

# **Spokane Indian Housing Authority**

## **Rehabilitation Policy**

**Adopted: January 3, 2019**  
**Amended: June 5, 2019**

**SIHA HOUSING REHAB POLICY**

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## A. Programs Available

SIHA's housing rehabilitation programs are designed as a means to increase the livability of housing units across the Spokane Indian Reservation. The two (2) types of assistance that are available are as follows:

PROGRAM	SOURCE OF FUNDS	OWNERSHIP STATUS	INCOME REQ.	CEILING AMT <sup>1</sup>	REQUIREMENTS
SIHA Rental Rehab	SIHA IHBG, ICDB, FHLB, AHP, LIHTC	SIHA	Very Low & Low Incomes	\$50,000	Rehab to standard, housing & maintenance counseling
SIHA Home Repair	NAHASDA <sup>2</sup> , ICDBG <sup>3</sup> , FHLB AHP	Owner Occupied	Low Income	\$40,000	Home Repair Essential to Health & Safety of Occupant.

The application procedures and the standards for the above listed programs are similar. The repairs cannot exceed the SIHA grant ceiling amount and are one-time assistance only for major repairs essential to the health and safety of the occupants.

## B. Reconstruction

Reconstruction is defined as building a new structure on the site, in approximately the same "footprint" as a previous structure. Reconstruction is considered replacement and is not permitted under any rehabilitation assistance.

## C. Relocation/Displacement

Any tenant who is required to move to accommodate the rehabilitation of his or her unit (displacement) or whose rent increases as a result of the rehabilitation (economic displacement) is a potential candidate for relocation benefits. Rental assistance must be factored into the rehabilitation cost when relocation is necessary. This assistance does not apply to the SIHA Owner Occupied Repair Program.

## D. Eligibility

1. **SIHA Rentals:** Low income Families and/or subject to NAHASDA or other funding regulations.

<sup>1</sup> Amount indicated is per applicant based on affordability analysis and funds available.

<sup>2</sup> Native American Housing Assistance and Self Determination Act

<sup>3</sup> Indian Community Development Block Grant

<sup>4</sup> Federal Home Loan Bank Affordable Housing Program

**2. HOME REPAIR - OWNER OCCUPIED:**

<u>CATEGORY</u>	<u>ELIGIBILITY CRITERIA</u>
	<b>OWNER MUST BE:</b>
Tribal Affiliation	Enrolled Spokane Tribe Member
Special Needs	None
Property Location	On the Spokane Indian Reservation
Ownership Status	<ul style="list-style-type: none"> <li>• Have Fee Simple Title to the Property; or</li> <li>• Proof of Individual Trust or Tribal Trust Ownership; or</li> <li>• Maintain a 50 Year Undivided Leasehold Interest in the Property; or</li> <li>• Have Shared Ownership Interest in the Property.</li> </ul>
Income	<p>Cannot exceed HUD National Low-income Standards</p> <p>ICDBG: Cannot exceed 80% of the median income for the area as determined by HUD.</p>
Serviceability	Permit inventory to determine unit condition.
Counseling	Participate in home & maintenance counseling.
Debt	Have no outstanding obligations to SIHA
Residence	Be permanent residence

**E. Property Value**

The appraised value of the assisted property, after rehabilitation, may not exceed the 203(b)-mortgage limit for the area for the type of property being assisted (single family, condominium, etc.).

The cost of rehabilitation cannot exceed the cost of replacement of a similar type of dwelling.

**F. Property Standards**

1. At the completion of the SIHA rental rehabilitation projects assisted, the following minimum property standards must be met.

- Section 8 Housing Quality Standards (HQS) cited in 24 CFR 982.401
- Requirements which address child safety measures;
- The International Residential Code and ADA Guidelines;
- Standards that ensure the provision of the following:
  - that the house is safe and physically sound with all systems performing their intended design functions;

- a livable home environment;
- an energy efficient building & systems that incorporate energy conservation measures; and
- adequate space and privacy for all intended household members.

2. Costs under the owner-occupied Repair Programs are for repairs that are essential to the health and safety of the occupants. The repair assistance is not designed to bring a substandard unit to standard condition. All repairs must be done in accordance with Section 8 HQS and the prevailing building code.

## **G. Definition Rehabilitation Costs**

Development hard costs are the actual rehabilitation costs for labor and materials for the following:

- Essential improvements
- Energy-related improvements
- Lead-based paint hazards
- Improvements for handicapped accessibility
- Repair or replacement of major housing systems
- Demolition Costs - When part of a rehabilitation project
- Site Improvements and Utility Connections.

Related Soft Costs are reasonable and necessary costs (paid to a third party), including:

### **1. Finance Related Costs**

- Origination fees Credit reports
- Title reports and updates Recordation fees
- Preparation and filing legal documents Appraisal
- Attorney's fees
- Loan processing fees Other customary fees

### **2. Construction Related Costs**

- Architectural and Engineering fees
- Preparation of work write-ups and cost estimates Surveys

## H. Eligible Repairs for Owner Occupied Units

<ul style="list-style-type: none"> <li>• Roof</li> <li>• Plumbing</li> <li>• Flooring</li> <li>• Windows</li> <li>• Safe ingress and egress</li> </ul>	<ul style="list-style-type: none"> <li>• Handicap Accessibility</li> <li>• Energy Efficiency</li> <li>• Electric</li> <li>• Heating</li> <li>• Foundations</li> </ul>
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## I. Model Process

A well-run Rehabilitation Program addresses the rehabilitation needs of individual properties and neighborhoods and requires close involvement with the homebuyer or homeowner receiving the assistance. The following table lists the minimum steps that must be implemented to ensure program success.

GENERAL STEP	INVOLVEMENT
Intake	Meet home owner, take a pre-application, determine type of assistance, explain program and counseling requirements.
Initial Inspection	Schedule property inspection, inspect property, write deficiency list.  Prepare detailed work write-up and cost estimate (scope of work).
Verification	Prepare and submit verification forms, order title search, order appraisal
Verify Home Owner Income	Prepare and submit verification forms
Schedule Counseling	Discuss during initial contact, insurance requirements, maintenance counseling
Finalize Agreement	Complete all application documents
Construction	Force account or conventional method of construction will be utilized. Activities include but are not limited to the following: Schedule construction, mobilize force account crew, Owner preconstruction conference, Owner sign notice to proceed and scope of work.
Contracting	Solicit bids for electrical, heating, or other specialty items. Negotiate price and contract terms when applicable.
Construction Management	Conduct progress inspections, conduct final inspection, owner approval

## J. Construction Activity

The SIHA will act as the contractor and perform and manage the construction work. The SIHA Force Account Crew will be supervised by a qualified Construction Superintendent/Manager. Work will be inspected by a licensed residential building inspector. SIHA may also exercise the option to contract all work out. Specialized areas will be performed through a contract in accordance with the SIHA Procurement Policy. Work will be completed in accordance with Section 8 HQS and the International Residential Code. SIHA is to use, at no cost to SIHA, recipient's existing utilities to carry out and complete work under this contract.

## K. Minimum Period of Repayment, Recapture or Resale Provisions

The period for repayment or recapture of the Home repair depends on the amount of funds invested in the home purchase:

<b>Per Unit Investment</b>	<b>Minimum Recapture Period</b>	<b>Secured by:</b>
<\$5,000	3 years	<b>Promissory note as determined by SIHA</b>
>\$5,000	5 years	<b>Promissory note</b>

## L. Warranty

The work to be completed by SIHA will be guaranteed for one (1) year from the date of completion. Recipients of rehab or repair assistance must be informed that problems with any of the items covered by a warranty or warranty certificate must contact the supplier/manufacturer directly to obtain assistance. No part of any warranty will cover damage to an item which has been deemed damaged through negligence or by lack of maintenance.

## M. Documentation

All activities associated with SIHA's Rehabilitation Programs must be documented. The following documents will be used as required. Additional documents may be developed and approved by SIHA to track a specific requirement associated with a specific type of assistance. Tracking of documentation will be recorded on the SIHA Rehabilitation Checklist designed for that particular program and may include, but is not limited to, the following documents:

- Preliminary Application
- Formal Application

- Housing Counseling Agreement
- Loan Agreement
- BIA Title Search Report
- BIA Credit Verification
- Verification of Trust Income/Assets
- Release of Information
- Verification of Ownership, Land Status
- Property Inspection Form: Lists deficiencies and work needed (May use Section 8 Housing Quality Inspection Form)
- Program Description: Description of what to expect
- Verification of Employment: Verifies applicant employment
- Verification of Public Assistance: Verifies applicant receipt of public assistance
- Verification of Deposits: Verifies applicant savings and checking accounts
- Verification of Mortgage or Deed of Trust: Verifies presence of other liens on applicant property
- Authority to Verify Credit Information
- Preconstruction Conference Form: A statement of the understanding of the terms under which the work is to be performed and the responsibilities of each party
- Change Order Form: Statement that documents the need to change a work specification
- Certificate of Final Inspection: Indicates all work has been completed to expectations
- Warranty Information

#### **N. Monitoring Requirements**

Project monitoring is required only for the duration of rehabilitation work or the close out of a particular grant program. There are no long-term monitoring requirements except for loan servicing, conditional grants, and where continued counseling is required.

#### **O. Application**

Application procedures will be developed and implemented by SIHA. All application information is to be completed, processed, and verified utilizing forms developed by SIHA. Intake, processing, and verification procedures must be consistent with standard financing and underwriting practices. Additionally, applications for SIHA Rehab Programs must indicate the income levels and any other special characteristics of the targeted population.

Amended by Board of Commissioners on June 5, 2019



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Timothy Horan, Executive Director

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