

CITY OF NORTH LAS VEGAS

Single-Family Owner Occupied Rehabilitation (SFOOR) Program Guidelines

I. PURPOSE

The City of North Las Vegas' Housing Rehabilitation Assistance Program is designed to provide low and moderate-income homeowners with assistance necessary to improve their living conditions in order for their home to be safe and habitable and in compliance with local building codes.

The City of North Las Vegas Community Services and Development Department, through the Housing and Neighborhood Services Division, developed these guidelines to facilitate the implementation of its HOME Investments Partnership (HOME) funded housing rehabilitation activities. The following sections define commonly used terms, discuss environmental standards, explain the application and eligibility processes and outline construction and contractor standards, as well as financial management and record-keeping requirements. The procedures comply with the federal regulations at 24 CFR 92.

Housing rehabilitation assistance is provided through technical assistance and a grant to finance a rehabilitation contract between the applicant and a private contractor. City staff is responsible to ensure that the City's interests as a funding agency are met. **Responsibility for the rehabilitation contract is between the property owner and the contractor who performs the rehabilitation work.** Rehabilitation work will take place in target neighborhoods. Neighborhoods qualifying for repair will change throughout the course of the program.

II. SUMMARY

The Housing Rehabilitation Assistance Program offers grant assistance to eligible homeowners to complete rehabilitation deemed necessary to correct housing deficiencies and to address items deemed essential for basic health, safety and welfare. All rehabilitation work must meet the City's most current rehabilitation standards and building code. Preference will be given first to families with a member who is a disabled senior citizen, second to families with a member who is a non-disabled senior citizen and finally to all other owner-occupied single-family homes (non-disabled and non-senior). Work items may include, but are not limited to, replacement and/or repair of: windows/doors, plumbing/electrical/HVAC systems, roofs, structural repair, mitigation/abatement of lead-based paint hazards and removal and/or repair of any code violations.

The City provides up to \$50,000 in grant assistance for these repairs. In the case of a disabled applicant requiring an accessibility installation, an additional \$10,000 will be available if needed. The minimum of any deferred grant under this program will be \$1,000. To qualify for this program, household income must be at or below 80 percent of the area median income level. Mandatory administrative soft costs combined with any required environmental remediation, architectural and/or engineering costs and relocation expenses (if necessary) will be charged to the

individual project and will be included in the amount of the grant. A lien (Deed of Trust) equal to the value of the grant will be placed against the property for a specified period of affordability corresponding with the amount of the grant.

GRANT AMOUNT	PERIOD OF AFFORDABILITY
< \$15,000	2 years
\$15,000 -- \$40,000	5 years
> \$40,000	7 Years

A. Repayment Schedule

If the homebuyer transfers the property within the first 2 years of purchase, regardless of the amount of assistance received, the entire grant amount will be deemed repayable to the City/County. If the homebuyer receives assistance in an amount greater than \$15,000, and sells, transfers, or otherwise loses possession of the property after the 2-year period, the prorated repayment schedule below will apply:

- Year 3 through the end of the 4th year = 80% of grant amount
- Year 4 through the end of the 5th year = 60% of grant amount
- Year 5 through the end of the 6th year = 40% of grant amount
- Year 6 through the end of the 7th year = 20% of grant amount

At the end of the seventh (7) year, repayment will not be required.

The Housing Rehabilitation Assistance Program application process includes verification of home ownership, income verification and assessment of repairs needed on the home. Once an applicant is approved to participate in the program, a review process is conducted, which includes a home inspection, complete scope of work, bid process and selection of contractor(s). Pre-qualified licensed contractor(s) selected by the homeowner will complete the repairs on the home within the agreed upon time but not later than 90 days.

Once home repairs are completed and inspected by the Housing and Neighborhood Services Division and if necessary, the Building Safety Division, a certificate of completion and a copy of all lien releases will be submitted for the project file. All warranty information for any materials used will be supplied to the homeowner. The contractor will warrant the housing rehabilitation work for a period of one year from the date the Certificate of Completion is issued.

III. PROGRAM ELIGIBILITY

A. Target Neighborhood

The City's Housing Rehabilitation Assistance Program will be utilized within a specified target area based on the current needs and priorities of the City. The City has the right to review and change the target neighborhood for the program as needed.

B. General Provisions

Properties with a second mortgage are not eligible for the Housing Rehabilitation Assistance Program. The home must be structurally sound for rehabilitation. If the total rehabilitation cost exceeds \$50,000 (with the exception of the disabled additional amount), the property will not be considered for rehabilitation. Exceptions may be granted by the Community Services and Development Director or their designee.

C. Income

The income eligibility requirement for the Housing Rehabilitation Assistance Program utilizing HOME funds is an annual household income at or below 80 percent of area median income, as determined by the Department of Housing and Urban Development (HUD). Income limits are updated annually by HUD and the latest update will be utilized in the program. Household incomes vary based on household size. Income sources include, but are not limited to, wages, salaries, overtime pay, commissions, fees, tips, bonuses, business profits, investment income, child support, social security and unemployment. Any and all income for each person residing in the household must be submitted and considered. Income for persons under the age of 18 will typically not be considered. Income is calculated using HUD's guidelines as specified in the *Technical Guide for Determining Income and Allowances for the HOME Program, Third Edition, January 2005*, using 24 CFR Part 5.

D. Assets

The City must also determine the total value of assets owned by all adult members of each applicant household. Assets include, but are not limited to, all financial accounts (i.e. bank, retirement, etc.) trusts and real estate (other than the primary residence). The City must calculate anticipated income from the total value of all assets owned within the household. HUD establishes the rate of return, Passbook Rate, which must be used to calculate asset income for households with asset values of \$5,000 or more. The current Passbook Rate is two percent (2%) and is subject to change per HUD revision.

Also, participants in the Housing Rehabilitation Assistance Program cannot own rental properties or have other assets, that when liquidated, have a total net value in excess of \$30,000. Persons with assets in excess of \$30,000 will not be allowed to participate in the program. The value of the property being improved is not included in the asset calculation. A listing of included and excluded assets is available in the *Technical Guide for Determining Income and Allowances for the HOME Program*. Applicants must provide a signed Declaration of Income to disclose all included and excluded income and asset sources claimed within the total household's income.

E. Third Party Income Verification

The City will verify income through third party verification of document review. The City will submit a *Verification of Employment Form* to the applicant's employer to verify income projected for the following twelve months. City staff will also utilize copies of current pay check stubs to determine income for calculation of applicants with incongruent hours worked or deductions taken. City staff will also verify other forms of income such as Social Security or public assistance. City staff will also attempt to verify all asset information and bank account information through third party documentation. Should it be necessary for City staff to converse with banks or other financial institutions for verify income, it will be necessary for all household members to complete an *Authorization to Release Information* form.

F. Ownership and Residency

Program participants must have owned and occupied the proposed project home for at least one year prior to application for assistance. The City must be able to verify that the applicants appear on the home's title. Homes that are approved through Business License and Planning and Zoning Departments to conduct businesses are eligible for the Housing Rehabilitation Assistance Program, however, businesses that are conducted from a separate structure on the property are ineligible. Applicants who have a second mortgage or reverse mortgage are not eligible to participate in the program.

G. Property Taxes

Applicants must demonstrate that all property taxes are current. Applicants can supply a current tax bill with a cancelled check or a downloaded statement from the Assessor's Office.

H. Existing City Lien

Applicants with any existing lien on the property from the City of North Las Vegas are not eligible to participate in the Housing Rehabilitation Assistance Program until the existing lien is paid in full.

I. Conflicts of Interest

All applicants must disclose any familial, legal or business relationships they may have with City employees, City Council members, City Boards and Commissions. A relationship does not necessarily bar an applicant from participation in the program, but further investigation will be required to ensure no conflict of interest exists.

No person(s) who is an employee, agent, consultant, officer or elected or appointed official of the City of North Las Vegas who exercises or has exercised any function or responsibilities with respect to assisted rehabilitation activities or any person(s) in a position to participate in a decision-making process to gain privileged and/or confidential information with regard to such activities may obtain a personal or financial interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have business or familial ties, during their tenure or for one year thereafter.

J. Code Violations

Existing code violations which can be corrected through participation in the Housing Rehabilitation Program will be deferred until such time as assistance is completed. Participants must not have any further code violations on the property during the period of affordability.

K. Home Maintenance Responsibility

As applicants will find included in the Housing Rehabilitation Assistance Program agreement where it is required that all participants are responsible for the ongoing maintenance of their properties. Prior to reconveyance of the Deed of Trust, City staff will inspect the property to ensure that it has been properly maintained.

L. Non-Discrimination Policy

In accordance with Section 504 of the Rehabilitation Act of 1973, the City of North Las Vegas will not discriminate on the basis of disability in any program, service or activity that receives federal financial assistance. This means, for example, that persons with disabilities may not be denied the opportunity to participate in a program service or activity; may not be required to accept a different kind or lesser program or services than that which is provided to others. Persons with disabilities are welcome to participate fully in the Housing Rehabilitation Assistance Program.

M. Limited English Proficiency

Any individual eligible for the Housing Rehabilitation Assistance Program who cannot speak, read, write or understand the English language at a level sufficient to understand this program will be permitted the right to a qualified interpreter at the cost of the applicant.

N. Residency Requirements

All household members must be legal residents of the United States in order to receive Federal housing assistance. In order to qualify for this benefit, all household members receiving HUD-funded housing rehabilitation assistance must be a United States citizen or a Qualified Alien as defined in Section 431(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104 - 193.

An applicant for participation in the Housing Rehabilitation Assistance Program must provide proof of legal presence. The follow list includes the documentation that must be provided to substantiate legal residency:

- Birth certificate
- United States certificate of birth abroad
- United States passport
- Foreign passport with United States visa
- I-94 form with photograph
- United States certificate of naturalization
- United States certificate of citizenship
- Tribal certificate of Indian blood
- Tribal or Bureau of Indian Affairs affidavit of birth

- Any other document which establishes a U.S. place of birth or indicates U.S. citizenship.

Documentary proof of legal presence must be accompanied by a completed, signed, dated and notarized statement of legal presence in the United States.

IV. APPLICATION PROCESS

The City of North Las Vegas will accept applications on an ongoing basis for the Housing Rehabilitation Assistance Program.

Residents requesting participation in the Housing Rehabilitation Assistance Program must complete an *Application* and submit the required documents during the application acceptance period. Applications will be time and date stamped and initialed by the Housing and Neighborhood Services staff person receiving the application. Neighborhood Services staff will review all applications and documentation received for completeness. If an application is incomplete, City staff will notify the applicant in writing of missing information. If the applicant is unable to provide the required documentation within ten (10) business days of notification, the application will be deemed incomplete and will be denied.

Completed applications will be reviewed for income and program eligibility by Neighborhood Services staff. Staff will ensure that the applicant does not have a prior existing lien from the City of North Las Vegas on the property. Existing liens must be paid in full for the applicant to be eligible for the program.

A. Application Completeness

A completed application and the following documentation must be received for the application to be considered:

- Complete application
- Copy of mortgage statement
- Copy of mortgage insurance (if applicable)
- Proof of (current) paid property taxes
- Copies of three months' utility bills
- Copy of proof of ownership (e.g. county assessors page)
- Copies of three months' pay stubs for all household members over the age of 18
- Social Security award letter (if applicable)
- Proof of all other income which includes, but is not limited to:
 - TANF
 - Child support
 - Asset income
 - Retirement/Pensions
 - Unemployment
- Copy of photo ID for both applicant and, if applicable, co-applicant
- *Authorization to Release Information*
- Signed lead-based paint notification form

B. Selection Process

If the City received more applications for assistance than funds available, applicants will be placed on a waiting list. Applicants with priority preferences will be processed and assisted first. Preference order is as follows:

- Disabled Senior
- Senior 62+
- All other applicants

C. Final Determination

Once all required documents are received, staff will calculate the applicant's income eligibility.

- Upon determining eligibility or ineligibility, staff will send a letter of approval or denial to the applicant.
- If the applicant is eligible for assistance, staff will verify the applicant's homeownership of the property. Once verified, City staff will contact the applicant stating assistance has been approved. An appointment will be made to conduct an initial inspection. All owners of the property appearing on title will be required to sign the Agreement, Deed of Trust and Promissory Note.
- If the applicant's income exceeds 80 percent of the published HUD area median income limit, staff will notify the applicant that they are ineligible for assistance. Persons whose income circumstances change at a later date are welcome to reapply.

V. GRANT PROCESS

If the homebuyer transfers the property within the first 2 years of purchase, regardless of the amount of assistance received, the entire grant amount will be deemed repayable to the City.

If the homebuyer receives assistance in an amount greater than \$15,000 and sells, transfers, or otherwise loses possession of the property after the 2-year period, the prorated repayment schedule located in Section II, A will apply.

A. After Rehabilitation Value

The after-rehabilitation value of the HOME-assisted property must not exceed 95 percent of the median purchase price for the area, as published by HUD. This value will be determined through an after-rehab appraisal performed prior to the start of construction using the scope of work created by City staff.

B. Deed of Trust and Reconveyance

All grant financing distributed through the City's Housing Rehabilitation Assistance Program will be secured by a Deed of Trust placed on the property. The Deed of Trust will be recorded with the Clark County Recorder's Office. The Deed of Trust will carry value equal to the costs of rehabilitation undertaken through the program. The City will issue a reconveyance once the property has repaid the value of the original Deed of Trust or the affordability period has passed.

C. Subordination

The City will subordinate its Deed of Trust to only the first lien-holder, usually the applicant's primary mortgage. The City will consider a subordination agreement under the following circumstances:

A). A homeowner receiving Housing Rehabilitation requests that the City execute a subordination agreement as part of a refinance of the homeowner's primary residence;

B). As part of the refinancing, either (1) the homeowner is participating in the FHA Streamline Refinance Program without an appraisal and which reduces the interest rate of the primary lender's loan, or (2) the homeowner is refinancing through any other foreclosure prevention program, and one of the following applies:

- The refinance is to modify the first mortgage to reduce the monthly payment to a minimum of fifty dollars (\$50), provided that no cash is taken out of the transaction;
- The refinance is to secure funds to cover emergency, non-insured property damage to the home (must be approved by the City of North Las Vegas), provided no cash is taken out of the transaction other than is needed to cover the damage; or
- The refinance is to secure funds to cover major, non-insured medical treatment (must be approved by the City of North Las Vegas), provided that no cash is taken out of the transaction other than is needed to cover the treatment.

C). The refinancing reduces the homeowner's monthly mortgage expenses or otherwise assists the homeowner in remaining current on the mortgage payments or the refinancing mitigates the foreclosure crisis by forestalling foreclosures.

No cash may be taken out of the property as part of the refinancing except as set forth above.

If a property owner qualifies and is allowed a subordination agreement, and is not participating in the FHA Streamline Refinance Program, the following documents must be presented to the City for consideration:

- Subordination Agreement
- HUD-1 Settlement Statement
- Appraisal
- Good Faith Estimate and Truth in Lending Statement
- Loan Agreement
- New Promissory Note
- New Deed of Trust Securing Note

A minimum of thirty days is required for review as City staff must present subordination documents to the Legal Department and City Manager.

VI. PRE-REHABILITATION ACTIVITIES

Once the applicant has been approved for participation in the Housing Rehabilitation Assistance Program, city staff will conduct an initial inspection of the property and discuss with the homeowner items the owner wish to have rehabilitated. City staff will also identify items requiring repair due to code compliance, safety hazards or energy efficiency. Photos will be taken of items that will be included in the rehabilitation. City staff will also discuss program processes and guidelines with the homeowner(s). A copy of the City's Housing Rehabilitation Assistance Program guidelines will be provided to the homeowner. The homeowner will sign a (create check list with signature block for applicant) receipt stating that the guidelines have been provided.

A. Initial Inspection

During the initial inspection, the City staff will review the items listed on the homeowner's application to be repaired or replaced. City staff will inspect the interior and exterior of the home, including any accessory structures located on the property. City staff will utilize a check list of qualifying items and determine if there are additional items not listed on the application that do not currently meet minimum quality standards. These items will be discussed with the homeowner during the time of the initial inspection.

B. Eligible and Ineligible Work Items

The City's Housing Rehabilitation Assistance Program is designed to improve the living conditions of low and moderate income households. Improvement of these conditions will entail eliminating immediate threats to health, safety and code violations, providing increased accessibility and/or increasing energy efficiency.

1. Eligible Work Items

- Non-functioning bathrooms/kitchens
- Roofs (repair/replacement)
- Foundations
- Floors/ceilings/walls
- Plumbing, electrical and HVAC systems or system components
- Water/sewer service lines
- Structural defects
- Accessibility impediments

- Doors/windows
- Interior and exterior painting
- Installation of energy-efficient appliances
- Cabinetry
- Floor coverings
- Patio coverings
- Siding
- Garages/carports
- Fumigation
- Masonry
- Carpentry
- Smoke Detectors
- Carbon Monoxide Detectors (for homes equipped with natural gas)
- Ceiling Fans
- Fascia
- Weatherization and energy efficient upgrades
- Lead-based paint mitigation and abatement
- Fences/block walls
- Activities related to preservation of historic structures
- Code violations cited and documented by the City
- Other work, not listed, as approved by the Department of Community Services and Development

2. Ineligible Work Items

- Additions to the home
- Barbeque pits
- Burglar alarm systems
- Draperies
- Fire extinguishers
- Gazebos
- Kennels
- Pools/Jacuzzis
- Fireplaces/hearths
- Greenhouses
- Other work, not listed, considered to be luxury in nature as determined by the Department of Community Services and Development

VI. ENVIRONMENTAL STANDARDS

Pursuant to HOME federal regulations 24 CFR 92, the City's use of HOME funds requires a review of activities for any adverse effects on the environment. An environmental review will be completed on each residence receiving rehabilitation assistance. A certifying officer will sign this form in order to complete the environmental review (as applicable).

VII. REHABILITATION ACTIVITIES

A. Home Inspection

City staff will schedule a home inspection with the homeowner to conduct a second and final review of repairs to be completed during the rehabilitation.

B. Scope of Work

City staff will use the initial inspection checklist, notes and pictures from both inspections to complete a comprehensive Scope of Work. The Scope of Work includes, in detail, the items to be repaired/replaced during the rehabilitation. The Scope of Work will also identify specific colors/models of items selected by the homeowner during inspection. City staff will utilize rehabilitation costing software to determine an estimated cost for the project. A Cost Estimate will be developed with estimated costs for each individual item to be replaced or rehabilitated. The Scope of Work and the Cost Estimate will be presented to the homeowner. If the homeowner agrees with the Scope of Work and Cost Estimate, the Scope of Work and Cost Estimate will be signed by the homeowner and the bid process begins.

C. Bid Process

A listing of pre-approved contractors will be available through the Neighborhood Services Division. A copy of the Scope of Work, without the Cost Estimate, will be sent to these contractors as part of a bid package. A Pre-bid Walk Through will take place at the residence with the homeowner, contractors and City staff in attendance. The City staff will review the Scope of Work with the contractors and answer any questions. The purpose of the Walk Through is to ensure that all contractors interested are treated fairly and all parties involved have the opportunity to review the project and ask questions prior to submitting a bid.

Each contractor interested in participating in the rehabilitation process will be allowed to submit a bid by a pre-determined deadline. The City staff will review the bids and accept those bids which are within ten percent (10%) of the Cost Estimate. Notification of Decline letters will be sent to the contractors who did not bid within the 10 percent requirement.

Bids which are submitted within the 10 percent requirement will be presented to the homeowner for consideration. **The homeowner must remember that the rehabilitation job is a contract between the homeowner and the contractor. The City will be acting simply as a funding agency.** A first, second and third choice will be decided upon by the homeowner. The rehabilitation job will be offered to the contractors in order of selection. Selection will be completed with the first contractor to accept the rehabilitation job. A letter of award will be sent to this contractor and Notification of Decline letters to the remaining contractors.

D. Loan Closing/Contract Signing

Once the contractor is selected, the City staff will schedule an appointment with the homeowner and contractor to sign the City of North Las Vegas Single Family Rehabilitation Program Owner/Contract Agreement. This document, signed by both the homeowner and contractor, will be written to ensure completion of the rehabilitation process as defined in the Scope of Work.

During the loan closing, the homeowner will sign a Promissory Note, a Deed of Trust and a Truth in Lending Disclosure (preliminary HUD-1). The homeowner will also sign a Right of Rescission which allows the homeowner three (3) days to cancel the contract and withdraw from the Housing Rehabilitation Assistance Program before any work is performed.

Finally, when the homeowner agrees to proceed with the rehabilitation project, he/she will sign a Notice to Proceed. This document will be forwarded to the contractor and instructs initiation of the rehabilitation project within five (5) business days.

E. Construction/Repairs

The contractor will complete the repairs per the approved submitted rehabilitation schedule; otherwise, the contractor will have no more than 90 days to complete the rehabilitation project from the date of the Notice to Proceed, unless otherwise agreed by the homeowner and the City of North Las Vegas. During the rehabilitation project, the City staff will stay in contact with the homeowner and contractor to monitor and inspect the rehabilitation work while in progress.

F. Interim Monitoring

During the course of the rehabilitation project, the City staff will monitor the progress by completing interim monitoring inspections. The number of inspections may vary and is left to the discretion of the City staff. At least one monitoring inspection will be completed prior to final inspection by the City staff and an inspector from the Building and Safety Division. An inspection log will be completed by city staff following each inspection. The City staff, the homeowner or the contractor may initiate monitoring visits at any time during the rehabilitation project. An inspection must be conducted prior to the approval of any interim payment to the contractor.

It is the responsibility of the contractor to obtain any required building permits and to comply with the Building Safety Division requirements.

VIII. REHABILITATION COMPLETED

A. Final Inspections

Prior to approval of a final contractor payment, the City staff must complete a final inspection at the project site. The homeowner and the contractor are required to attend this inspection in order to ensure that all parties involved

understand the nature of the work completed and agree that the work was completed properly. Photographs will be taken of all items completed in the Scope of Work.

The contractor must also arrange for a final inspection with the Building Safety Division. The Housing and Neighborhood Division will not pass final inspection until Building Safety has inspected and approved all work and finalized the building permit. Once all inspections have passed, the City staff will issue a Certificate of Completion.

The City staff will remind the homeowner and the contractor of their respective contractual obligations. Both parties will be reminded that the contract stipulates that the contractor must guarantee the quality of material and workmanship for one year from the date of final acceptance. The contractor will also provide the owner with any and all manufacturers' warranties or guarantees associated with the materials and equipment used during the rehabilitation project.

B. Correction of Work Items

If items exist in the Scope of Work that either the homeowner and/or City staff feel were not completed in its entirety or that do not comply with building code or rehabilitation standards, the homeowner and contractor will sign a Correction List. The contractor must complete/correct items on the list within fifteen (15) days. Once all work has been completed and the homeowner and the City agree that all work has been satisfactorily completed, the homeowner will sign the Acceptance of Work.

C. Lien Waiver

Prior to the approval of final payment, the contractor must submit a signed lien waiver. The waiver stipulates that the contractor has or will provide all payments to labors, subcontractors, suppliers and other parties involved in the rehabilitation project for services and materials and/or equipment. Further, the waiver will release any mechanics' liens or additional claims for payment for the same work.

D. Acceptance of Work

Once all work is satisfactorily completed and inspected by the City staff and the Building Safety Division, the City staff will provide a Certificate of Final Release/Completion. If, in any event, the homeowner refuses to sign the Certificate of Final Release/Completion Report and the City is confident that the rehabilitation project has been completed according to the contract and acceptable professional standards, then the City representative may sign the Certificate of Final Release/Completion.

E. Homeowner Portfolio

After final completion of the rehabilitation project, the City staff will supply the homeowner with a portfolio that includes, at minimum, the following items:

- Contractor contact information

- Subcontractor contact information (if any)
- Warranties/Guarantees of items used during rehabilitation project
- Copy of initial application
- Copy of receipt of rehabilitation guidelines
- Copy of receipt for Lead-Based Paint information
- Copy of Scope of Work
- Copy of Cost Estimate
- Copy of contract between homeowner and contractor
- Copy of Notice to Proceed
- Copy of Right of Rescission
- Copy of Change Orders (if applicable)
- Copy of Homebuyer Agreement
- Copy of Promissory Note
- Copy of Deed of Trust
- Copy of Acceptance of Work
- Copy of Correction List (if applicable)
- Copy of Certificate of Final Release
- Satisfaction Survey

IX. CONTRACTOR REQUIREMENTS

A. Eligibility of Contractors

The Community Services and Development Department will determine eligibility of contractors. In order for a contractor to be able to participate in the City of North Las Vegas Housing Rehabilitation Assistance Program, the contractor must be registered with the City as a qualified vendor. All contractors, both general contractors and general contractor's subcontractors, must apply to become a qualified vendor through the Housing and Neighborhood Services Division. The requirements to become a qualified contractor include:

Nevada Contractor's License with an A, B, B-2 or C-3 classification

- Business License with the City of North Las Vegas
- Proof of Federal Non-debarment
- Proof of insurance
- Articles of Incorporation
- Certificate of Good Standing
- Section 3 Certification (if applicable)
- Disclosure of Ownership
- Proof of Bond

Contractors must maintain their license in good standing with the state of Nevada and Business License in good standing with the City of North Las Vegas at all times during their participation in the Housing Rehabilitation Assistance Program. If a contractor's license(s) becomes suspended or revoked, the Community Services and Development Department will suspend the contractor from participating in the Housing Rehabilitation Assistance Program. Should the contractor be working on a rehabilitation project at the time of revocation,

he/she shall stop work **immediately**. The license must be renewed or reinstated during the next ten (10) business days. Failure to obtain renewal or reinstatement will result in termination of the City of North Las Vegas Single Family Rehabilitation Program Owner/Contract Agreement. The City staff will notify that the contractor's license is no longer valid and the City of North Las Vegas Single Family Rehabilitation Program Owner/Contract Agreement has been nullified.

B. Insurance and Bonding Requirements

The contractor shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud or undue physical damage, and, as a minimum, shall purchase a blanket fidelity bond covering all costs associated with the contract in an amount equal to the total cost of the project.

The contractor shall also comply with insurance requirements including the following insurance to the extent stated:

1. Commercial General Liability Insurance providing both bodily injury (including death) and property damage insurance in a limit not less than Two Million Dollars (\$2,000,000) aggregate and One Million Dollars (\$1,000,000) per occurrence. The City of North Las Vegas shall be named as an additional insured.
2. Automobile Liability and Property Damage Insurance in an amount not less than One Million Dollars (\$1,000,000) combined single limit for both bodily injury and property damage.
3. Worker's Compensation coverage for employers' liability and disability benefits as required by the state of Nevada.
4. Excess Liability Insurance in an amount not less than One Million Dollars (\$1,000,000).
5. Certificates of Insurance for all of the aforementioned coverage shall be provided to the City of North Las Vegas prior to the commencement of work under each project contract. The City of North Las Vegas shall be named as additional insured on each certificate.

C. Approved Contractors

All approved contractors will receive a current copy of the *City of North Las Vegas Housing Rehabilitation Standards*.

All contractors will receive on-going monitoring including review of City requirements and any complaints filed with the State Contractors Board. On a case by case basis, any issues of non-compliance will remove a contractor from the approved contractor listing and may not be eligible to bid on future rehabilitation projects.

D. Subcontractors

General contractors may choose to utilize subcontractors as long as they are licensed and bonded. Prior to commencing work, the general contractor must submit a Subcontractor Form listing all subcontractors to be used on the rehabilitation project.

E. Equal Employment Opportunity (EEO) Requirements

The Housing Rehabilitation Assistance 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 employees 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, rates of pay or other compensation and training selection or apprenticeship. The contractor will also agree to include language covering EEO in all subcontracting agreements.

F. Section 3

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development 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.

The parties to the contract agree to comply with HUD's regulation in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of the contract, the parties to contract must certify that they are under no contractual or other impediment that would prevent them from complying with Part 135 of the regulations.

The contractor must agree to send to each labor organization or representative of their workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker's representative of the contractor's commits under Section 3 and will post notice in a conspicuous location at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth the minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each and the name and location of the person(s) taking applications for each of the positions and the anticipated date on which work shall begin.

G. Women's and Minority Business Enterprise

The contractor will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the work performed for the City of North Las Vegas Housing Rehabilitation Assistance Program. The term "women's and minority business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. The contractor may rely on written

representations by subcontractors regarding their status as minority and female business enterprises in lieu of an independent investigation.

H. Contractor Selection

The Housing and Neighborhood Services Division will maintain an ongoing list of approved contractors. City staff will perform on-going reviews to ensure that all approved contractors are allowed to submit bids for housing rehabilitation projects.

The homeowner will select a first, second and third choice. The rehabilitation job will be offered to the contractors in order of selection. Selection will be completed with the first contractor to accept the rehabilitation job. A letter of award will be sent to this contractor and declination letters to the remaining contractors.

I. Bid Submission

All approved contractors will be sent a copy of the project Scope of Work and will be invited to the scheduled walk-through of the home to be rehabilitated. The City staff and the property owner will be in attendance at the walk-through. Contractors will have the opportunity to review the Scope of Work, inspect the property and ask any questions. Contractors will receive a bid submission envelope. Bid packages are to be sealed and delivered in the bid submission envelope with seven (7) days of the walk-through. Bid packages will be delivered to:

Community Services and Development Department
Housing and Neighborhood Services Division
CITY OF NORTH LAS VEGAS
2250 Las Vegas Boulevard North, Suite 300
North Las Vegas, NV 89030

Failure to meet bid package deadlines automatically disqualifies the contractor from participating in that particular rehabilitation project. Bid packages that meet deadlines will require the contractor's signature and be time/date stamped by City staff upon submission.

J. Bid Review

Bid openings will be scheduled at a specific time and date which will be included in the bid packet. Bid openings will be open to the public and contractors. The City staff, with two additional staff members present, will open bids. The amounts of the bids received will be announced and written on a bid sheet.

1. In-House Review

Once bid(s) are received, the City staff will review the bid(s) for completeness. The City staff will also compare the bid values to those established during the Scope of Work Procedure.

2. *Allowable Variance Between Bid and Estimate*

The submitted bid will be accepted if the total value is within 10 percent of the City's established cost estimate. If all bids received exceed the cost estimate by over 10 percent, all bids will be rejected and a re-bid will be called.

3. *Bid Acceptance*

The lowest three bids within a maximum of 10 percent over the City's estimate will be presented to the homeowner for review. The rehabilitation job will be offered to the contractors in order of selection. Selection will be completed with the first contractor to accept the rehabilitation job. A letter of award will be sent to this contractor and Notification of Decline letters to the remaining contractors.

K. Permits and Licenses

Contractors will be required to secure and maintain all necessary permits and licenses during the course of the rehabilitation project. Prior to final payment, contractors must demonstrate that all permits have been finalized.

L. Change Orders

During the course of the rehabilitation project, unforeseen circumstances may arise which merit a change order. The contractor or homeowner may request a change order. All change orders must be related to the original Scope of Work or be necessary to repair a life and safety hazard which was previously overlooked. Change orders must be submitted in writing describing the circumstances warranting the change and must reflect a justifiable need that was unforeseen during the original Scope of Work. Change orders must not cause the project to exceed the \$50,000 cap. Change orders must be reviewed and approved by City staff before any work is performed. City staff has the right to approve or deny eligibility of a change order request on a case-by-case basis.

M. Rehabilitation Project Timeline

The contractor will complete the repairs per the approved submitted rehabilitation schedule; otherwise, the contractor will have no more than 90 days to complete the rehabilitation project from the date of the Notice to Proceed is issued, unless otherwise agreed by the homeowner and the City of North Las Vegas. If the rehabilitation project is not completed within 90 days, **without prior notice and approval from the City**, a sum of \$50.00 per day for every day past the 90-day completion time will be assessed for liquidated damages which may be withheld from retention.

N. Quality of Workmanship

At all times the contractor must ensure that the conduct of workers is held to the highest of professional standards and that the quality of workmanship complies with professional standards. The contractor must also warrant the quality of workmanship and materials for a period of one year from the date of

the Notice of Completion. Any issues brought to his or her attention must be rectified during this timeframe. Any conflicts that arise as a result of the contractor's failure to comply with this provision will be handled through the State of Nevada Contractors Board.

O. Contractor Payments

Contractors must request payment reimbursement using the Contractor Payment Request Form. The request form must be completed with the item number, correlating with the Scope of Work, and the actual approved cost associated with the completed work. Each request for payment must be accompanied with an original invoice. The City staff will conduct on-site monitoring to verify the completeness and quality of work. The final payment will be issued no more than 30 days from the date following the final walk-through and when Notice of Completion is issued and signed by the homeowner and the City of North Las Vegas. No more than 2 draw requests per month may be submitted by the contractor for reimbursement.

X. PROJECT COMPLETION

A. File Closure

When all rehabilitation activities have been completed and approved, the City staff will ensure that all project file items are included in the project file before closing, including all reports and forms required by HUD for the HOME Program. The project file will be retained for a period of five (5) years from the date of the signed Reconveyance.

B. Grievance Procedure

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

All grievances regarding a housing rehabilitation project shall first be discussed and an attempt to be settled by all parties involved.

If a satisfactory settlement is not reached, the grievance shall be discussed with the Housing and Neighborhood Services Manager. The Manager will give full and fair consideration to the grievance as promptly as circumstances allow and shall render a fair and just decision within eight (8) working days following the day the grievance was received by the Housing and Neighborhood Services Manager.

If a satisfactory agreement is still not reached, the grievance must be thoroughly explained in writing by the griever. The written grievance will be given to the Director of Community Services and Development Department for

consideration. The Director will have seven (7) days from the time/date receipt of the grievance by the Director to review and discuss the grievance with the identified parties.

C. Satisfaction Survey

The City of North Las Vegas values feedback from any persons involved with or participating in the Housing Rehabilitation Assistance Program. A Satisfaction Survey is included in the Homeowner's Portfolio and is also given to participating contractors for completion. The City welcomes any information or suggestions which might improve the satisfaction of residents who participate in the Housing Rehabilitation Assistance Program.