

City of Jonesboro CDBG Demolition Program Policies and Procedures



Department of Grants & Community Development

City of Jonesboro
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Jonesboro Housing Rehabilitation Program

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CDBG Demolition Program Policies and Procedures

Overview:

The Community Development Block Grant Demolition Program is designed to assist the low income homeowners, whose property is facing condemnation and/or poses a health or safety risk. This program provides the funds for the demolition of the structure while allowing the owner to maintain ownership of the property without the standard condemnation lien. This program is designed to improve the health, safety, welfare of low to moderate income areas.

The CDBG Demolition Program is administered by the Department of Grants and Community Development of Jonesboro under the direction of the Rehab Project Coordinator. Other agency staff persons will assist the Rehab Project Coordinator as required to insure the efficient and effective administration of the Program. The final decision concerning the Housing Rehabilitation Program rests with the Grants Administrator. The implementation and administration of this program shall be in accordance with the specific policies outlined in this manual, and all other applicable rules and regulations as promulgated by HUD.

In order to properly and efficiently administer the CDBG Demolition Program, the Department of Grants and Community Development has developed this policies and procedures manual. The guidelines contained herein have been developed on a general basis and some interpretation may be required from time to time. The interpretation of these policy guidelines reside with the staff of the Department of Grants and Community Development or the designated representative within the confines of the CDBG rules and regulations and other Federal, State, and local laws.

CDBG Demolition Program:

1. The purpose of the Demolition Program is to remove unsafe structures from properties owned by low to moderate income citizens.
2. The program is available to all qualified, low-to moderate-income families and individuals within the city limits of Jonesboro. The priorities are low-to-moderate income families and individuals that live in low-to-moderate income neighborhoods, and owner-occupied substandard housing. Demolition assistance shall be provided until the funding grant has been expended.
3. The property must be in the occupants' name and all occupants' combined annual income must not exceed HUD established income guidelines.
4. The property taxes must be current.

Eligibility Requirements:

Applications must meet certain eligibility requirements to participate in the CDBG Demolition Program. Eligibility will be determined through information provided on the initial application. The program is for the benefit units within the City of Jonesboro. The applicant must be the individual or family who owns the property.

To qualify for assistance, the total annual income of the occupant household must be classified “low to moderate income” according to the latest published information by the Department of Housing and Urban Development. At the present time, these limits according to 2013 family size are as follows:

Number of Persons	Maximum Annual Income
1	\$29,850
2	\$34,100
3	\$38,350
4	\$42,600
5	\$46,050
6	\$49,450
7	\$52,850
8	\$56,250

Waiting List:

1. Applications for the CDBG Demolition Program will be taken based on the amount of available funding each program year (January – December), after taking into consideration the number of unassisted applications from the previous program year(s).
2. With the exception of emergencies, all complete applications are processed on a first come/first served basis.

Housing Rehabilitation Assistance Application:

It is the Policy of the Department of Grants and Community Development to assist with the demolition program to qualified citizens of Jonesboro and to expedite such assistance in regard to fairness, quality, efficiency, and within limitations of the budget, laws, and regulations.

Qualifications:

- a) Household total income must not exceed the HUD established income guidelines.
 - b) The deed to the property must be in the owner-occupants name.
 - c) The property taxes must be paid current.
 - d) The title search must come back clean of liens on the property.
1. Requests for the demolition program shall be made by submission of a completed CDBG Demolition application with requested documentation to the Grants Rehab Coordinator. The CDBG Demolition Packet shall include the following:
 1. Demolition Program information
 2. Application including requested back up documentation
 3. The Department of Grants and Grants Rehab Coordinator will complete title searches and perform a Heritage Study on the property.

Processing of Applications:

1. When a complete application is received, it shall be recorded and assigned a project number on a computer based spreadsheet.
2. A complete application consists of the following forms:
 1. Demolition application
 2. Warranty deed for property
 3. Current proof of income for all adults in the home
 4. Proof of paid property taxes

All information's must be complete, current, and signed if necessary.

3. If a requested form/information is not included with the application, the applicant shall be notified by phone or letter of the missing information. An application/project number will not be assigned until all information is received.
4. Each complete application shall have a file set up and labeled with the homeowner name, address, phone number and assigned project number.

Unqualified Applicants:

1. Once the application is processed, if it is determined that the applicant does not qualify for the assistance, the applicant will be informed by the Rehab Project Coordinator explaining why he/she/they do not qualify for the CDBG Demolition Program.
2. A copy of the letter of ineligibility is mailed to the applicant and then placed in the file and stored in the file cabinet. These files will be maintained for 5 years post application date and then destroyed.

Qualified Applicants:

1. After processing the application and all information is within the specified limits, the Rehab Project Coordinator will contact the applicant(s) and inform him/her/them that they qualify for the program based on the information contained in the CDBG Demolition Application Packet.
2. It is the policy of the Department of Grants and Community Development to assist with demolition program to qualified citizens of Jonesboro, and to expedite such assistance in regards of fairness, quality, efficiency, and within the limitations of the budget, laws and regulations.

Contractors General Information:

A contractor who is hired and paid by the Department of Grants and Community Development is considered a General Contractor. The General Contractor works directly for the Department of Grants and Community Development. It is the contractor's responsibility to obtain all permits and inspections.

A subcontractor is hired and paid by a General Contractor. All subcontractors work directly for the general contractor. The general contractor is responsible for ensuring the work of the subcontractor(s) is completed according to specifications.

All contractors shall carry and require that their subcontractors carry general liability insurance and privilege license. Before commencing work the contractor shall submit evidence of insurance coverage, along with privilege license and building permit (if applicable) to the Department of Grants and Community Development.

No additional work shall be performed by the contractor without the approval of the Rehab Project Coordinator and a properly executed written change order. Should a change order create a monetary change (increase or decrease in the amount of the contract), the change order and subsequent pay request shall reflect those amounts. **ALL CHANGE ORDERS HAVE TO BE APPROVED BY THE MAYOR.**

Licenses, Permits, and Insurance Requirements:

1. Contractors are responsible for carrying all liability and workers compensation insurances and contractors licenses required by the state law.
2. Contractors must have or obtain a city business license to do business in the City of Jonesboro.
3. Contractors must have or obtain a city permit related to the work being completed (if applicable).

Procedures:

1. All forms shall be furnished by the Rehab Project Coordinator.
2. The homeowner(s), the contractor(s), and the Grants Administrator will sign the CDBG Demolition Program Notice to Proceed form.

Contracts:

1. No work shall be commenced by the contractor until the contractor has received the executed a notice to proceed.
2. The City of Jonesboro Department of Grants and Community Development has the right to terminate the contract at any time if any of the following occur;
 - a) Failure to commence and/or proceed in such a manner that will cause the project not to be completed by the agreed completion date,
 - b) Failure to maintain the quality and the intent of the Description of Work as interpreted by the homeowner or the Rehab Project Coordinator,
 - c) Contractor dies or becomes physically or mentally incapacitated and cannot carry on his/her business, or if a voluntary or involuntary petition of bankruptcy is filed by or against the contractor, or if the contractor becomes insolvent or makes an assignment for the benefit of creditors, or if a receiver is appointed for the contractor's asset,
 - d) Assigns the contract to another contractor or party without written consent of the City of Jonesboro Department of Grants and Community Development.

If any of the above events occurs, the City of Jonesboro Department of Grants and Community Development will, by letter, advise the contractor of the termination of the contract and direct the City of Jonesboro Finance Department to withhold further disbursement of funds to the contractor. The Department of Grants and Community Development shall determine if the contractor is entitled to reimbursement for unpaid completed work, including agreed upon

change orders, but only after all costs have been fully paid for the completion of all contracted work including change orders.

3. The contractor may request to terminate the agreed upon contract, should the owner at any time:
 - a) Deny the contractor access to the property during normal working hours,
 - b) Enter into a separate contract or subcontract at the time the original contract is in force for the specific address except those which have been agreed to by the Department of Grants and Community Development and contractor,
 - c) Delay the work 3 days or more due to wanting to make changes to original bid specifications,
 - d) If any of these events occur, the contractor is entitled for reimbursement for work completed in a proportionate amount of the total contract price. The Rehab Project Coordinator will determine this amount.

Payments:

1. All monies due to the contractor shall be paid directly to the contractor by the City of Jonesboro Department of Grants and Community Development.
2. Payments due to the contractor for demolition(s) are based on reimbursements, and may be disbursed in increments or one payment depending on the duration of the project and the needs of the contractor.
3. The City of Jonesboro Department of Grants and Community Development retains the right to pay the contractor directly, and without the homeowner(s) approval if the contractor has completed all the work in the Description of Work, to include any and all properly executed change orders. All work must be performed in a workmanlike manner, according to common construction practices.

Change Orders:

1. Change orders will only be allowed for unforeseen work; which includes work that is required but could not be seen during the visual inspection of the dwelling. The unforeseen work must be required to correct structural damage, code violations, or similar work required to complete the project.
2. No revisions, modifications, additions or deletions, in relations to said construction, specifications, and description of work, or plans, or intent thereof, shall be made without prior approval by the Rehab Project Coordinator through the execution of a written change order.
3. Any additional funds needed for unforeseen work, must be approved by the Mayor prior to the additional work being started.

4. Change orders, if any, will be processed with the final payment request.

Project Site:

1. Any damage to dwelling or property caused by contractor(s), his/her worker(s), delivery personnel or vehicles during the housing rehabilitation project shall be repaired to like new condition and paid for at the contractor's expense.
2. The contractor is assigned to oversee the entire project and he/she is responsible for ensuring the work site is cleaned up at the end of the project.
3. The contractor is also responsible for leveling the property with field dirt after the demolition has completed. This is to help prevent standing water on the property.

Inspection of Projects:

It is the policy of the Department of Grant and Community Development that periodic inspections be performed throughout the progress of all housing rehabilitation assistance projects.

1. The Rehab Project Coordinator shall make note of his/her inspections or make personal contact with the homeowner(s).
2. The Rehab Project Coordinator will visit each site as many times as he/she determines necessary to assure the work flow of each project is progressing in a workmanlike, consistent, and timely manner.
3. The Rehab Project Coordinator will visit with the homeowner(s) and contractor(s) to gather information about the work being performed that day.
4. The final inspection(s) will be performed by the Rehab Project Coordinator in conjunction with the homeowner or their agent, and must meet the satisfaction of all parties before the contractor may request final payment. A confirmation of a passing inspection must be submitted with the signed contractors request for pay to the Finance Department before final payment is made.

Appendix A

CDBG Demolition Application

Imperative- The application will be deemed “incomplete”, and returned to the applicant for completion if all items have not been submitted. See the following checklist, and verify all information has been provided.

Submission date will be recorded upon receipt of “completed” application.

Demolition Application Checklist

Please Note: The following must accompany the application in order to be processed.

- Completed Application
- Copy of Social Security Cards
- Copy of Driver’s License or Photo ID
- Proof of Income (all that applies)
 - copy of two (2) most recent check stubs from current employment
 - social security verification letter/copy of most recent monthly check
 - copy of retirement verification letter
 - copy of pension verification letter or check stub
 - award letters
 - bank statements (most recent checking/savings)
- Copy of Title or Warranty Deed
- Property Tax Receipt or Assessment
- Copy of Most Recent Tax Return
- Copy of DHS Award Letter
- Unemployment Benefits

APENDIX B

Definitions:

Bad Weather Day: A day not counted as a consecutive calendar day, and a day that is not inclusive of liquidated damages being imposed. A bad weather day is determined by (but not limited to) precipitation amounts recorded for the City of Jonesboro, and are based on data obtained from the AccuWeather.com website.

Demolition Assistance: Program established by the City of Jonesboro to assist qualified, single family owned housing units for demolition.

Rehab Project Coordinator: The staff member of the Department of Grants and Community Development assigned the following duties:

1. Qualify the family for the program based on the guidelines set forth.
2. Attain Heritage reviews for each project.
3. Perform Asbestos Inspections for each property to comply with the Arkansas Department of Environmental Quality.
4. Recruit qualified contractors to submit bids for demolition work.
5. Solicit bids and select contractors.
6. Serve as project manager. Take photos of the property before and after the demolition project. Conduct daily inspections of work progress and carry out all the functions of the contract administration with the goal of providing a quality project in a timely matter, and provide problem solving for contractors and homeowners.

Implied Work: Any work or materials that are not directly noted in the Description of Work, but will be necessary for the proper carrying out of the obvious intentions, are to be understood as implied work. All implied work will be included in the contractor's proposal.

Owner: A person or persons who hold legal right of possessions (lawful title to the property). One or more persons named on the deed, regardless of the dwelling occupancy. All owners, residing in the dwelling or not, must be notified of pending lien and shall provide proof of income to be included as total family income.

Owner/Occupant: Possess a warranty Deed in his/her/their name, and occupies the property as his/her/their primary residence. The owner/occupant shall be the name(s) on the Warranty Deed, Demolition application, contracts, and all other required documents.

Separate Contracts: The owner shall not let other work for hire while under contract with CDBG program.

Single Family Dwelling: Defined by the City of Jonesboro Planning Department's current Code of Ordinance §117-2A, as a dwelling designed for or occupied by one family only, and being on a permanent foundation.

Start Date: The date issued on the Notice of Proceed. If materials are dropped on the job, that is considered a start.

General Information:

Scope: The work shall include all labor, material, equipment, permits, and services necessary for the completion of the demolition of the property in accordance with acceptable building practices.

Workmanship: Shall be of the kind and character that accords the sense of the term prevailing in the several trades, described as workman like manner.

Subcontractors: The term and conditions of these General Specifications shall bind sub-contractors, in so far as it applies to their work. This shall not relieve the general contractor from full responsibility to the owner and the CDBG Demolition agency, for the proper completion of all work to be executed under the terms of this agreement. The general contractor shall not be released from this responsibility by any sub-contractor agreement they may make with others.

Bids, Estimates or Proposal: Will be submitted at the bidder's risk, and the owner, and the Department of Grants and Community Development CDBG Project Coordinator, all reserve the right to reject any or all bids, estimates or proposal.

Contractor's Reasonability: The contractor shall take precautions necessary to protect all existing trees, shrubbery, plants, sidewalk, building, vehicles, etc. that are not in the scope of work for demolition.

Change in Any Work: Under the contract, including substitutions of materials, changes in the scope of work is required by these specifications, which are proposed by the City of Jonesboro, Building Department, contractor, or found necessary or desirable, shall be approved by the contractor, and the Department of Grants and Community Development CDBG Project Coordinator in written documents prior to such changes.