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# INTRODUCTION

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The policies and procedures contained in this document provide guidance for the implementation of the City’s owner-occupied housing rehabilitation program. This policy document has been developed in response to the growing need to preserve the existing housing stock in the City of Titusville. It includes program goals and objectives, a program description, and policies and procedures for the housing rehabilitation staff that has responsibility for the program’s implementation.

The housing rehabilitation programs are funded by the U. S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) program, the HOME Investment Partnership (HOME) program, the Florida Housing Finance Agency through the State Housing Initiatives Partnership Program (SHIP) and potentially the City of Titusville through funds collected by the City as fines for code violations. Program policies state that these funds must benefit very low, low and moderate-income persons.

This program is designed to assist low-income property owners in maintaining their homes, eliminate housing code violations, and upgrade neighborhoods. Through this program, the City will help to provide, decent, safe, and sanitary housing for city residents and contribute to a long-term and viable housing stock for the future. Improvements and repairs made through this program will bring existing substandard units into compliance with city housing codes and U.S. Department of Housing and Urban Development Housing Quality Standards.

This program will be operated in accordance with all applicable rules and regulations of the City of Titusville, the State of Florida, and the U.S. Department of Housing and Urban Development (HUD).

OUTREACH:

A list of citizens who have requested assistance with the rehabilitation of their property will be maintained in the Neighborhood Services Department office. As this list diminishes, the department will advertise the availability of funds for this program in local newspapers, churches, social service office, etc. Clients are selected on a fist-come, first-ready basis.

PROGRAM GOALS AND OBJECTIVES

The goal of the City of Titusville’s housing rehabilitation program is to improve the quality of life for residents by improving the existing owner-occupied housing stock. Specific objectives for achieving this goal include:
Objectives that provide benefit for the entire City

1. Preserve the existing housing stock.
2. Revitalize neighborhoods.
3. Conserve the property tax base.

Objectives that benefit neighborhoods

1. Preserve historic residences.
2. Expand housing alternatives.
3. Encourage other improvements to neighborhoods.
4. Discourage the abandonment of houses.

Objectives that benefit individual homeowners

2. Remove health and safety hazards.
3. Reduce utility costs.
4. Maintain standard housing for those in need

TYPES OF ASSISTANCE

The City offers several types of assistance, designed as grants and deferred loans as described below:
Emergency Repair under the CDBG and SHIP program is available to very low-income homeowners who live in the City and whose health or safety is threatened by conditions in their home. Such conditions may include a leaking roof, major plumbing problems, heating problems or electrical hazards. Assistance up to $5,000 is in the form of a grant and no lien is placed on the property.

Moderate Rehabilitation under the CDBG, SHIP and HOME programs are available to provide assistance to very low-income homeowners who live in the City to help them repair their properties and bring them into compliance with the city's Minimum Housing Standards Code and Federal Housing Quality Standards. Repairs can be for the interior or exterior of the home. Home improvement repairs include roof repairs or replacement, windows, electrical and plumbing work, kitchen cabinets, bathroom fixtures, heating systems, carpeting, fencing, painting and other improvements that address housing code violations. Swimming pools, saunas, washer & dryers, dishwashers, garbage disposals and other items considered as luxury items are not eligible improvements. Assistance up to $25,000 is provided in the form of a deferred loan. With the exception of applicants approved for assistance of $5,000 or less, a lien is placed on the property in order to assist the City in monitoring occupancy for a predetermined period. Assistance of more than $5,000, but no greater than $10,500, shall require a three (3) year lien. Assistance of more than $10,500, but no greater than $25,000, shall require a five (5) year lien.

Substantial Rehabilitation under the HOME and SHIP programs is designed to provide the same type of assistance. Substantial Rehabilitation is designed to provide the same type of assistance as the moderate rehabilitation under CDBG, HOME and SHIP. The only difference is that the required assistance must exceed $25,000. Assistance of more than $25,000, but no greater than $35,000, shall require a 10 year lien to be placed on the property to assist the City in monitoring continued occupancy during that period. If a homeowner is still the owner occupant of an assisted unit at the end of the applicable lien period, and is not in default, the lien will be forgiven and the lien released. Any rehabilitation assistance greater than $35,000 shall require a 15-year lien placed on the property. If staff determines that an eligible unit requires more than the maximum $35,000 allowed for rehabilitation, staff may also determine that it would be more cost effective to replace the existing unit with new construction under the Housing Replacement Program rather than rehabilitate it. If new construction cannot meet the requirements of the applicable funding source and the existing local Building Codes, and/or new zoning regulations, the City is under no obligation to do the new construction nor would the City be under any obligation to do the rehabilitation.

City Council’s approval must be obtained whenever substantial rehabilitation or reconstruction exceeds $45,000. Included in this amount are also contingencies, closing costs, demolition, and temporary relocation costs.

**POLICY ON ISSUANCE OF SUBORDINATION OF CITY LIENS**

Subordination of liens on housing rehabilitation liens will be considered for the following reasons only:

1. An owner requesting a subordination of the City’s lien must make the request in writing to the Neighborhood Services Department Director indicating the reason for the request. The owner must include information on a form, provided by the City, which includes: interest rate before and after, terms, conditions, years left to pay on existing mortgage, any cash back, closing costs and other fees to be charged to the owner;
2. Home improvement loans for the purpose of general property improvements or those improvements or repairs which bring the unit into compliance with the minimum housing standard code, and which will not cause the client's monthly housing expense to exceed affordability limits;
3. Subordination requests which increase the affordability of the housing unit, or assist a household with medical expenses, not associated with consumer debt, may be considered;
4. Refinancing of superior mortgage(s) for the purpose of improving terms (i.e., lower interest rate) and which cause the unit to become more affordable to the client will be considered provided the refinancing is not used to pay off consumer debt.

5. The City Manager or designee must authorize any subordination request. Staff will identify for the City Manager or designee, the current status of the City’s equity position, and the equity position if the subordination request is approved;

6. The City may consider mortgage refinancing with consumer debt included if the total debt, including the City’s lien ratio to fair market value of the property does not exceed eighty percent (80%) of the fair market value and the City receives at least a 10% payment towards the reduction of the City’s lien;

7. The City reserves absolute discretion to grant or deny subordination to City liens.

ELIGIBILITY REQUIREMENTS

Emergency, Moderate, Substantial and Leveraged housing rehabilitation services are available if all of the following criteria are met:

1. Housing unit is located within the boundaries of the City of Titusville.

2. Owner-occupants use the home as their principal residence.

3. Occupants earn 80% or less of the median income for the Titusville area.

4. All property taxes and mortgage payments are current.

5. Must have owned the home for at least one year.

6. The applicant meets an income and assets review to determine income eligibility according to the requirements of the funding source, i.e. CDBG, HOME or SHIP. All income of persons residing in the home will be counted. Maximum allowable assets are set to no more than $5,000 in cash and $15,000 in un-liquidated assets including, but not limited to, property such as cars, boats, etc.

7. Housing unit fails to meet one or more building code conditions and/or Housing Quality Standards.

8. The rehabilitation costs must be within the maximum allowed for this program.

9. Reasonable maintenance and care of the property by the owners has been made and appears will continue.

10. Properties with extraneous junk and debris, excessive overgrowth, and vehicles in violation of Sections 12-23, 13-26, and 13-73 respectively of the City’s Code of Ordinances shall be declared ineligible for assistance, and shall not be reconsidered for the program until such violations have been corrected to the satisfaction of the City.

11. The value of the property after rehab must not exceed the affordable housing amount for existing homes in the City of Titusville.

Priority assistance will be given to the following groups of persons in the following order:
1. Homeowners with emergency conditions in their homes, which represent a threat to their health and safety.

2. Homeowners with minimum housing code deficiencies or whose properties do not meet federal Housing Quality Standards.

3. Elderly and physically challenged.

4. All other applicants seeking services for the first time.

5. Homeowners that have not been assisted through the program within the past fifteen years (see below policy).

POLICY FOR HOUSEHOLDS WHO HAVE RECEIVED ASSISTANCE UNDER THIS PROGRAM PREVIOUSLY:

1. Assistance can only be requested one time within a fifteen-year period.

2. Households who have an existing agreement and/or lien for prior assistance under the Moderate or Substantial Rehab Program are not eligible.

3. Households with deficiencies to the minimum housing code or property that fails to meet housing quality standards will only be reconsidered for additional assistance.

4. The amount of assistance is limited to the difference between the amount of funds provided in the prior contract minus the current maximum allowable cost.

5. Property has been generally maintained over the years.

6. All other eligibility requirements must be met.

GENERAL OPERATING PROCEDURES

The Neighborhood Services Department administers the Housing Rehabilitation assistance program for residents of the City of Titusville. Residents are encouraged to call before coming to the office to ensure staff availability and to determine eligibility for assistance. Please refer to Exhibit “A” for a typical housing rehab schedule.

When a resident seeks service through the City’s Housing Rehabilitation Program, he or she should expect to adhere to the following general procedures:

Application
An application form must be completed and all requested information must be provided and verified before an applicant can be approved for housing assistance. The applicant may request the assistance of the Housing
Specialist in completing the application. Failure to provide all requested information or providing false or misleading information will result in the disqualification of the applicant, and may result in other punitive damages.

Preliminary Approval
An application with the proper documentation of income, proof of ownership (deed), mortgage pay history, current year property tax receipt, verification of assets and the signature of the Housing Specialist are needed prior to the initial inspection and job write-up.

Inspection
In order to determine the extent of the housing rehabilitation need, an inspection of the property is required. All initial inspections, other than emergencies, will include a complete Minimum Housing Standards Code evaluation. Priority will be given to emergency conditions, which pose a threat to the health and safety of the residents. **[Emergency rehab will be classified into two categories, first and second phase emergencies as hereinafter defined]**. The first phase emergency rehab will not require a bid and rehab can start based upon preliminary approval. The first phase emergency rehab will be assigned to a sub-contractor (electrical, plumbing, roofing etc.) who is on the Neighborhood Services Department’s Approved Contractors List.

Second phase emergency rehab and all other housing rehabilitation require a minimum of three bids. Such work may only begin after final approval by management.

Other types of rehabilitation assistance, moderate and substantial will be addressed according to a level of priority assigned by staff. Moderate and substantial rehabilitation work will not begin without the Director’s approval.

Housing repairs will not be made to homes where additions and/or garage/carport enclosures have been made without permits and such changes or additions are not in conformance with the building code or where the property is in violation of zoning ordinances. The work write-up will not begin on any projects until zoning requirements and restrictions are first researched on the following:

1. Room enclosures, (Garage, Carport, Screen rooms, etc.);
2. Unauthorized Conversions, (Apartments, Rooming houses, etc.);
3. Setbacks, (Handicap ramps, Porches, Additions, etc.);
4. Disabled Motor Vehicles on the property;
5. Accumulation of Junk and debris.

Work Write-Up & Housing Specifications
Once a completed application and inspection is received, the case will be reviewed for compliance with the basic eligibility requirements of the program. The Job Work write-ups with in-house cost estimates will be prepared for every job as directed by the Neighborhood Services Director. In addition to the work write-ups, all Contractors will comply with the Neighborhood Services Department’s written Specifications / Property Standards and all applicable Building Codes. In instances where work write-ups are revised due to limited funds or other unforeseen circumstances, the original or now obsolete write-up will be revised, signed and dated by the Inspector. Additionally, a letter with a copy to the file must be presented to the homeowner to acknowledge the change. The write-up must support that the proposed work will not exceed 75% of the total estimated replacement cost of the unit after rehabilitation.

Selection of Contractor/Bid Award
If an application is approved, the selection of contractors to perform the rehabilitation work will be conducted through the Neighborhood Services Department, following the City’s procurement policy.
- Price quotes and bids received from contractors will provide sufficient line item pricing details for materials and labor. Lump sum price quotes and bids will not be accepted.
- All bids submitted for Housing Rehabilitation will either be hand delivered or mailed directly to the Neighborhood Services Department. All bids will be sealed and opened only on their due date by the Project Manager and witnessed by another staff member.
- Each job file will contain documented evidence, such as fax transmittals or letters, which indicates that contractors were contacted to bid.
- During the pre-bid walk-through where the contractor has questions as to the work write-ups or specifications, the assigned inspector must prepare an addendum with supplemental instructions.
- The addendum [with a copy to the file] will be sent to the Contractors. The documentation will help eliminate any disputes or misunderstandings, which may arise from decisions made while work is in progress.
- The low bidding contractor’s price quotes and bid must be within 10% of the in-house write-up; if not, the city has the option to submit for a re-bid.

**A pre-bid walk-through is mandatory. Any Contractor not present at the walk-through will forfeit the opportunity to bid for that particular job.**

In emergency cases, vendors listed on the city’s contractor’s list (electricians, plumbers, etc.) may be selected to perform the work according to their availability.

**Final Approval**

An application with the proper documentation, work write-ups and bids must be reviewed and approved and signed by the Neighborhood Services Director for compliance with program policies prior to actual rehabilitation. All agreements are to be signed by the Mayor.

**Lien Agreements**

Participants in the City’s housing rehabilitation programs will be asked to attend a contract signing meeting where the following documents are signed: Memorandum of Agreement, Deferred Payment Loan, Construction Contract, Permit Authorization, Awareness Statement, and Notice of Commencement. After a three-day rescission period, the contract between the homeowner and contractor may be executed and a Notice to Proceed issued by the Neighborhood Services Department.

**Work that is deemed an emergency where the total cost of rehabilitation is $5,000 or less, will not be subject to liens.**
- Assistance of more than $5,000, but no greater than $10,500, shall require a three (3) year lien.
- Assistance of more than $10,500, but no greater than $25,000, shall require a five (5) year lien.
- Assistance of more than $25,000, but no greater than $35,000, shall require a ten (10) year lien.
- Assistance of more than $35,000 shall require a fifteen (15) year lien.

**Construction**

For all rehabilitation work except emergency, the general contractor, unless prohibited by inclement weather, must begin work within ten (10) days after a written Notice to Proceed is issued by the Neighborhood Services Department staff and signed by the Neighborhood Services Director. A subcontractor (Roofing, Electrical, Plumbing, Air Conditioning, etc.) shall have a five (5) day mobilization period.
- The Contractor shall pay all sales, consumer use, and other taxes required by law and shall secure all permits, fees and licenses necessary for the execution of work under contract.
- If the contractor does not commence work within ten (10) days, the homeowner and the City may cancel the contract and award the work to the next lowest responsive bidder or request re-bidding of the job.
• All work shall be satisfactorily completed within sixty (60) days from the Notice to Proceed. **New Construction is excluded from this timeframe.**
• The assigned Inspector will make construction inspections as follows: 2 to 4 for emergencies; 5 to 10 inspections for moderate rehabilitation; and 10 to 15 inspections for substantial rehabilitation.
• Variations from any work write-up must be documented by a change order; change orders are inevitable, but will be the exception for housing rehabilitation jobs.
• The contractor is responsible for submitting written change order proposals for approval by the Homeowner, Housing Specialist, Inspector, and Director prior to beginning any additional work.
• Any work done without written authorization from the Owner, Housing Specialist, Inspector, and the Neighborhood Services Director will be the financial responsibility of the Contractor.
• Contractors will provide adequate documentation with change orders to justify the changes along with details and costs for each changed item.
• **Any change orders initiated by the homeowner and carried out by the contractor will be the financial responsibility of the homeowner as well as any liability arising from the change order.**
• All change orders must be reviewed and signed by the Neighborhood Services Director before the approved terms are implemented and the contract amount adjusted.
• Contract amounts will be adjusted at the discretion of the Neighborhood Services Director, with the consensus of the homeowner, provided that the cumulative amount of the change orders does not increase the original contract amount by more than 10%.
• In situations where change orders exceed 10% of the original contract, a memo to justify the percentage difference will be placed in the file and signed by both the Housing Specialist and the Neighborhood Services Director. Change orders should occur infrequently and they will be justified only for unusual or unforeseen circumstances.
• Fewer change orders will occur if:
  1) Initial inspections are thoroughly performed;
  2) Work write-ups are adequately prepared; and
  3) The contractors' scope of work is sufficiently detailed to identify all work to be accomplished
• The Housing Specialist and a City Building Inspector must certify that all work is completed according to work write-ups and applicable codes before disbursement of final payment.

Upon completion of the work and acceptance by the Owner and then the City, the contractor shall provide a one-year warranty for all work; materials and labor for a period of one [1] year after the Certificate of Final Inspection [5 years for new roofs].

**Temporary Relocation**
Efforts will be made to have construction work performed while homeowners continue to occupy the property. However, in instances where the work to be performed is extensive or poses a Hazard to the homeowner and a liability to the City [a determination made when doing the work write-up], the Neighborhood Services Department will provide written notice to the homeowner of the need to temporarily vacate the property.

The Notice [Displacement/Non Displacement] letter will provide details of the temporary relocation process, including but not limited to the following:

- Instructions for identifying temporary housing, an executed leases agreement, and the name, address, telephone/fax number, tax identification number or social security number of the housing provider, subject to filing of IRS Form 1099.
- The number of days notice, [15] that the contractor will provide before the home must be vacated.
- Instructions for the packing of household items that will be placed in storage.
Instructions for the clearing of all debris or items from the interior and exterior of the home that may impede construction. The packing and securing of all household furnishings are the responsibility of the homeowner. The City takes no responsibility for any scratched, dented or lost items to and/or from the storage facility and/or during loading or unloading of furnishings.

The City will make one payment for the moving of household items to and from the temporary housing, and/or to a storage unit if all of the items cannot be accommodated.

The Neighborhood Services Department will pay the rent for displaced families up to, $500.00 per month for a maximum period of 6 months [a total of $3,000]. The relocation payment will be part of the cost for the rehabilitation project and must not exceed the maximum amount approved for each project set by City Council.

If the contractor does not complete the work within the time frame specified in the work contract, the contractor will be responsible for the lodging costs and storage costs of the homeowner beyond the contract completion date, and 5% of the contract price may be withheld from the amount to be paid to the contractor for each day that the work is not completed, unless the reasons for the delay are beyond the contractor’s control and the homeowner and City agree.

Completion of Work
No Check(s) will be disbursed until the contractor provides the City with a signed warranty form and partial and/or final releases of liens for all work completed.

- Checks [100%] will be issued for Emergency Repairs when the job is completed;
- Partial payments will be made when the project reaches 40%, 70%, and 100% of completion and at thirty (30) days after certificate is issued.
- For Final Payment (100% completion of work and Inspected) the homeowner must sign a Request for Final Payment. Within thirty-days after the Certificate of Final Inspection, the contractor will be issued the statutory retainage.

- Checks will be issued for Pay requests for New Home Construction/reconstruction as follows:
  1. 15% of job cost after slab pour
  2. 15% of job cost after lintel pour
  3. 25% of job cost after framing inspection
  4. 25% of job cost after interior/exterior painting
  5. 20% of job cost at completion, after final Certificate of Occupancy and all utilities are operational.

- All requests for payments will be made as follows:
  1. Contractor shall submit a Draw Request form to the Neighborhood Services Department before 5:00 p.m. on Friday’s, which lists the line items and their cost and sum for work to be paid based only on completed items from the itemized bid form.
  2. The Neighborhood Services Department will initiate inspection of such work within one business day from receipt of such request.
  3. The contractor will normally be paid within fifteen (15) business days from the date of the owner’s signature.

Follow-up
Homeowners are instructed to contact contractors directly concerning warranty items. If the homeowner is unsuccessful in contacting the contractor, he/she may contact the Neighborhood Services Department. When the Neighborhood Services Department receives complaints for housing rehabilitation warranty items, the Housing Specialist and/or the Director will coordinate with the contractor to have the complaints resolved. Results of the
contractor’s action shall be recorded as a part of the rehabilitation case, with copies of all warranty complaints placed in the contractor’s file.

Construction Summary
It takes 2 to 4 months from application approval to the start of construction
It takes 3 to 6 months for a typical moderate or substantial rehabilitation from start to finish

GLOSSARY

Affordable: Monthly mortgage payments, insurance, property taxes, utilities, and homeowner’s association fees, where applicable, do not exceed thirty (30) percent of that amount which represents the percentage of the median income for Titusville area.

CDBG: The Community Development Block Grant program funded by the U. S. Department of Housing and Urban Development (HUD).

Emergency Condition: Those items or conditions presenting a threat to the health and safety of the occupants of a dwelling unit; specifically, dangerous conditions caused by plumbing, electrical, roofing and heating hazards.
• First phase emergency rehab: an unexpected, serious occurrence or situation requiring prompt action; e.g. a burst in the main water line repaired simple by soldering.
• Second phase emergency rehab: deals with the source of the unexpected occurrence; e.g. re-pipe the entire house due to age of piping.

General Specifications: A document that provides complete details on materials, quality standards and equivalent requirements, as well as installation or performance measures and standards.

HOME: The Home Investment Partnership program funded by the U. S. Department of Housing and Urban Development (HUD).
**Neighborhood Services Department:** A Department that is responsible for the administration of all federal, state and local funds that are designated for the City for housing and community development activities.

**Housing Code:** The standard housing code adopted by the City of Titusville. The Code sets forth the minimum requirements which dwelling units are expected to meet to ensure the health and safety of residents.

**Housing Quality Standards:** The housing standards established by the U. S. Department of Housing and Urban Development (HUD) for the minimum requirements which dwelling units are expected to meet to ensure the health and safety of residents.

**Very Low-Income:** Families/persons whose annual income is **31% - 50%** of the median income for the Titusville SMSA.

**Low-Income:** Families/persons whose annual earnings are **51% - 80%** of the median family income for the Titusville SMSA.

**Moderate-Income:** Families/persons whose annual earnings are **81%-120%** of the median family income for the Titusville SMSA.

**Rehabilitation:** The repair and improvement of a structure so that it meets local housing codes and HUD’s Housing Quality Standards.

**SHIP:** The State Housing Initiatives Partnership Program funded by the Florida Housing Finance Agency.

**SMSA:** Standard Metropolitan Statistical Area.

**Work Write-Up:** A detailed breakdown of the work that is to be performed on a dwelling unit to eliminate emergency conditions or to bring the property up to local housing codes and HUD’s Housing Quality Standards.
EXHIBIT “A”

Typical Housing Rehabilitation Schedule

Initial contact

Emergency Rehabilitation

- Inspection and application: 1-2 working days
- Contact contractor and work completed: 1-10 working days

Moderate and Substantial Rehabilitation

- Application provided to applicant: 1 working day
- Wait for return of paperwork: 3 working days
- Mail certifications for employment & mortgage: 5 working days
- Wait for verification of employment & mortgage: 30 working days
- Wait for verification of other documents: 30 working days
- Prepare file for pre approval: 3-5 working days
- Pre-approval by Program Manager and Housing Director: 5 working days
- Construction write-up: 5 working days
- Bid process: 20 working days
- Closing of loan: 3 working days
- Review by office of Legal Services: 3-5 working days
- Lien, note recording, signing contractor authorization: 3 working days
- To proceed, and post notice of commencement: 3 working days
- Construction (including inspections): 4-8 weeks
- Check request and payment: 20 working days
- Organize record for filing: 1 week
- Final review and filing: 1 week
| **Subcontractors** (Roofing, Electrical, Plumbing, Air Conditioning, etc.) | Contact contractor and work completed | 1-10 working days |