

CITY OF HUTCHINSON DOWNTOWN RENTAL REHAB PROGRAM FACTSHEET

1. Funds are limited so applicants will be prioritized on a first-come, first-serve basis in each category (i.e. single family, duplex/2units or 3+ unit complexes). This basis is dependent on the completion of the full application packet.
2. Contract for Deed is not an eligible form of ownership for the Downtown Rental Rehab Program.
3. Grant Requirements include that an adequate number of units be occupied by low-moderate income (LMI) households at affordable rents (**Rent minus the tenant paid utility allowances listed on the back**). Buildings proposed for participation must meet the following minimum requirement: 51% of the units (50% in the case of a duplex) must be occupied by an income qualified household (see below) who rents are at or below the rent rate for McLeod County (see below).
4. During the five-year compliance period rents should not be increased.
5. The work that can be done with the SCDP dollars are generally limited to repairs or replacement of existing, deteriorating exterior features such as windows, doors, roofs, furnaces, energy improvements and to correct building code violations. I understand no “remodeling” can be done with the SCDP funds. However, handicap accessibility improvements are allowed.
6. Owners may be eligible for a deferred loan of up to 70% of the rehab costs, on the rental units with a maximum SCDP loan of:
 - \$10,000/Unit for apartments above downtown business (additional funds may be available through the EDA)
 - \$15,000/Unit for duplex-2 units
 - \$12,500 for 3+ unit buildings
 - \$24,999/Single family rental house
7. A repayment agreement will secure SCDP loan funds for a 5 year period. After 5 years, if all grant requirements are met, the loan is forgiven. If the owners sells or transfers the property during that 5 year period, the loan or a portion of it must be repaid.
8. The property owner must provide at least 30% of the construction costs.
9. The rehabilitation process must be coordinated through the Hutchinson Housing & Redevelopment Authority (HHRA) and competitive bids from MN licensed contractors with insurance must be received for the work. Any work done before coordinating with the HHRA will not be eligible for SCDP funding.

2017 Income limits for McLeod County

Family Size	Income Limits
1	\$39,550
2	\$45,200
3	\$50,850
4	\$56,500
5	\$61,050
6	\$65,550
7	\$70,100
8	\$74,600

2017 Rent Limits for McLeod County

Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
\$479	\$588	\$755	\$1059	\$1,224



Current Utility Allowances

Single Family Detached		0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Heating	Natural Gas	52	61	71	81	91	100	108
	Bottle Gas	87	102	119	136	153	168	182
	Electric	49	58	68	78	88	98	106
	EL Ht Pump	34	40	47	54	61	68	74
Cooking	Natural Gas	4	4	5	6	7	8	9
	Bottle Gas	6	6	7	11	13	14	15
	Electric	5	6	7	9	10	12	13
Other Electric		25	29	38	47	56	65	70
A/C		3	3	5	7	9	11	12
Water Heating	Natural Gas	10	12	16	21	24	26	28
	Bottle Gas	17	20	28	35	39	45	48
	Electric	13	15	21	27	31	34	37
Water		23	24	31	37	44	50	55
Sewer		34	35	44	54	64	73	80
Trash Collection		30	30	30	30	30	30	30
Range/Micro	Tenant Supplied	12	12	12	12	12	12	12
Refrigerator	Tenant Supplied	13	13	13	13	13	13	13
Other Monthly fee	Electric	7	7	7	7	7	7	7
	Gas	7	7	7	7	7	7	7
Duplex/Garden/3-5 Units		0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Heating	Natural Gas	44	52	60	69	77	85	92
	Bottle Gas	73	87	101	116	130	144	154
	Electric	29	34	46	57	68	79	85
	El Ht Pump	20	24	32	39	47	55	59
Cooking	Natural Gas	4	4	5	6	7	8	9
	Bottle Gas	6	6	7	11	13	14	15
	Electric	5	6	7	9	10	12	13
Other Electric		20	23	32	40	49	58	62
A/C		3	4	5	6	7	8	9
Water Heating	Natural Gas	10	12	16	21	24	26	28
	Bottle Gas	17	20	28	35	39	45	48
	Electric	13	15	21	27	31	34	37
Water		23	24	31	37	44	50	55
Sewer		34	35	44	54	64	73	80
Trash Collection		30	30	30	30	30	30	30
Range/Micro	Tenant Supplied	12	12	12	12	12	12	12
Refrigerator	Tenant Supplied	13	13	13	13	13	13	13
Other Monthly fee	Electric	7	7	7	7	7	7	7
	Gas	7	7	7	7	7	7	7
Multi-Unit (6 units +)		0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Heating	Natural Gas	29	34	39	45	51	56	61
	Bottle Gas	49	56	66	77	85	95	102
	Electric	20	24	33	42	51	60	65
	El Ht Pump	14	17	23	29	35	42	45
Cooking	Natural Gas	4	4	5	6	7	8	9
	Bottle Gas	6	6	7	11	13	14	15
	Electric	5	6	7	9	10	12	13
Other Electric		17	20	27	33	39	46	49
A/C		2	2	4	5	6	8	8
Water Heating	Natural Gas	10	12	16	21	24	26	28
	Bottle Gas	17	20	28	35	39	45	48
	Electric	13	15	21	27	31	34	37
Water		23	24	31	37	44	50	55
Sewer		34	35	44	54	64	73	80
Trash Collection		30	30	30	30	30	30	30
Range/Micro	Tenant Supplied	12	12	12	12	12	12	12
Refrigerator	Tenant Supplied	13	13	13	13	13	13	13
Other Monthly fee	Electric	7	7	7	7	7	7	7
	Gas	7	7	7	7	7	7	7

City of Hutchinson Downtown Rental Rehab Program Application Packet

Funds are limited so applicants will be prioritized on a first-come, first-serve basis in each category (i.e. single family, duplex/2units or 3+ unit complexes). This basis is dependent on the completion of the full application packet.

Attached is a copy of the Program Factsheet so you can read more about our program and know what to expect if you choose to apply.

You will need to submit the following items to the Hutchinson HRA:

Owner Information:

1. What can an Owner Expect – signed and dated (enclosed)
2. Application, Loan, Rehab Process – signed and dated (enclosed)
3. Application – signed and dated (enclosed)
4. Authority to Release Information – signed and dated (enclosed)
5. Uniform Relocation Act Information – signed and dated (enclosed)
6. Data Privacy Statement – signed and dated (enclosed) - Describes how the private information you provide will be used. The information you provide to our agency for our files will be used to determine your eligibility and it will be released only to those persons who are required to review files.
7. Proof of Ownership: Copy of your Deed
8. Copy of Property Tax Statement
9. Copy of Your Current Property Insurance Policy
10. Copy of the City of Hutchinson Rental Registration License
11. Copy of Your Current Mortgage Statement (if applicable).
12. Lead Form (enclosed) - If your building was built before 1978, it will be necessary to conduct a lead risk assessment to determine potential lead hazards and disclose hazards identified to tenants. It will be necessary to reduce lead hazards as part of the SCDP funded rehabilitation activities.
13. Property Owner Conditions – signed and dated (enclosed)
14. Understanding of Owner Match form – signed and dated (enclosed)
 - Proof of Owner Match/leverage
15. Photo Release Form – signed and dated (enclosed)

Tenant Information: We need information about the tenants currently living in your building, including their incomes, family size and composition, as well as current rents. Tenant living in the property at the time of application and before rehab completion, must be informed of their rights.

1. Tenant survey form which should be completed, signed and collected from each household living in the property.
2. Authority to Release Information – signed and dated (enclosed)
3. Data Privacy statement – signed and dated (enclosed)
4. General Information Notice (enclosed). **Please obtain proof that they received it!**
5. Lease Addendum – signed and dated by tenant & owner (enclosed)

Please return all required forms to Judy at the Hutchinson HRA, 111 Hassan St. SE, Hutchinson, MN 55350
Phone (320) 234-4251 Fax (320) 234-4240

When we receive the requested items, we will evaluate you for your eligibility of the program. *We will notify you of your qualifications for the loan/grant.*





WHAT TO EXPECT AND WHAT NOT TO EXPECT FROM THE RENTAL REHAB PROGRAM



Things That Owners Do in the Rental Rehab Program

The housing program staff will help owners during the rehab process, but owners are responsible for making the choices and doing the work listed below.

1. Owners provide the program staff with necessary information promptly.
2. Owners, not the program staff, choose contractors to bid their project. A list of contractors is available however the HRA does not promote or endorse any particular contractor. At least two bids, preferably three, are required for the program. If the lowest bid is not selected, the owner is responsible for the cost difference. (This program requires that all contractors, including subs, must have proof of licensing or license exemption on file with the City in order to work on your home).
3. If the owner does not feel comfortable after meeting with the contractor during the bidding process, they must notify the contractor and the HRA in writing immediately that they withdraw their invitation to bid on their project. Notification must happen before the contractor submits their bid!
4. Owners, not the program staff, select the contractor to do the work on the building.
5. Owners sign rehab contracts with the selected contractor.
6. Owners approve payments to their contractors.
7. Owners are part of inspecting and approving work performed by their contractors.
8. Owners work with contractors to settle disagreements during the job.
9. Owners contact their contractors to ask them to correct problems covered by contractor warranties during the first year after the job has been completed, not the program staff.

Things Owners Should Think about before Taking out a Rental Rehab Loan

1. There are rules about what work can be financed. All the improvements you would like addressed may not be eligible for financing under this program.
2. Repairs will correct health and safety problems, but they may **not** solve all problems in your building.
3. Don't expect the building to be completely new after the work is done.
4. Don't expect all floors, walls, ceilings, doors, windows, etc. to be completely plumb, level, and square when work is done.
5. It can be stressful for the tenants living in a building while a contractor is performing the work.
6. Very few times in life is anyone completely satisfied with things they buy or have repaired. Buying a house or having a house repaired is no different.
7. Houses/buildings always need improvements. It would be a good idea to save \$25 a month to help cover the cost of future repairs and maintenance.
8. Finally, the program staff is not the contractor and cannot guarantee that owners will be satisfied with the work done by the contractors.

THE ABOVE HAS BEEN READ AND UNDERSTOOD BY THE UNDERSIGNED.

Owner Signature

Date

Owner Signature

Date

CITY OF HUTCHINSON DOWNTOWN RENTAL REHAB PROGRAM

Application, Loan and Rehabilitation Process

The following is the process used when you apply for and receive a loan from the City for rehabilitation of your rental property.

1. All loans will be processed by a First Come – First Served Waiting List System in each category (i.e. single family, duplex or 3+ unit complexes). Placement on the list will be determined by the date that **fully completed** Applications Packets are returned to the HRA. If an Application packet is returned but does not contain all required forms completed and signed plus **all** other requested information, that application will be moved down to the bottom of the list until **all** missing or incomplete forms and information is received.
2. Upon review of the application for eligibility, applicants will be contacted by a letter or phone call that they have been determined to **appear eligible** at this point and asked to contact the HRA to schedule a Housing Rehabilitation Standards Inspection plus a Lead Based Paint Inspection/Assessment of buildings built through the end of 1977. The Lead Based Paint Inspection/Assessment fee will depend on how many units are in the project. This fee will be wrapped into the eligible project costs. However, a check for the inspection will be required up front and returned at the time of closing.
3. The HRA Housing Inspectors, who will determine whether the property is suitable for rehab, will conduct inspections and Assessments. Suitable for rehabilitation is defined as: A building is suitable for rehabilitation when it is structurally sound. To be rehabbed, a building should be vertically plumb within three degrees and shall have no significant rot on the majority of the floor joists, studs or rafters that are weight bearing. Foundations and basement walls shall not be deteriorated to the extent or so out of alignment that they do not adequately support the building and can not be corrected without complete replacement.
4. After the inspections and the building appears to be reasonably suitable for rehabilitation, the Housing Inspector will write work specifications for the rehabilitation to be done to the property. The Owner will be asked to review the specifications for approval. If there are any concerns about the specifications, the Owner and the Housing Inspector will meet to discuss the concerns.
5. Once the specifications have been approved, the Owner will choose which MN-licensed contractors to have the specifications sent to. There will be a deadline date chosen for bids to be turned in to the HRA office. The bids will be opened by the HRA staff and the Owner will be given copies of the bids to review.
6. After contractor selection and a total project cost have been determined, the loan package will be presented to the HRA Loan Review Committee for approval.
7. **If approved**, the Owner will be required to sign all loan papers, including a Mortgage/Repayment Agreement (**there will be a lien against the property**) that will be filed at the County Recorder's Office. At the time of the loan closing the Owner will be required to pay a **\$46 or current fee for the filing fee per loan**, and to pay the owner match to the City of Hutchinson.
8. On the same day, there will be an Owner-Contractor meeting with HRA Staff, so that all parties fully understand and agree upon the work to be done. There will be an execution of an Owner-Contractor Contract before a Notice to Proceed is issued. (This meeting will usually be conducted at the building on the same day as the Mortgage/repayment Agreement papers are executed).
9. Work normally shall be complete in 90 days from issuance of Notice to Proceed. However, depending on the Lead Based Paint Assessment, time of year, or foreseen difficulties that may arise, some projects may need an extension of time for project completion. Change orders must be executed for all extensions.
10. Once a work item is completed, and approved by both the Housing Inspector and Owner, a Contractor will be able to submit a bill for payment to the HRA. The Owner will approve Contractor payments before processing by the HRA and the City Finance Department.
11. The City will issue all payment checks to the Contractor. Completion Certificates also need to be sign by the Owner, Contractor and HRA Staff, as well as Lien Waivers and Sworn Construction Statements signed by the Contractor, before the check issuance.
12. Once all the work is completed, received lead clearance, all required forms signed, and all payments to the Contractor made, the project will be considered closed and completed by the City and the HRA.

THE ABOVE HAS BEEN READ AND UNDERSTOOD BY THE UNDERSIGNED.

Owner Signature

Date

Owner Signature

Date

City of Hutchinson Downtown Rental Rehabilitation Loan Application

Applicant Information

Name of Applicant: _____

Name of Co-Applicant: _____

Federal ID Number or Social Security Number: _____

Street Address of Applicant: _____ Office Phone: _____

City, State, Zip Code: _____ Home Phone: _____

Contact Person: _____ Office Phone: _____ Home Phone: _____

Are you and/or the co-applicant, within the last 12 months or currently, an employee, agent, consultant, officer, or elected official or appointed official of the state, or unit of local government, or any designated public agencies, or sub-recipients that are receiving assistance for the SCDP program? Yes No

Property Information

Address of Building to be rehabilitated: _____

Estimated Age of Building: _____ Estimated Market Value: \$_____ Current Property Taxes: \$_____

Gross area of Building: _____ square feet (Exclude non-habitable space such as attics, basements, etc.)

Gross area of nonresidential space: _____ square feet (Include commercial, office, owner-occupied unit, etc.)

Current zoning: _____ Is this building within a correct zoning classification? Yes No

Is it on the National Historic Register? Yes No Is it in a Floodplain? Yes No

Legal Description:

Number of Units: _____ Number of Stories: _____

Structure Type: Elevator Row/Townhouse Walk-up Detached

Parking Spaces: Surface Covered

Ownership Information

Ownership interest in property to be improved:

Contract for Deed

Free and Clear

Mortgage

Lessee: Specify terms of Lease: _____

Other: Specify: _____

Name(s) on Title: Specify ownership interest of each name on the title:

Amount of Outstanding Principal owed on Building: \$_____

Note: Attach a Copy of the Most Recent Property Tax Statement from County Assessor's Office and Proof of Insurance on Building

Estimated Rehabilitation Costs and Requested Loan Information

Describe Proposed Improvements:

Exterior: _____
 Mechanical Systems: _____
 Interior: _____

Estimated Total Cost of Proposed Rehabilitation Work: \$ _____

Requested Loan Amount from Program: \$ _____

Matching Amount: \$ _____

Sources of Match: Personal Savings Mortgage Private Loan Other _____

Current Rent Structure: * Rents should not be raised for the term of the loan/grant.

Unit Type:	# of Units	#Presently Vacant	Current	Contract Rent
Efficiency	_____	_____	_____	_____
1 BR	_____	_____	_____	_____
2 BR	_____	_____	_____	_____
3 BR	_____	_____	_____	_____
4 BR	_____	_____	_____	_____
Total	_____	_____	_____	_____

Utilities Paid (Check one)	Owner	Tenant
Heat: <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Propane	_____	_____
Cooking: <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Propane	_____	_____
Water Heating <input type="checkbox"/> Gas <input type="checkbox"/> Electric	_____	_____
Electricity	_____	_____
Water/Sewer	_____	_____
Trash Collection	_____	_____

Project Occupancy Information: (Attach a rent roll)

Apt #	Tenant Name	Phone #	# of Bedrooms	Rent	Est. Gross Annual Income	# of Adults	# of Minors
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____
_____	_____	_____	_____	\$ _____	\$ _____	_____	_____

Certification:

The Rehabilitation staff or an authorized representative shall have the right to inspect the property to be improved and meet with tenants at any time from the date of application upon giving due notice to the owner and to occupants.

I, the undersigned, understand that from the date of this application I will not cause the “displacement” of existing tenants. Federal regulations require that all reasonable steps be taken to minimize the displacement of persons (families, individuals, businesses, non-profit organizations and farms) when a development is federally-assisted. Tenants must be given a reasonable opportunity to lease and occupy decent, safe, sanitary, lead safe and affordable housing. Tenants living in the property at the time of application, as well as any tenants legally moving into the property any time after application, and before development completion, must be informed of their rights. The potential for displacement may be a valid reason not to fund the rehab project. Certain notices and information must be given to all tenants at specific times throughout rehab. If these requirements are not followed, tenants could easily move from a development, and be eligible for displacement and relocation assistance. Any permanent relocation expenses will be the sole responsibility of the property owner.

I, the undersigned, understand and agree that upon rehabilitation at least 51 percent of units (50% in the case of duplexes) must be occupied by low/moderate income households and that rental rates will be affordable as defined by the McLeod County Income limits & set Affordable Rents for the term of the loan/grant.

I/we certify that all statements on this application are true and correct to the best of my/our knowledge. I/we understand that any intentional misstatements will be grounds for disqualification.

I/we authorize program representatives with the right to access the property to be improved for the purpose of the deferred loan program and to take photographs of the structure before and after rehabilitation.

Applicant: _____

Date: _____

Co-Applicant: _____

Date: _____

Release of Information

This is your authorization to release information regarding my income, employment, bank accounts, and outstanding debts including mortgages, to order a consumer credit report and to obtain other information about me/us that is necessary to support my application for a housing improvement loan from the **City of Hutchinson/HRA**.

You may make copies of this letter to distribute to any party with which I have a relationship and that party may treat that copy as an original.

Signature of Applicant

Date

Signature of Applicant

Date



Important Privacy Notice

Read Before Completing the Application Form

We are asking that you provide the information on the Rehabilitation Program application form to determine if you are eligible to participate in the program.

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the housing rehabilitation program about you and your household is considered private data.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the Minnesota Dept. of Employment and Economic Development, the U. S. Dept. of Housing and Urban Development or other local, state and federal agencies providing funding assistance for your loan.
- Members of the local governing board for the purpose of addressing/resolving applicant complaints (as addressed in the project's policy and procedural manual).
- Those persons who you authorize to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

We cannot release private data to anyone else or use the private data in any other way unless you give us permission by completing a consent form that we will provide. Please keep in mind, however, that data must be released if required by court order, and, in addition, your private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.

Signature
of Applicant _____

Date: _____

Signature
of Co-Applicant _____

Date: _____

Minnesota law gives you important rights in regard to information maintained about you. These include:

- The right to see and obtain copies of the data maintained on you,
- Be told the contents and meaning of the data, and
- Challenge the accuracy and completeness of the data.

To learn more about these rights, contact: Judy Fleming at (320) 234-4251.

Legal Description, Property Tax Statement & Proof of Insurance

LEGAL DESCRIPTION

The Hutchinson HRA needs your full legal description to verify your information at the McLeod County Courthouse. Please attach a copy of the full legal description from your abstract, Torrens certificate, deed, contract-for-deed or from your first mortgage document for your home.

PROPERTY TAX STATEMENT

Please attach a copy of your most current property tax statement. This is used to verify that you have at least 1/3 ownership interest.

PROOF OF CURRENT PROPERTY INSURANCE

The Hutchinson HRA needs proof that there is property insurance on the building to be rehabbed. Please complete the following information and **attach a copy of your property insurance policy**.

1. Insurance Company: _____
2. Company's Address: _____
3. Policy # _____
4. Type of coverage: _____
5. Date paid: _____

MORTGAGE VERIFICATION

Part I: To be completed by the Applicant

Name of Mortgage Lender _____ Date of Request: _____

Financial Institution Address: _____ Phone: _____

Applicant: _____ Mtge. #: _____

To the Lender named above, I hereby grant the release of information regarding my mortgage to the Hutchinson HRA. I understand that this information will be treated as private data. This verification request is required to establish my program eligibility and I would appreciate your prompt completion of the form.

Signature of Applicant: _____

Part II: To be completed by the Mortgage Company

1. Original Date of Mortgage: _____

2. Original Amount: \$ _____

3. Current Mortgage Balance: \$ _____

4. Monthly Mortgage Payment: \$ _____ Interest Rate Paid: _____

5. Does this Payment Include an Escrow for Taxes? Yes No

6. Is this mortgage current? Yes No

7. How many times has this borrower paid more than 30 days late within the last 12 months? _____

Comments on this loan:

Person completing form

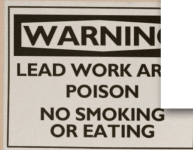
Date

Title

Telephone Number

**Return this Form to: Judy Flemming, Hutchinson HRA,
111 Hassan St SE, Hutchinson, MN 55350
Telephone: 320-234-4251 FAX 320-234-4240**

THE LEAD-SAFE CERTIFIED GUIDE TO RENOVATE RIGHT



CAUTION CAUTION CAUTION CAUTION CAUTION CAUTION



1-800-424-LEAD (5323)

epa.gov/getleadsafe

EPA-740-K-10-001

Revised September 2011



Important lead hazard information for families, child care providers and schools.



This document may be purchased through the U.S. Government Printing Office online at bookstore.gpo.gov or by phone (toll-free): 1-866-512-1800.

IT'S THE LAW!

Federal law requires contractors that disturb painted surfaces in homes, child care facilities and schools built before 1978 to be certified and follow specific work practices to prevent lead contamination. Always ask to see your contractor's certification.

Federal law requires that individuals receive certain information before renovating more than six square feet of painted surfaces in a room for interior projects or more than twenty square feet of painted surfaces for exterior projects or window replacement or demolition in housing, child care facilities and schools built before 1978.

- Homeowners and tenants: renovators must give you this pamphlet before starting work.
- Child care facilities, including preschools and kindergarten classrooms, and the families of children under six years of age that attend those facilities: renovators must provide a copy of this pamphlet to child care facilities and general renovation information to families whose children attend those facilities.

WHO SHOULD READ THIS PAMPHLET?

This pamphlet is for you if you:

- Reside in a home built before 1978.
- Own or operate a child care facility, including preschools and kindergarten classrooms, built before 1978, or
- Have a child under six years of age who attends a child care facility built before 1978.

You will learn:

- Basic facts about lead and your health.
- How to choose a contractor, if you are a property owner.
- What tenants, and parents/guardians of a child in a child care facility or school should consider.
- How to prepare for the renovation or repair job.
- What to look for during the job and after the job is done.
- Where to get more information about lead.

This pamphlet is not for:

- **Abatement projects.** Abatement is a set of activities aimed specifically at eliminating lead or lead hazards. EPA has regulations for certification and training of abatement professionals. If your goal is to eliminate lead or lead hazards, contact the National Lead Information Center at **1-800-424-LEAD (5323)** for more information.
- **“Do-it-yourself”** projects. If you plan to do renovation work yourself, this document is a good start, but you will need more information to complete the work safely. Call the National Lead Information Center at **1-800-424-LEAD (5323)** and ask for more information on how to work safely in a home with lead-based paint.
- **Contractor education.** Contractors who want information about working safely with lead should contact the National Lead Information Center at **1-800-424-LEAD (5323)** for information about courses and resources on lead-safe work practices.



RENOVATING, REPAIRING, OR PAINTING?



- Is your home, your building, or the child care facility or school your children attend being renovated, repaired, or painted?
- Was your home, your building, or the child care facility or school where your children under six years of age attend built before 1978?

If the answer to these questions is YES, there are a few important things you need to know about lead-based paint.

This pamphlet provides basic facts about lead and information about lead safety when work is being done in your home, your building or the child care facility or school your children attend.

The Facts About Lead

- Lead can affect children's brains and developing nervous systems, causing reduced IQ, learning disabilities, and behavioral problems. Lead is also harmful to adults.
 - Lead in dust is the most common way people are exposed to lead. People can also get lead in their bodies from lead in soil or paint chips. Lead dust is often invisible.
 - Lead-based paint was used in more than 38 million homes until it was banned for residential use in 1978.
 - Projects that disturb painted surfaces can create dust and endanger you and your family. Don't let this happen to you. Follow the practices described in this pamphlet to protect you and your family.
-

LEAD AND YOUR HEALTH

Lead is especially dangerous to children under six years of age.

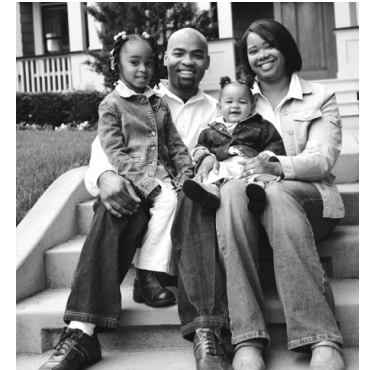
Lead can affect children's brains and developing nervous systems, causing:

- Reduced IQ and learning disabilities.
- Behavior problems.

Even children who appear healthy can have dangerous levels of lead in their bodies.

Lead is also harmful to adults. In adults, low levels of lead can pose many dangers, including:

- High blood pressure and hypertension.
- Pregnant women exposed to lead can transfer lead to their fetuses. Lead gets into the body when it is swallowed or inhaled.
- People, especially children, can swallow lead dust as they eat, play, and do other normal hand-to-mouth activities.
- People may also breathe in lead dust or fumes if they disturb lead-based paint. People who sand, scrape, burn, brush, blast or otherwise disturb lead-based paint risk unsafe exposure to lead.



What should I do if I am concerned about my family's exposure to lead?

- A blood test is the only way to find out if you or a family member already has lead poisoning. Call your doctor or local health department to arrange for a blood test.
- Call your local health department for advice on reducing and eliminating exposures to lead inside and outside your home, child care facility or school.
- Always use lead-safe work practices when renovation or repair will disturb painted surfaces.

For more information about the health effects of exposure to lead, visit the EPA lead website at epa.gov/lead/pubs/leadinfo or call 1-800-424-LEAD (5323).

There are other things you can do to protect your family every day.

- Regularly clean floors, window sills, and other surfaces.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat a healthy, nutritious diet consistent with the USDA's dietary guidelines, that helps protect children from the effects of lead.
- Wipe off shoes before entering the house.

WHERE DOES THE LEAD COME FROM?

Dust is the main problem.

The most common way to get lead in the body is from dust. Lead dust comes from deteriorating lead-based paint and lead-contaminated soil that gets tracked into your home. This dust may accumulate to unsafe levels. Then, normal hand-to-mouth activities, like playing and eating (especially in young children), move that dust from surfaces like floors and window sills into the body.

Home renovation creates dust.

Common renovation activities like sanding, cutting, and demolition can create hazardous lead dust and chips.

Proper work practices protect you from the dust.

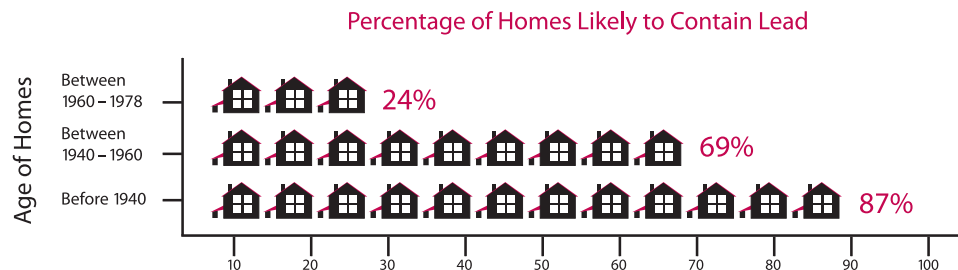
The key to protecting yourself and your family during a renovation, repair or painting job is to use lead-safe work practices such as containing dust inside the work area, using dust-minimizing work methods, and conducting a careful cleanup, as described in this pamphlet.

Other sources of lead.

Remember, lead can also come from outside soil, your water, or household items (such as lead-glazed pottery and lead crystal). Contact the National Lead Information Center at 1-800-424-LEAD (5323) for more information on these sources.



CHECKING YOUR HOME FOR LEAD-BASED PAINT



Older homes, child care facilities, and schools are more likely to contain lead-based paint.

Homes may be single-family homes or apartments. They may be private, government-assisted, or public housing. Schools are preschools and kindergarten classrooms. They may be urban, suburban, or rural.

You have the following options:

You may decide to assume your home, child care facility, or school contains lead.

Especially in older homes and buildings, you may simply want to assume lead-based paint is present and follow the lead-safe work practices described in this brochure during the renovation, repair, or painting job.

You can hire a certified professional to check for lead-based paint.

These professionals are certified risk assessors or inspectors, and can determine if your home has lead or lead hazards.

- A certified inspector or risk assessor can conduct an inspection telling you whether your home, or a portion of your home, has lead-based paint and where it is located. This will tell you the areas in your home where lead-safe work practices are needed.
- A certified risk assessor can conduct a risk assessment telling you if your home currently has any lead hazards from lead in paint, dust, or soil. The risk assessor can also tell you what actions to take to address any hazards.
- For help finding a certified risk assessor or inspector, call the National Lead Information Center at 1-800-424-LEAD (5323).

You may also have a certified renovator test the surfaces or components being disturbed for lead by using a lead test kit or by taking paint chip samples and sending them to an EPA-recognized testing laboratory. Test kits must be EPA-recognized and are available at hardware stores. They include detailed instructions for their use.

FOR PROPERTY OWNERS

You have the ultimate responsibility for the safety of your family, tenants, or children in your care.

This means properly preparing for the renovation and keeping persons out of the work area (see p. 8). It also means ensuring the contractor uses lead-safe work practices.

Federal law requires that contractors performing renovation, repair and painting projects that disturb painted surfaces in homes, child care facilities, and schools built before 1978 be certified and follow specific work practices to prevent lead contamination.

Make sure your contractor is certified, and can explain clearly the details of the job and how the contractor will minimize lead hazards during the work.

- You can verify that a contractor is certified by checking EPA's website at epa.gov/getleadsafe or by calling the National Lead Information Center at 1-800-424-LEAD (5323). You can also ask to see a copy of the contractor's firm certification.
- Ask if the contractor is trained to perform lead-safe work practices and to see a copy of their training certificate.
- Ask them what lead-safe methods they will use to set up and perform the job in your home, child care facility or school.
- Ask for references from at least three recent jobs involving homes built before 1978, and speak to each personally.

Always make sure the contract is clear about how the work will be set up, performed, and cleaned.

- Share the results of any previous lead tests with the contractor.
- You should specify in the contract that they follow the work practices described on pages 9 and 10 of this brochure.
- The contract should specify which parts of your home are part of the work area and specify which lead-safe work practices will be used in those areas. Remember, your contractor should confine dust and debris to the work area and should minimize spreading that dust to other areas of the home.
- The contract should also specify that the contractor will clean the work area, verify that it was cleaned adequately, and re-clean it if necessary.

If you think a worker is not doing what he is supposed to do or is doing something that is unsafe, you should:

- Direct the contractor to comply with regulatory and contract requirements.
- Call your local health or building department, or
- Call EPA's hotline 1-800-424-LEAD (5323).

If your property receives housing assistance from HUD (or a state or local agency that uses HUD funds), you must follow the requirements of HUD's Lead-Safe Housing Rule and the ones described in this pamphlet.

FOR TENANTS AND FAMILIES OF CHILDREN UNDER SIX YEARS OF AGE IN CHILD CARE FACILITIES AND SCHOOLS

You play an important role ensuring the ultimate safety of your family.

This means properly preparing for the renovation and staying out of the work area (see p. 8).

Federal law requires that contractors performing renovation, repair and painting projects that disturb painted surfaces in homes built before 1978 and in child care facilities and schools built before 1978, that a child under six years of age visits regularly, to be certified and follow specific work practices to prevent lead contamination.

The law requires anyone hired to renovate, repair, or do painting preparation work on a property built before 1978 to follow the steps described on pages 9 and 10 unless the area where the work will be done contains no lead-based paint.

If you think a worker is not doing what he is supposed to do or is doing something that is unsafe, you should:

- Contact your landlord.
- Call your local health or building department, or
- Call EPA's hotline 1-800-424-LEAD (5323).

If you are concerned about lead hazards left behind after the job is over, you can check the work yourself (see page 10).



PREPARING FOR A RENOVATION

The work areas should not be accessible to occupants while the work occurs.

The rooms or areas where work is being done may need to be blocked off or sealed with plastic sheeting to contain any dust that is generated. Therefore, the contained area may not be available to you until the work in that room or area is complete, cleaned thoroughly, and the containment has been removed. Because you may not have access to some areas during the renovation, you should plan accordingly.

You may need:

- Alternative bedroom, bathroom, and kitchen arrangements if work is occurring in those areas of your home.
- A safe place for pets because they too can be poisoned by lead and can track lead dust into other areas of the home.
- A separate pathway for the contractor from the work area to the outside in order to bring materials in and out of the home. Ideally, it should not be through the same entrance that your family uses.
- A place to store your furniture. All furniture and belongings may have to be moved from the work area while the work is being done. Items that can't be moved, such as cabinets, should be wrapped in plastic.
- To turn off forced-air heating and air conditioning systems while the work is being done. This prevents dust from spreading through vents from the work area to the rest of your home. Consider how this may affect your living arrangements.

You may even want to move out of your home temporarily while all or part of the work is being done.

Child care facilities and schools may want to consider alternative accommodations for children and access to necessary facilities.



DURING THE WORK

Federal law requires contractors that are hired to perform renovation, repair and painting projects in homes, child care facilities, and schools built before 1978 that disturb painted surfaces to be certified and follow specific work practices to prevent lead contamination.

The work practices the contractor must follow include these three simple procedures, described below:

1. Contain the work area. The area must be contained so that dust and debris do not escape from that area. Warning signs must be put up and plastic or other impermeable material and tape must be used as appropriate to:

- Cover the floors and any furniture that cannot be moved.
- Seal off doors and heating and cooling system vents.
- For exterior renovations, cover the ground and, in some instances, erect vertical containment or equivalent extra precautions in containing the work area.

These work practices will help prevent dust or debris from getting outside the work area.

2. Avoid renovation methods that generate large amounts of lead-contaminated dust. Some methods generate so much lead-contaminated dust that their use is prohibited.

They are:

- Open flame burning or torching.
- Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment.
- Using a heat gun at temperatures greater than 1100°F.



There is no way to eliminate dust, but some renovation methods make less dust than others. Contractors may choose to use various methods to minimize dust generation, including using water to mist areas before sanding or scraping; scoring paint before separating components; and prying and pulling apart components instead of breaking them.

3. Clean up thoroughly. The work area should be cleaned up daily to keep it as clean as possible. When all the work is done, the area must be cleaned up using special cleaning methods before taking down any plastic that isolates the work area from the rest of the home. The special cleaning methods should include:

- Using a HEPA vacuum to clean up dust and debris on all surfaces, followed by
- Wet wiping and wet mopping with plenty of rinse water.

When the final cleaning is done, look around. There should be no dust, paint chips, or debris in the work area. If you see any dust, paint chips, or debris, the area must be re-cleaned.

FOR PROPERTY OWNERS: AFTER THE WORK IS DONE

When all the work is finished, you will want to know if your home, child care facility, or school where children under six attend has been cleaned up properly.

EPA Requires Cleaning Verification.

In addition to using allowable work practices and working in a lead-safe manner, EPA's RRP rule requires contractors to follow a specific cleaning protocol. The protocol requires the contractor to use disposable cleaning cloths to wipe the floor and other surfaces of the work area and compare these cloths to an EPA-provided cleaning verification card to determine if the work area was adequately cleaned. EPA research has shown that following the use of lead-safe work practices with the cleaning verification protocol will effectively reduce lead-dust hazards.

Lead-Dust Testing.

EPA believes that if you use a certified and trained renovation contractor who follows the LRRP rule by using lead-safe work practices and the cleaning protocol after the job is finished, lead-dust hazards will be effectively reduced. If, however, you are interested in having lead-dust testing done at the completion of your job, outlined below is some helpful information.

What is a lead-dust test?

- Lead-dust tests are wipe samples sent to a laboratory for analysis. You will get a report specifying the levels of lead found after your specific job.

How and when should I ask my contractor about lead-dust testing?

- Contractors are not required by EPA to conduct lead-dust testing. However, if you want testing, EPA recommends testing be conducted by a lead professional. To locate a lead professional who will perform an evaluation near you, visit EPA's website at epa.gov/lead/pubs/locate or contact the National Lead Information Center at **1-800-424-LEAD (5323)**.
- If you decide that you want lead-dust testing, it is a good idea to specify in your contract, before the start of the job, that a lead-dust test is to be done for your job and who will do the testing, as well as whether re-cleaning will be required based on the results of the test.
- You may do the testing yourself. If you choose to do the testing, some EPA-recognized lead laboratories will send you a kit that allows you to collect samples and send them back to the laboratory for analysis. Contact the National Lead Information Center for lists of EPA-recognized testing laboratories.



FOR ADDITIONAL INFORMATION

You may need additional information on how to protect yourself and your children while a job is going on in your home, your building, or child care facility.

The National Lead Information Center at **1-800-424-LEAD (5323)** or epa.gov/lead/nlic can tell you how to contact your state, local, and/or tribal programs or get general information about lead poisoning prevention.

- State and tribal lead poisoning prevention or environmental protection programs can provide information about lead regulations and potential sources of financial aid for reducing lead hazards. If your state or local government has requirements more stringent than those described in this pamphlet, you must follow those requirements.
- Local building code officials can tell you the regulations that apply to the renovation work that you are planning.
- State, county, and local health departments can provide information about local programs, including assistance for lead-poisoned children and advice on ways to get your home checked for lead.



The National Lead Information Center can also provide a variety of resource materials, including the following guides to lead-safe work practices. Many of these materials are also available at epa.gov/lead/pubs/brochure

- Steps to Lead Safe Renovation, Repair and Painting.
- Protect Your Family from Lead in Your Home
- Lead in Your Home: A Parent's Reference Guide



For the hearing impaired, call the Federal Information Relay Service at 1-800-877-8339 to access any of the phone numbers in this brochure.

EPA CONTACTS

EPA Regional Offices

EPA addresses residential lead hazards through several different regulations. EPA requires training and certification for conducting abatement and renovations, education about hazards associated with renovations, disclosure about known lead paint and lead hazards in housing, and sets lead-paint hazard standards.

Your Regional EPA Office can provide further information regarding lead safety and lead protection programs at epa.gov/lead.

Region 1

(Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
Regional Lead Contact
U.S. EPA Region 1
Suite 1100
One Congress Street
Boston, MA 02114-2023
(888) 372-7341

Region 2

(New Jersey, New York, Puerto Rico, Virgin Islands)
Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3

(Delaware, Maryland, Pennsylvania, Virginia, Washington, DC, West Virginia)
Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA
19103-2029
(215) 814-5000

Region 4

(Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303-8960
(404) 562-9900

Region 5

(Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
Regional Lead Contact
U.S. EPA Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3507
(312) 886-6003

Region 6

(Arkansas, Louisiana, New Mexico, Oklahoma, Texas)
Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue,
12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7

(Iowa, Kansas, Missouri, Nebraska)
Regional Lead Contact
U.S. EPA Region 7
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7003

Region 8

(Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop Street
Denver, CO 80202
(303) 312-6312

Region 9

(Arizona, California, Hawaii, Nevada)
Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-8021

Region 10

(Alaska, Idaho, Oregon, Washington)
Regional Lead Contact
U.S. EPA Region 10
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1200

OTHER FEDERAL AGENCIES

CPSC

The Consumer Product Safety Commission (CPSC) protects the public from the unreasonable risk of injury or death from 15,000 types of consumer products under the agency's jurisdiction. CPSC warns the public and private sectors to reduce exposure to lead and increase consumer awareness. Contact CPSC for further information regarding regulations and consumer product safety.

CPSC

4330 East West Highway
Bethesda, MD 20814
Hotline 1-(800) 638-2772
cpsc.gov

CDC Childhood Lead Poisoning Prevention Branch

The Centers for Disease Control and Prevention (CDC) assists state and local childhood lead poisoning prevention programs to provide a scientific basis for policy decisions, and to ensure that health issues are addressed in decisions about housing and the environment. Contact CDC Childhood Lead Poisoning Prevention Program for additional materials and links on the topic of lead.

CDC Childhood Lead Poisoning Prevention Branch

4770 Buford Highway, MS F-40
Atlanta, GA 30341
(770) 488-3300
cdc.gov/nceh/lead

HUD Office of Healthy Homes and Lead Hazard Control

The Department of Housing and Urban Development (HUD) provides funds to state and local governments to develop cost-effective ways to reduce lead-based paint hazards in America's privately-owned low-income housing. In addition, the office enforces the rule on disclosure of known lead paint and lead hazards in housing, and HUD's lead safety regulations in HUD-assisted housing, provides public outreach and technical assistance, and conducts technical studies to help protect children and their families from health and safety hazards in the home. Contact the HUD Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control research and outreach grant programs.

U.S. Department of Housing and Urban Development

Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
HUD's Lead Regulations Hotline
(202) 402-7698
hud.gov/offices/lead/



SAMPLE PRE-RENOVATION FORM

This sample form may be used by renovation firms to document compliance with the Federal pre-renovation education and renovation, repair, and painting regulations.

Occupant Confirmation

Pamphlet Receipt

- I have received a copy of the lead hazard information pamphlet informing me of the potential risk of the lead hazard exposure from renovation activity to be performed in my dwelling unit. I received this pamphlet before the work began.

Printed Name of Owner-occupant

Signature of Owner-occupant

Signature Date

Renovator's Self Certification Option (for tenant-occupied dwellings only)

Instructions to Renovator: If the lead hazard information pamphlet was delivered but a tenant signature was not obtainable, you may check the appropriate box below.

- Declined** – I certify that I have made a good faith effort to deliver the lead hazard information pamphlet to the rental dwelling unit listed below at the date and time indicated and that the occupant declined to sign the confirmation of receipt. I further certify that I have left a copy of the pamphlet at the unit with the occupant.
- Unavailable for signature** – I certify that I have made a good faith effort to deliver the lead hazard information pamphlet to the rental dwelling unit listed below and that the occupant was unavailable to sign the confirmation of receipt. I further certify that I have left a copy of the pamphlet at the unit by sliding it under the door or by (fill in how pamphlet was left).

Printed Name of Person Certifying Delivery

Attempted Delivery Date

Signature of Person Certifying Lead Pamphlet Delivery

Unit Address

Note Regarding Mailing Option — As an alternative to delivery in person, you may mail the lead hazard information pamphlet to the owner and/or tenant. Pamphlet must be mailed at least seven days before renovation. Mailing must be documented by a certificate of mailing from the post office.

LEAD BASED PAINT STATEMENT

I hereby certify that I have received the publication entitled *Renovate Right* and that I have read and understood the information. In addition, I will give my tenant(s) the publication.

Applicant

Date

Applicant

Date

Witness

Date

**OWNERS UNDERSTANDING OF
LEAD BASED PAINT ASSESSMENT REQUIREMENT**

As part of participating in the Housing Rehabilitation Loan Program, the following conditions per Federal Regulations apply.

If your building was built prior to 1978, a Lead Based Paint Assessment is required. If lead based paint is present and the rehabilitation work to be done is in those areas, your tenant(s) may be required to move out of the house until a Lead Clearance has been gained.

Therefore, I understand that if I qualify to receive a loan for the rehabilitation of my building, I & my tenant(s) will need to cooperate with and abide to all regulations per a Lead Based Paint Assessment of the building. Failure to do so at any time during the rehabilitation of the building will be cause for discontinuation of my participation in the loan program.

Applicant

Date

Applicant

Date

CITY OF HUTCHINSON DOWNTOWN RENTAL REHAB PROGRAM
Property Owner Conditions

IT IS HERE BY UNDERSTOOD & AGREED TO, BY THE APPLICANT(S), THAT THE FOLLOWING **CONDITIONS** APPLY DURING APPLICATION PROCESSING AND, IF APPROVED, THE LENGTH OF TIME FOR THE REHABILITATION OF MY PROPERTY TO BE COMPLETED AND DURING THE COMPLIANCE PERIOD.

THE ADMINISTRATIVE ENTITY RESERVES THE RIGHT TO **DISCONTINUE** THE APPLICATION PROCESSING OR REHABILITATION PROJECT DUE TO THE FOLLOWING ACTIONS/EVENTS:

1. Abusive language, behavior or actions directed towards the Administrative Entity, the City of Hutchinson or any of their officials shall be cause for the project to become the sole financial responsibility of the property owner.
2. Abusive language, behavior or actions directed towards the Contractor or contractor employees shall be cause for the project to become the sole financial responsibility of the property owner.
3. The owner does not notifying the tenant(s) of the required inspections and the construction schedule.
4. Refusal to sign any application forms, loan agreements, mortgages or any other required documentation of indebtedness required by the program shall be cause to discontinue the application.
5. Failure to contribute owner match portion of the total project cost and additional costs due to change orders shall be cause for the project to become the sole financial responsibility of the property owner. Any funding needed in excess of SCDP loan maximums will be the responsibility of the owner.
6. Failure to provide necessary documents by the applicant showing evidence of ownership, property insurance, tenant income, tenant rent log or other required documentation within the time limit requested shall be cause to discontinue processing.

Owner understands the following conditions of the program:

1. The owner WILL NOT hold the City or Administrative Entity responsible for final quality of the materials or workmanship of the Contractors.
2. The making of add-on agreements or contracts without prior approval of the Administering Entity, are the sole responsibility of the owner.
3. Changes to the specifications and contract will require a Change Order prior to construction. Any changes made to the contract without authorization by the Administrator are the sole responsibility of the owner.
4. I understand that Final Decisions on Structural Improvements to be made with program funds will be made by the Administering Entity.
5. I will make my property to be improved accessible to contractors for work to be performed (notice to tenants). This includes having areas of the property to be worked on free of obstructions or clutter and open for access at the scheduled times.
6. I understand that Health, Safety and Energy Improvements have priority over Cosmetic Improvements.
7. I understand that tenant surveys from existing tenants will have to be submitted on an annual basis to the Hutchinson HRA.
8. I understand that I will have to be submitted a rent roll on an annual basis to the Hutchinson HRA.
9. If there was a vacant unit at the time of rehab or a tenant moves out, I understand that I will have to rent to income eligible tenants for the term of the loan/grant. In addition to the tenant survey, the new tenant(s) will have to provide income & asset verifications to the Hutchinson HRA.
10. I understand that I should not raise the rent during the term of the loan/grant.

Signature

Date

Signature

Date

FAILURE OF APPLICANTS TO SIGN ABOVE WILL BE CAUSE TO DISCONTINUE APPLICATION PROCESSING.

**City of Hutchinson Downtown Rental Rehab Project
Applicant's Understanding of Owner Match Requirement**

You are required an Owner Match of 30% of the total project cost. SCDP loan funds are limited. Any rehab costs that exceed the maximum SCDP loan amount, will also be the homeowner's responsibility.

The amount of your owner match will change if there is an increase in the total project cost due to change orders.

The owner match is required at the time of loan closing, so it can be put into an escrow account by the HRA.

The owner match will be disbursed to contractors for completed work before the SDCP loan funds will be disbursed.

Proof of Owner's Match

Source of Owner's Match: _____ (i.e. savings, private loan)

***Please attach documentation of funding availability.**

Escrow Agreement for Owner Match

I/we will be required to have an owner's match available at the time of my/our loan closing, so it can be put into an escrow account. The funds will be disbursed directly to the contractor on owner's behave.

I/we understand the above stated information.

Name

Date

Name

Date

PHOTO RELEASE FORM

I/We hereby give permission for the Hutchinson HRA to take photos of the property to be rehab by Rehab Program from the City of Hutchinson, at the following location:

_____, Hutchinson, MN.

Signature of Applicant(s)

Date

Date

Uniform Relocation Act

The purpose of the Uniform Relocation Act (URA) is to provide displaced persons with fair, equitable treatment and protection from disproportionate injury by projects designed to benefit the public as a whole. The URA is a government-wide legislation. This section covers the URA as it applies to the Hutchinson Downtown Rental Program.

Guiding Statutes and Regulations

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA); this applies to displacement that results from acquisition, demolition, or rehabilitation for HUD-assisted projects carried out by public agencies, nonprofit organizations, private developers, or others and real property acquisition for HUD-assisted projects (whether publicly or privately undertaken).

Section 104(d) of the Housing and Community Development Act of 1974; and Individual HUD program regulations.

Relocation Reference Materials and Resources

Handbook 1378. Tenant Assistance, Relocation and Real Property Acquisition, issued September 1990. This Handbook consolidates relocation requirements for all HUD programs in one document.

Handbook 1374. Tenant Assistance, Relocation and Real Property Acquisition, HUD CPD Staff Responsibilities, issued March 11, 1992. This handbook provides instructions for HUD Field Staff for monitoring and technical assistance.

Federal regulations require that all reasonable steps be taken to minimize the displacement of persons (families, individuals, businesses, non-profit organizations and farms) when a development is federally-assisted. Tenants must be given a reasonable opportunity to lease and occupy decent, safe, sanitary, lead safe and affordable housing in the development when it is completed.

This section provides an overview of these federal requirements and the application to Hutchinson Downtown Rental Program. For a more thorough understanding of the regulations pertaining to displacement and relocation assistance, please review the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 at 49 CFR Part 24.

The Hutchinson Downtown Rental Program funds rehabilitation to enhance the long-term benefit to the development, property owner(s), and its tenants. The City of Hutchinson/HRA does not intend to use the Hutchinson Downtown Rental Program for permanent relocation benefits. **This assistance may be used to rehabilitate structures only if the rehabilitation will not cause the displacement of existing tenants. Therefore, we will thoroughly review your applications to assess the potential for displacement. You should also take care to follow the policies as given below in providing information to tenants to ensure that permanent relocation benefits are not inadvertently triggered by displacement under the Uniform Relocation Act.** Tenants living in the property at the time of application, as well as any tenants legally moving into the property any time after application, and before development completion, must be informed of their rights. The potential for displacement may be a valid reason not to fund a development. Any permanent relocation expenses will be the sole responsibility of the property owner.

Certain notices and information must be given to all tenants at specific times throughout rehab. If these requirements are not followed, tenants could easily move from a development, and be eligible for displacement and relocation assistance.

Any displacement and permanent relocation expenses incurred will be the sole responsibility of the property owner. The City of Hutchinson/HRA will not authorize the use of Hutchinson Downtown Rental Program assistance for displacement or permanent relocation purposes.

Should tenants be displaced during construction but prior to the release of Hutchinson Downtown Rental Rehab Program assistance, City of Hutchinson/HRA will refuse to fund the Rehab.

Definition of Displaced Person

The term "displaced person" means any tenant, regardless of income, who is forced to move from the property permanently as a direct result of rehabilitation of a Hutchinson Downtown Rental Program assisted property. This includes physical displacement caused by overcrowding, loss of a unit, or economic displacement due to an increase in rents.

Displacement Triggers

Displacement occurs when a "person" (or their property) is displaced as a DIRECT RESULT of a federally assisted acquisition, demolition or rehabilitation project.

DIRECT RESULT includes the following:

- The person is required to move from the property after the property owner issues a notice to vacate or refuses to renew a lease in order to avoid relocation assistance (at application to HRA)
- A person who leaves prior to the application date who HUD or the HRA determines was displaced as a direct result of the Hutchinson Downtown Rental Program rehabilitation project.
- The person leaves for whatever reasons after initiation of negotiations AND the necessary notices to assure that the person was fully informed about relocation rights and assistance were not given or were not given in a timely fashion.
- The person leaves the property after initiation of negotiations because of a decent, safe, and sanitary and affordable unit in the property was not offered.
- The person leaves the property because of unreasonable temporary relocation requirements or unreasonable terms for permanent moves within the property.
- A nonresidential tenant who receives a Notice of Non-displacement but moves permanently if the terms and conditions of remaining are not reasonable.

Who is Not Displaced

Persons not displaced include those who:

- Were evicted for cause, BUT not if the eviction is to evade paying relocation assistance.
- Have no legal right to occupy the property (e.g. squatters).
- Occupied the property for the purpose of obtaining relocation benefits.
- Before leasing and occupying the property but after application for project funding, receive written notice of the possibility that displacement or an increase in rent may occur and that relocation assistance will not be provided.
- Retain the right of use and occupancy of the property following acquisition (life estates).
- Waive their rights after being fully informed of their rights.
- Are determined, with HUD's agreement in writing, not to be displaced as a direct result of the project (e.g. professional relocatees).
- Were required to move out for a short period to facilitate emergency repairs, as long as certain conditions are met.
- Are owner-occupants of the property who move as a result of an arms length (voluntary) acquisition or as a result of voluntary rehabilitation or demolition.

- Leave due to code enforcement, unless the code enforcement results in rehabilitation or demolition for an assisted project. An owner-occupant who is required to move permanently as a direct result of this rehabilitation or demolition may be eligible for relocation assistance.
- After receiving a notice of eligibility, are notified in writing that they will not be displaced. Such a notice cannot be delivered unless the person has not moved and the agency agrees to reimburse the family for any expenses incurred to satisfy any binding contractual relocation obligations entered into after the effective date of the notice of eligibility.
- Are owner-occupants who voluntarily apply for rehabilitation assistance on their property. When the rehabilitation work requires the property to be vacant for a period of time (such as during lead paint abatement or removal), agencies are encouraged to provide consistent temporary relocation assistance.

Temporary Relocation

Residents who are not required to move permanently may be required to move **temporarily if all** conditions of the move are reasonable. Those to be temporarily relocated must receive "reasonable" advance written notice of the location, terms and conditions of the temporary move and of their right to reimbursement of all reasonable out-of-pocket expenses. The HRA must review and approve a written plan of action outlining the relocation activity and timelines, including a copy of the notice given to tenants. The notice should suggest comparable units and rents and give information about the timeline, payment for moving expenses, utility hookups, and the option to move back to the original unit after rehabilitation. The property owner must obtain a written response from each household that shows the tenants' acceptance of the temporary relocation and retain the responses in the development file.

The property owner, with assistance from the HRA, must prepare an outline of the relocation activity showing tenants' names, unit number and rent, address, size and rent of the comparable unit, other expenses paid, date of the move, and projected date of the move back to the original unit.

If these procedures are not followed, a tenant would be considered displaced and eligible for a displacement and relocation payment.

Contact HRA for further assistance with temporary relocation.

Notice Requirements

The following notices must be provided to tenants to ensure that the requirement for relocation benefits is not triggered. Retain copies of the notices and document how they were delivered. The following notices are **required**:

Served to Existing Households at Loan Application General Information Notice (GIN):

Served at loan application to existing occupants. This notice informs occupants of the planned rehabilitation activities, the impact on them, the proposed rents and of their rights under the URA. The GIN stresses that the household should not move at the time of notice.

Served to Households that Move in After Loan Application Move-in Notice:

New households must be given a Move-in Notice explaining the project that has been proposed and informs residents that they may be displaced or sustain a rent increase as a result and that they will not be entitled to relocation assistance in either event.

Served to Households at Pre-Construction Meeting Notice of Non-Displaced:

This notice informs households who will remain in the project after completion of the assisted activity of their rights and of the terms and conditions of their remaining at the property.

Temporary Relocation Notice:

This notice informs households who will be temporarily relocated of their rights and of the conditions of their temporary move. This notice includes addresses of comparable replacement apartments, and information on any assistance available.

When and How to Serve Notices

Notices must be issued by the property owner.

Notices must be personally served or sent by certified or registered first-class mail, return receipt requested. (certified mail is less costly)

It is not enough to have the borrower or property manager state that notices were delivered. There must be evidence of delivery given to the HRA for each affected person.

Notices should be issued as soon as feasible.

After Completion

There should not be rent increases in the five year compliance period, because rent increases could cause tenants to claim displacement, thereby triggering URA.

Recordkeeping Requirements

You must have readily available records demonstrating compliance with the URA and applicable relocation regulations. Keep records for at least five years after the date the rehab is completed.

The records shall include the following:

- Name and address of all households occupying the property when the application is submitted by the owner. Written documentation of reason if tenant decides on their own to move-out.
- Name and address of all persons moving into the property on or after the application date but before completion of the development. Written documentation of reason if tenant decides on their own to move-out.
- Name and address of all persons occupying the property immediately following completion of the development. Written documentation of reason if tenant decides on their own to move-out.

Persons Not Displaced

Documentation must be sufficient to preclude any possible later claim by a tenant that they were displaced by the development.

Certification:

I/We, the owner/applicant hereby certify that I/We have read and understand the conditions and restriction stated above.

Signature

Date

Signature

Date