- Conduct oneself in a businesslike manner (e.g., inability to schedule workers or subcontractors so as to minimize inconvenience to the homeowner, use of abusive language or behavior, drinking on the job site, offering incentives in order to secure a job, etc.);
- Pay subcontractors or suppliers;
- Promptly rectify homeowner's warranty concerns;
- Remit permits and final inspections to JPDCD in a timely fashion;
- Comply with the description of work or general specifications;
- Failure to respond to items identified in punch lists.

i. [Reinstatement to the Approved Contractor's List](#)

[THIS PARISH IS CURRENTLY DEVELOPING THIS SECTION. PLEASE CHECK BACK SOON FOR UP TO DATE POLICIES AND PROCEDURES.]

## E. [Contractor Re-Certification](#)

Every two years, contractors are required to resubmit required documents in order to remain eligible to participate in the Program. The two-year period begins to run as soon as the contractor has been added to the Approved Contractor's List.

## F. [Subcontractors](#)

Contractors may choose to utilize subcontractors if they are properly licensed and insured. Contractors are required to gather and maintain all documentation on their subcontractor(s). Prior to commencing work, the contractor must complete the section in the contractor application outlining the subcontractor(s) to be used on the project. Additionally, if a contractor chooses to work with subcontractors who cannot provide their own insurance coverage, the contractor must provide insurance certificates which cover the subcontractors. The contractor will be responsible for providing the following information on all subcontractors to the Program:

- Name and address of business;
- License;
- Federal Employer Identification Number (EIN);
- D-U-N-S number;
- Documentation of certification of M/WBE owned business, *if applicable*;
- Section 3 contractor documentation, *if applicable*;
- Insurance certificates naming subcontractors, *if applicable*.

## G. [Bidding Procedures](#)

All contractors on the Approved Contractor's List may bid on a project. All bids must be received by the time/date deadline indicated in the bid package. Late submissions will not be accepted.

The Program will advertise all upcoming projects and will bid these projects out two at a time. Contractor's should be aware that while they may bid on as many projects as they see fit, they will only be able to win two. For example, if a contractor bids on the first two projects put out to bid, but only wins one of the projects, then the contractor may bid on the next set of projects. However, the contractor will only be able to win one of the two projects put out to bid in the second allotment.

Once a contractor finishes a project and it passes final inspection, they may bid and win another project. Contractor's are given 90 days in order to complete a project, with the option to lengthen the contract by 30 days, at the sole discretion of the JPDCD director or designee.

i. Pre-Bid Conference

Once the bid is let, the Program staff will schedule a pre-bid conference to answer questions from potential bidders. Additionally, the Program will inform bidders of the date and time of the site visit, *see below*.

ii. Site Visit

Bidders who are interested in viewing the site must RSVP prior to the date of the site visit. When a bidder replies to the Program regarding interest in the site visit, the Program will provide the site's address. Bidders are ONLY allowed to enter the property during the window of time provided at the pre-bid conference. Program staff will be present during the site visit and will not answer any questions about the scope of work or project. All bidders must vacate the property at the end of the site visit.

iii. Bid Openings

Bids will be opened on a time and date indicated in the bid package. All bid openings are open to the public.

iv. Sales and Use Taxes

OOR projects are not exempt from applicable state and parish sales or use taxes.

v. Award of Bid

The bid will be awarded to the lowest responsive and responsible bidder, that is within 15 percent of the ICE, unless the business is a Section 3 or M/WBE business. Section 3 businesses, whose bid is within 10 percent of the lowest bid and within the acceptable range will be selected. M/WBE businesses who bid outside of the 15 percent threshold may be awarded contracts but will not be granted preference over lower bids deemed reasonable and responsive.

vi. Post Bid Document Collection

The contractor with the lowest responsive and responsible bid will then be required to submit all additional documentation within five business days. Failure to timely provide documents will result in the Program selecting the second lowest bid from a responsive and responsible bidder.

vii. Post Selection Meeting

After the winning bid has been selected, JPDCD staff meets with the contractor and the implementation subrecipient to review key Program requirements as well as its disciplinary policies.

## H. Contractor Eligibility

To participate in the Program, a contractor must comply with all requirements in the bidding process, possess a valid contractors' license and maintain sufficient insurance coverage for the type and scale of work to be performed. Contractors that are selected will be given an opportunity to update their insurance policies, if their current policy does not meet required coverage limits.



The contractor deemed the most responsive and responsible bidder, prior to the award of the project, must submit the following documents for review:

- Completed Contractor's Qualification Application which is attached to any bid package;
- Copy of current and valid Occupational Business License;
- Copy of the Jefferson Parish Home Improvement License;
- Either 1) Copy of current and valid license with the Louisiana State Licensing Board for Contractors (LSLBC) or 2) a Louisiana State Home Improvement Registration from LSLBC for improvements between \$7,500 and \$75,000;
  - If a contractor's license(s) becomes suspended or revoked, JPDCD or its partners will suspend the contractor from participating in any projects with the Program until the revocation or suspension is corrected, and the contractor's eligibility has been summarily reviewed and reapproved by JPDCD staff.
- Copy of insurance certificate, with sufficient types and levels of coverage relevant to work being performed;
- Copy of worker's compensation coverage, if applicable;
- Copy of comprehensive automobile liability coverage, if using company vehicles to perform work.
- Completed affirmation of registration to do business with the U.S. Government (verifying non-debarment) (attached to bid documents);
- Signed Affidavit provided in the bid package;
- Copy of Articles of Incorporation or Articles of Organization;
- Certificate of Good Standing and Active Status with LSLBC and Louisiana Secretary of State, and Better Business Bureau (*if applicable*)
  - Contractor must be in good standing, and have no outstanding complaints filed with: The Better Business Bureau (*if applicable*), LSLBC, Louisiana Secretary of State or Attorney General's Office, and Jefferson Parish Code Enforcement.
- Contractor must not have any outstanding violations or complaints against their company by local government or the implementation partner in the six months prior to bidding. These violations may include:
  - Failure to obtain proper permits,
  - Failure of a job to pass code inspection for reasons identified prior to inspection,
  - Failure to complete a job in the contracted timeframe,
  - Failure to use proper materials for a project,
  - Failure to meet quality of work standards (*quality of work standards to be determined by JPDCD, partners, representative, and/or a third-party contractor.*)
- Section 3 Business Concern Certification Form (*if a business meets the following criteria*):
  - The business is 51 percent or more owned by Section 3 residents;
  - Employs Section 3 residents for at least 30 percent of its full-time, permanent staff; or
  - Provides evidence of a commitment to subcontract to Section 3 business concerns, 25 percent or more of the dollar amount of the awarded contract.
    - Projects performed under this contract, which are over \$200,000, are subject to the requirements of Section 3 of the Housing and Urban Development (HUD) Act of 1968. The purpose of Section 3 is to ensure that to the greatest extent possible, job training, employment and contract opportunities are available to low

and very low-income persons in connection with the projects and activities in their neighborhood.

- Equal Employment Opportunity (EEO) Requirements
  - The Program requires that specific language related to EEO be included in all contracts. Specifically, the EEO requires that contractors and subcontractors agree to not discriminate against their employee-based on race, religion, sex, creed, color, disability or national origin. Actions include those related to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoffs, terminations rate of pay or other compensation and training selection or apprenticeship. The contractor will also agree to include language covering EEO in all subcontracting agreements.
- W-9 Form
  - All applicants must complete a Federal W-9, providing their federal employer identification number (EIN) or their social security number. The contractor may also go online to [http: www.irs.gov/pub/irs-paf/29.pdf](http://www.irs.gov/pub/irs-paf/29.pdf).
- Minority and Women-Owned Business Certification Forms (M/WBE), *if applicable*.
- Business References
  - Contractors must provide three written references from three agencies or individuals you have completed work for in the past 12 months and include contract values of work completed. References shall include the agency or individual's contact information (name, address, e-mail and phone).

## I. Contracting

Once all post-bid documents are received, the Program will negotiate the contract with the selected bidder. All contracts must include terms and conditions required by HUD, as provided by JPDCD.

## J. Pre-Construction Meeting

Once the contract is executed between the contractor, JPDCD and its partners, a pre-construction meeting will be scheduled with the homeowner, contractor, and JPDCD.

## K. Permits

Contractors are required to secure and maintain all necessary permits, including all filings and No Work Permits (NWP), pertaining to the identified scope of work to be performed during the project. All NWP work must be attached to the original permit pulled by the contractor. Prior to final payment, the contractor must successfully close all permits associated with Code Enforcement and must receive the certificate of completion. All permits associated with the work of subcontractors will be filed under the primary permit, and the primary contractor will be responsible for ensuring all permits are successfully closed.

## L. Submission of Documents

Contractors may submit hard copies of the required documents or may submit their documents electronically (PDF format). As requested by the Program, contractors must submit original paper copies of documents when applicable for payment purposes. All documents being submitted electronically must be sent to Program staff via the following protocols:

- All electronic documents must be submitted to the implementation subrecipient.
- Include in subject line: Type the word REHAB: Address of property

- E.g. “REHAB: 123 Bluebird Street Marrero, LA 70072”
- Include in body of email: REHAB: address of property, name of document
  - E.g. “REHAB: 123 Bluebird Street Marrero, LA 70072, Certificate of Completion”

## M. Standards

The services performed, as well as materials and equipment provided, shall be in full compliance with all applicable statutes, ordinances, codes, regulations and laws (collectively “laws”), and in actual conformance with the described scope of work. In addition, the entire home must be rehabilitated to meet the Program’s standards. Unless expressly stated in the scope of work, all materials and equipment shall be new and with appropriate warranties. Selected contractors are responsible for providing warranties against the structural, functional, and aesthetic integrity of the structures, products, materials and/or equipment. Contractors that choose to use higher grade materials than allowed by the Program will do so at their own expense. Luxury items and items outside the scope of work will not be reimbursed by the Program. Any upgrade will need to be approved, in writing, by the JPDCD Director or designee.

## N. Inspections

Code Enforcement and JPDCD inspect all work on the project. Inspectors compare receipts from the contractor with the materials found on-site to guard against the use of substandard or used materials. In addition, date and time-stamped photographs are taken during inspections, detailing complete and incomplete work. The required plumbing, electrical, structural and mechanical inspections will be conducted by Code Enforcement (or it’s designated representative) while work is in progress. The contractor (or relevant subcontractor) will schedule all required inspections with the homeowner, if the homeowner is occupying the house during repairs.

At the completion of work, the JPDCD Director or designee performs a final walk through of the property, noting any deficiencies that must be cured before the final payment is made. A punch list is drafted by JPDCD and provided to the contractor. The punch list includes photographs, indicating the location of each item which must be completed. Once all items from the punch list are completed, the contractor will receive its final payment from the Program.

## O. Payment

Progress payments are based on the amount of work satisfactorily completed according to the description of work. At present, work inspections must be conducted on a weekly basis. Once the work is inspected, the subrecipient will submit the paperwork to the Program in a timely manner. The payment process will average between 25-45 work days from the date of submittal of an invoice to the Program.

### i. Projects under \$25,000

Projects that are under \$25,000 will follow a 45-45-10 split draw schedule, wherein the contractor may submit a payment request for 45 percent of the total contract value after appropriate permits have been filed and work has been initiated. The second 45 percent draw request will be made after the contractor has passed final inspection by Code Enforcement, and all related permits have been closed, and receipt of the certificate of completion or occupancy as applicable. For both first (45 percent) and second (45 percent) draw requests, the contractor will prepare and submit a payment request to the Program, detailing items completed, and value as shown on itemized bid. The payment request will be submitted (if applicable) to JPDCD’s accountant for approval and

processing. The final 10 percent draw request corresponds to the 10 percent retainage of the total contract value will be held until all work has been completed and verified, and when the 45-day lien period has been met, and a Clear Lien and Privilege Certificate has been submitted by the Jefferson Parish Clerk of Court to the Program. In addition, the Program will send out a third party inspector to complete a final independent review of the work and provide an approval notice to JPDCD.

## ii. Projects ranging between \$25,000-\$60,000

Projects ranging from \$25,000 to \$60,000 will follow a 30-30-30-10 draw schedule, with respect to payments requested as a percentage of the overall contract value. The draw schedule will correspond to milestones within the identified scope of work for each project, and the corresponding contract value. Both the scope of work, milestones, and contract value shall be established and verified with the Program for said project.

Code Enforcement will provide on-site inspection and milestone verification support. A 10 percent retainage of the total contract value will be held until all work has been completed and verified, and when the 45-day lien period has been met, and a clear lien and privilege certificate has been submitted by the contractor to the Program.

### 1. *1<sup>st</sup> Draw: 30 percent*

Permitting - The 1st draw corresponds to obtaining appropriate permitting with Code Enforcement and constitutes a 30 percent payment of the total contract value (minus the 10 percent retainage of the total contract value). Once the permit is pulled, the contractor will prepare and submit a payment request and submit the request and required documentation to the Program detailing items completed and value as shown on itemized bid. Program staff will review the payment request and submit to the Accounting Department for approval and processing.

### 2. *2<sup>nd</sup> Draw: 30 percent*

The 2nd draw corresponds to completion of rough-ins and will be a 30 percent payment of the total approved scope (minus the 10 percent retainage of the total contract value) and will not be made until a minimum of 60 percent of the full scope of work has been completed. Code Enforcement will complete an on-site inspection to verify satisfactory completion of 2nd milestone items have been 100 percent completed. Once the inspection is complete, the contractor will prepare and submit a payment request and submit the request and required documentation to the Program detailing items completed and value as shown on itemized bid. Program staff will review the payment request and submit to JPDCD's accountant for approval and processing.

### 3. *3<sup>rd</sup> Draw: 30 percent*

The 3rd draw corresponds to the final inspection performed by Code Enforcement and will be a 30 percent payment of the total approved scope (minus the 10 percent retainage of the total contract value) and will not be made until a minimum of 100 percent of the full scope of work has been completed. Once the inspection is complete, the contractor will prepare and submit its payment request and submit the request and required documentation to the Program detailing items completed and value as shown on itemized bid. Program staff will review the payment request and submit to JPDCD's accountant for approval and processing.

#### 4. 4<sup>th</sup> Draw: 10 percent

Final Payment (Retainage) - The remaining 10 percent retainage of the total approved scope will be paid to the contractor when the required 45-day lien period has been met, and a certificate of completion and clear lien and privilege certificate has been provided by the contractor to the Program. In addition to the completion of the clear lien and privilege by the contractor, the Program will send out a third party inspector to complete a final independent review of the work and provide an approval notice to JPDCD.

## P. Change Orders

Contractors will submit all proposed change orders to the Program for review and approval. Requests for changes must be made in writing and must include a cost estimate. Prior to commencing the work, the change order must be approved, in writing, by JPDCD and the homeowner. Contractors will not be compensated for any work performed prior to approval. Additional work or materials required, due to damages or repairs resulting from contractor error or miscalculation, will not be eligible for change order consideration.

Program staff will perform site visits, as needed, to determine the viability of proposed change orders. Further, Code Enforcement will determine if proposed change orders will require revised permitting. If approved change orders result in a substantial increase of the contract value that greatly exceeds existing insurance and bonding thresholds, the contractor may be required to provide updated documentation demonstrating corresponding increases in coverage.

### i. Change Orders Over \$5,000

Change orders over \$5,000 are paid on a reimbursement basis in three payments. The first payment is made when 45 percent of the work is complete, the second payment is processed at 90 percent complete, and the final payment is processed once all the work is complete and inspected.

### ii. Change Orders Under \$5,000

For change orders under \$5,000, the change order is paid when all work is complete.

### iii. Change Orders After Final Inspection

If, as a result of an inspection, additional work is required to bring the home into compliance with code and/or HUD property standards, a change order will be written, to bring the home into compliance, even if the work required to address the code violations or HUD property standards is outside the original scope. The Program will allow a 10 percent draw, in order to finish a change order that occurs at the end of the contract. In order to complete this draw, 90 percent of the work must be completed (as determined by the scope of work), and the work to be performed must be outside the original scope of work. The contractor is expected to complete the work to bring the home into compliance. If the contractor does not have the means to complete the additional change order, they may choose to opt-out. However, the failure to complete any code or safety standard change orders may result in a strike against the contractor.

## Q. Default

If the contractor commits a material breach of the contract, the contractor shall be placed in default. The contractor and all affected parties shall be notified in writing, via certified mail, of the default and the required corrective action. Additional liquidated damages at an amount not less than \$50 per day will be assessed to contractors on a weekly basis for unreasonable delays within their control. The

value of liquidated damages will be established at the discretion of the JPDCD director, should the need arise.

## R. Final Acceptance

Once the certificate of completion is issued, the final third-party inspection is complete, the contractor, JPDCD, the homeowner, and the subrecipient will execute a Final Acceptance document. Once signed, the Final Acceptance will be filed by Program staff, at the Jefferson Parish Clerk of Court's Mortgage and Conveyance/UCC Office. This document will verify the completion of the job within the Program's standards and will allow for the project to move into the warranty phase.

If the homeowner refuses to execute the Final Acceptance, they must choose to file a grievance noting the specific items and reason for the grievance and follow the instructions outlined in Section T below. However, if the third-party inspector and Code Enforcement have certified the work is complete, JPDCD may choose to release the final payment to the contractor without a Final Acceptance.

## S. Warranty Procedures

All contractors shall provide homeowners with a warranty on the scope of work identified and completed under the Program. In addition, the contractor guarantees the work product of all its subcontractors. Therefore, if a subcontractor fails to perform, it is the primary contractor's responsibility to ensure that the work is completed. All warranties begin on the date which the Final Acceptance is filed in the Jefferson Parish Clerk of Court's office and are enforceable for one year. Warranties will not account for the homeowner's own negligence. The warranty will follow the below procedures:

1. The Final Acceptance is a document which the homeowner signs to verify that the contractor has completed the scope of work identified under the Program, and certificates of occupancy and completion (if relevant) have been issued.
2. After filing, a written letter acknowledging the Final Acceptance that notes the filing date will be sent to the homeowner.
3. If the homeowner has a valid concern or problem with any work performed under the identified scope of work and approved change orders by the contractor or subcontractor within the warranty period, the homeowner must first contact the contractor to fix the work. If the contractor fails to address the concern, the homeowner may contact the Program.

The Program will use the following procedures to handle all warranty claims:

1. The homeowner must submit to the Program, in writing, a list of concerns, along with dates that they attempted to contact the contractor via phone, e-mail or mail.
2. The Program will send the contractor a certified letter outlining the list of warranty items to be addressed.
3. Contractors have 20 business days from the date of the letter to correct the list of items outlined the certified mailing.
4. If the contractor does not believe the warranty items can be addressed within 20 business days, the contractor must submit a written request for an extension and an updated timeline to address all outstanding items. The Program must review and approve all extension requests.
  - o As a standard rule, the Program will not allow extensions longer than 60 days unless extenuating circumstances occur. These will be reviewed on an individual basis.

Once the program has reviewed the extension request, the Program will provide a written approval or denial to the contractor and homeowner.

5. When the contractor completes the outstanding list of warranty items, the homeowner must sign the bottom of the list, acknowledging that all warranty repairs have been completed. The contractor must submit a copy of the signed list to the Program.
6. If the contractor fails to repair the warranty items within the allotted timeframe, the homeowner may take legal action.

## T. Grievances

All grievances must be submitted in writing to JPDCD. A grievance is defined as any misunderstanding, difference or dispute between the homeowner, contractor or JPDCD staff regarding any aspect of the Program. All complaints shall be addressed thoroughly through the procedure set forth below:

1. All grievances regarding a housing rehabilitation project shall first be discussed with all parties and attempted to be settled.
2. If a satisfactory settlement is not reached, the grievance shall be submitted in writing to the Program. JPDCD will give full and fair consideration to the grievance as promptly as circumstances allow and shall render a fair and just decision in writing within 15 working days following the day the grievance was received.
3. If a satisfactory agreement is still not reached, the grievance must be appealed by the aggrieved party, via a written appeal to the Director of JPDCD, for consideration. The Director has 10 to 15 days from the time/date receipt of the grievance to review and discuss the grievance with the identified parties.

## 12. Maintenance Period

Upon acceptance of the proposed scope of work and execution of the contract, JPDCD will record a mortgage against the property for the full value of the Program’s contribution to the project, as stated in the contract, executed by all parties. The mortgage will be recorded against the property and will remain in force for the applicable time frame, based on the maintenance table below.

<b>Homeownership assistance per-unit</b>	<b>Minimum period of maintenance period in years</b>
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

The amount of the loan shall be forgiven on a yearly-prorated basis over the maintenance period. Should the property change ownership through sale during the maintenance period, the applicant will reimburse JPDCD, from the sale's proceeds for that prorated portion of the loan that has not yet been forgiven, at 0 percent interest. During the term of maintenance period, the homeowner agrees to notify the Program, in writing, within 10 calendar days of a change in the ownership or foreclosure of the property. If the property changes ownership during the first three years of the maintenance period, the entire amount of the loan shall become due.

Should the property change ownership through inheritance, the heirs will be responsible for clearing the loan by making reimbursement to JPDCD of the prorated portion, at 0 percent interest, over the remainder of the maintenance period. Such reimbursement procedures shall be administered at the direction of the

JPDCD Director or his/her designee. Heirs to rehabilitated property may request a waiver, through written application to JPDCD, given that all of the following condition applies:

- The heirs will reside at the property and are eligible for participation in the Program because they meet the low-income eligibility requirements specified herein.
- If the property is sold, transferred or assigned, other than through inheritance, the remaining loan balance due to Jefferson Parish shall be satisfied at the sale of the property.

JPDCD understands that there may be extenuating circumstances which may arise and prevent the homeowner from maintaining primary residence (e.g. illness, military relocation, job relocation, etc.) Homeowners or their designee shall submit in writing a request to alter their maintenance period. JPDCD will address these requests on a case by case basis.

JPDCD limits the homeowner to participate in only one (1) program in the Department until the homeowner meets the requirements of the maintenance period or affordability period for that program. The Program limits the amount awarded to an applicant to a total of one forgivable loan for each assisted property.

## A. Insurance on Assisted Homes

Under the Program, Homeowners are required to maintain homeowner's insurance for the entire duration of the maintenance period. During this time, JPDCD must be named as an additional insured/loss payee on the homeowner's policies of insurance.

### i. Verification of Insurance

To ensure this requirement is met, Jefferson Parish must receive a certificate of insurance annually for each property in the Program. This certificate is to be maintained in the JPDCD's files. In most cases, the insurance company will send the certificate to all listed parties. However, it is ultimately a shared responsibility of the homeowner and JPDCD to ensure that Jefferson Parish is listed as additionally insurance and receives a certificate annually.

### ii. Damage and Insurance Claims

During the maintenance period, the homeowner shall notify JPDCD when the home has sustained damage, regardless of the cause, and notify the Department that a claim has been filed. The homeowner shall also notify the Department when a claim has been processed and approved.

## B. Insurance Claims Under \$10,000

When a homeowner makes a claim, and receives an insurance check for less than \$10,000, the Director of Community Development will endorse the insurance claim check on behalf of Jefferson Parish and return the insurance claim check to the homeowner.

Endorsement of the check does not release the mortgage or release any of the other requirements on the property.

### i. Procedure for release of Insurance Proceeds under \$10,000

1. Homeowner makes insurance claim to insurer;
2. Homeowner notifies JPDCD of claim;
3. Homeowner requests copy of insurance adjusters report;



4. Homeowner submits adjuster's report and check to JPDCD for endorsement of proceeds;
5. Director of JPDCD endorses check; and
6. Copy of check and adjuster report is placed in project file.

### C. Insurance Claims Over \$10,000

When a homeowner makes a claim, and receives an insurance check in excess of \$10,000, where JPDCD is a co-payee with the homeowner, JPDCD will remain involved in the project until the repairs are complete to ensure that the home maintains compliance with the original programmatic requirements. JPDCD will oversee the project and administer the funds. The homeowner must endorse the insurance check to Jefferson Parish. Once repairs have begun, JPDCD will release the insurance proceeds as work is satisfactorily completed.

#### i. Accuracy of Adjuster's Report

JPDCD will review the insurance adjuster's report and proposed settlement to ensure it is sufficient to complete the necessary repairs.

- If insurance proceeds are insufficient to complete the repairs, the homeowner will have to provide sufficient funds to fill the gap to complete the required work. If the homeowner does not have any additional funds, the homeowner is required to find contractors who can complete the work for the funds available.
- If insurance proceeds are excessive, the Director of Community Development will release the balance of the funds to the homeowner once all repair work is satisfactorily completed.

#### ii. Construction Contractor Requirements

The homeowner is responsible for selecting a contractor to complete the insurance related repairs to the home. Per parish regulations, all work must be performed under a building permit. The selected contractor must be licensed to perform work in Jefferson Parish.

JPDCD does not endorse any contractors for this work. However, homeowners may request a copy of the Approved Contractor's List from JPDCD to utilize in their contractor selection.

#### iii. Construction Scope and Contract

The construction scope and contract will be limited to those items outlined in the adjuster's report or additionally identified by JPDCD as necessary for code compliance. Homeowners must utilize the same quality of materials to match the existing home. The insurance proceeds should not be used is not an opportunity to make upgrades or optional renovations.

Per parish regulations, all work must be performed under a building permit. All payments will be issued as two-party checks to contractor and homeowner.

#### iv. Change Orders

Contracts for construction resulting from an insurance claim should be written for a guaranteed maximum price. Change orders should be avoided as there are not additional funds available for repairs. Should a change order be required, the homeowner should immediately contact the Insurer to notify them of the situation and attempt to secure additional funds.

Requests for changes must be made in writing and must include a cost estimate. These estimates must be itemized and provided with specific line items. Prior to commencing the work, the change order must be approved, in writing, by JPDCD and the homeowner. Any work performed prior to approval will not be compensated. Additional work or materials required, due to damages or repairs resulting from contractor error or miscalculation, will not be eligible for change order consideration.

JPDCD staff will perform site visits, as needed, to determine the viability of proposed change orders. Further, Code Enforcement will determine if proposed change orders will require revised permitting. If approved change orders result in a substantial increase of the contract value that greatly exceeds existing insurance and bonding thresholds, the contractor may be required to provide updated documentation demonstrating corresponding increases in coverage.

#### v. **Payment Schedule**

Draws will follow the JPDCD insurance claim drawdown process outlined below. Insurance claim projects will require a new project id to ensure they are tracked separately in the AS400 from the original project. Funds will be disbursed on a reimbursement basis in a two-party check, written to the applicant and contractor, for work satisfactorily completed according to the following schedule:

##### *1. Projects under \$50,000*

Insurance projects that are under \$50,000 will follow a 45-45-10 split draw schedule, wherein the contractor may submit a payment request for 45 percent of the total contract value after appropriate permits have been filed and work has been initiated. The second 45 percent draw request will be made after the contractor has passed final inspection by Code Enforcement, and all related permits have been closed, and receipt of the certificate of completion or occupancy as applicable.

For both first (45 percent) and second (45 percent) draw requests, the contractor will prepare and submit a payment request to the Program, detailing items completed, and value as shown on itemized bid. The payment request will be submitted to JPDCD's accountant for approval and processing.

The final 10 percent draw request corresponds to the 10 percent retainage of the total contract value will be held until all work has been completed and verified, and when the 45-day lien period has been met, and a Clear Lien and Privilege Certificate has been submitted by the contractor to the Program. In addition to the completion of the clear lien and privilege by the contractor, the Program will send out a third party inspector to complete a final independent review of the work and provide an approval notice to JPDCD.

##### *2. Projects over \$50,001*

Insurance projects over \$50,001 will follow a 30-30-30-10 draw schedule, with respect to payments requested as a percentage of the overall contract value. The draw schedule will correspond to milestones within the identified scope of work for each project, and the corresponding contract value. Both the scope of work, milestones, and contract value shall be established and verified with the Program for said project.

Code Enforcement will provide on-site inspection and milestone verification support. A 10 percent retainage of the total contract value will be held until all work has been completed and verified, and when the 45-day lien period has been met, and a clear lien and privilege certificate has been submitted by the contractor to the Program.

#### D. Procedures for release of Insurance Proceeds

1. Homeowner makes insurance claim to insurer.
2. Homeowner notifies JPDCD of claim.
3. Homeowner requests copy of insurance adjusters report.
4. Homeowner selects a contractor to make the necessary repairs.
5. Homeowner informs the Program about which contractor they wish to select.
6. Homeowner submits adjuster's report and check to JPDCD for endorsement of proceeds
7. JPDCD assigns new project ID for AS400 tracking.
8. JPDCD, homeowner and contractor sign a contract that agrees on a scope of work and payment schedule. Contract should be for a guaranteed maximum price.
9. Contractor notified the homeowner of work performed and submits a payment request according to the draw schedule above.
  - a. Homeowners will be responsible for paying any out of pocket contribution first.
10. JPDCD will inspect the work completed under the payment request.
11. JPDCD will release insurance proceeds for the amount of work performed in a two-party check to the homeowner.
12. Homeowner pays contractor for work performed via endorsement of the check.