



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Housing Services Program

Housing Rehabilitation and Minor Repair General Information

1. COMMUNITY RESOURCES

A. The Community Resources Division provides the administrative function and is the designated authority of the City of Fayetteville for the Community Development Block Grant, Housing Services Program for single-family, owner-occupied homes. We manage and ensure the completion of the projects, performed under a contractual agreement.

B. The Community Resources Division may provide a deferred forgivable loan, for a Housing Services Project. The CDBG Administrator will provide a Scope of Work for each Housing Rehabilitation and Minor Repair project. A Housing Rehabilitation project is work that is necessary to bring the dwelling up to current building and energy efficient. All Rehabilitation Projects are advertised in the legal section of the newspaper and will be mailed and/or handed out to contractors who are interested in submitting a bid on the proposed work. Funding up to \$10,000.00 may be provided for a Minor Repair project. A Minor Rehab project is work that is necessary to eliminate a health or safety hazard. Most Minor Rehab Projects are advertised in the legal section of the newspaper and will be mailed and/or handed out to contractors who are interested in submitting a bid on the proposed work. If the low bid exceeds \$10,000.00, the project will continue but will become a Rehabilitation Project. Minor Repair Projects that pose an immediate health or safety concern will not be advertised a contractor will be hired immediately to correct the problem. Moderate Rehab cannot exceed \$25,000.00.

C. Single Family dwelling; as defined in the City of Fayetteville, Planning Division's current Unified Development Ordinance. A detached residential dwelling unit other than a mobile home designed for and occupied by a family only.

D. Owner: A person or persons who holds legal right of possession (lawful title to the property). One or more persons who are named on the deed, regardless of dwelling occupancy. All owners, residing in the dwelling or not, must be notified of a pending lien.

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

F. CDBG Administrator: The staff member of the Community Resources Division that is assigned with the following duties;

(1) Conducts a Housing Quality Standards Inspection of the dwelling to determine if the



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

dwelling qualifies for the Housing Rehabilitation Program and inspects to determine what work may be required to bring the dwelling up to current codes.

- (2) If required, arranges to have an Arkansas State Licensed and Certified Lead-based Paint Inspector / Risk Assessor to perform a lead-based paint inspection and risk assessment on the dwelling.
- (3) Provides a description of work for each Housing Rehabilitation and Minor Repair project.
- (4) Recruits qualified contractors to submit bids for the rehabilitation or repair work. Assist the owner(s) in hiring a qualified contractor to perform the necessary work.
- (5) Serves as the project coordinator and inspector. Conducts weekly inspections of the work progress and carries out all the functions of contract administration with the goal of providing a quality project in a timely schedule.
- (6) Takes photos of the dwelling before, during and/or after the Housing Rehabilitation or minor Repair Project.

2. HOUSING REHABILITATION / MINOR REPAIRS

A: Both programs are available to all low-to-moderate-income families and individuals within the City limits of Fayetteville. The priorities are; low income families and individuals that live in low-income neighborhoods and low-to-moderate-income families that live in owner-occupied substandard housing. To qualify for either program the applicant's income must be less than 80% of the median, adjusted for family size. Income levels are set by the Department of Housing & Urban Development (HUD) and change each year. For all rehabilitation projects, the existing house utility services (gas, water, electricity) shall be functioning and made available, without charge to the Contractor. The applicant must provide the current fee required to have a title search performed on the property. The applicant must occupy the home for at least 1 year, before moderate rehabilitation work will be performed. Even though an individual or family qualifies for the program this does not entitle him, her, or them to the funds, and there is no guarantee services will be provided on behalf of or funds reserved for the benefit of the applicant(s). Projects are ranked on the basis of the point system outlined in section 3. Rehabilitation or Repair Projects shall be performed until the funding grant has been totally expended. If the dwelling cannot be brought up to current building codes for less than \$25,000.00, Community Resources cannot provide any funding for the rehab of the dwelling.

B. Rehabilitation - to restore to former state / sound operation. The purpose of the Housing Rehabilitation Program is to provide housing-related services to qualified, low-to-moderate income families and individuals in order to preserve and improve their homes. The goal is to promote housing that is safe, secure, and healthy and energy efficient. Program funds may only



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

be used to help bring the dwelling up to current codes, energy efficiency, secure and maintenance free. Program funds may be used to update the plumbing, heating, or electrical services if necessary, insulate the home, install new doors and/or windows, install vinyl siding, and other repairs that may be required to bring the dwelling up to current building codes. Program funds may not be used to perform routine maintenance work. The amount of funds spent on each dwelling varies, according to the amount of work necessary to bring the dwelling up to current standards.

C. Repair - to put back in good condition, after decay or damage. The purpose of the Minor Repair Program is to provide housing-related services to low-to-moderate income families and individuals. The extent of minor work is limited the nature of the repair must be to alleviate a condition that is hazardous or unhealthy to the occupants. Most minor repairs are performed on an immediate basis. Program funds may be used to, repair or replace; leaking roofs, broken water and/or sewer lines, inoperative heating systems, replace an inoperable hot water heater, repair electrical hazards, and other repairs deemed to be imperative by the CDBG Administrator.

D. The dwelling must meet the Department of Housing & Urban Development (HUD) Program guidelines.

E. Minimum property standards must be met for all moderate Housing Rehabilitation projects.

F. The property must be in compliance with current City ordinances or must be able to meet current City ordinances.

G. The dwelling must be at least ten (10) years old.

H. The Housing Rehabilitation and/or Minor Repair priorities are as follows:

- (1) Making sure the home is safe for the occupants.
- (2) Bringing the home up to current Building Codes.
- (3) Improving the energy efficiency of the dwelling.
- (4) Making the exterior of the home as maintenance free as possible.

H. The Community Resources Project Administrator shall conduct an inspection of the dwelling to determine what type of work is required. Program funds may only be used to rehabilitate the main dwelling and not on any out buildings such as garages, sheds, etc. The priority is work which will help bring the dwelling to current City/State Building and Energy Codes.



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

I. The inspection of the dwelling will primarily consist of the following items;

(1) Plumbing: Faucets, water closet, sinks, lavatory, drains, vents, hot water heater, risers, shut-off valves, and pressure reducing valve.

(2) Gas: Shut-off valves to all gas appliances, range hood for gas ranges, vents for hot water heaters and heating systems.

(3) Electrical: Fuse or panel boxes, weather head, lighting, switches, receptacles, bathroom vent, smoke detectors, vent hood, ceiling fan, heating/ventilation/air conditioning, and wiring. Hard wired/battery backup smoke detectors shall be installed in each bedroom and in the common area outside bedrooms. Weather-heads are to be installed above the roof line. Ground Fault Circuit Interrupters (GFCI)'s are to be installed in a bathroom and kitchen if possible. Fuse boxes should be removed and replaced with a panel box.

(4) Heating/Ventilation/Air Conditioning (HVAC): Furnace, vents, duct-work, filter, thermostat, condenser, drain and refrigeration lines. All HVAC duct work shall be rigid and insulated.

(5) Doors: Condition and sizes of exterior entry doors, storm/screen doors, locks and dead bolts. All new exterior doors shall be metal clad, insulated, pre-hung, drilled for a dead-bolt and lock-set. Solid core front doors shall have a security viewer installed. New front doors are required to be 36" x 6'8" and back doors shall be 32" x 6'8". A combination storm/screen door shall be installed over each exterior entry door exposed to weather. Full screen doors may be installed over exterior entry doors that are not exposed to weather, such as under porches, carports, etc. All new doors and trim shall be painted one color, chosen by the owner.

(6) Windows: Condition of the window frames, sashes, locks, glass panes, and the sizes of the bedroom windows. Bedrooms windows are required to meet current egress standards. Every sleeping room shall have at least one (1) operable window or exterior door approved for egress or rescue. The unit must be operable from the inside to a full clear opening without the use of a key or tool. The minimum size of egress or rescue windows on the grade floor must have a net clear opening of 5.0 square feet. Windows with a sill height of more than 44" are required to have a net clear opening of 5.7 square feet. If one window is to be replaced all windows shall be replaced. Windows in bathrooms shall have obscure glass installed. Windows shall be constructed of vinyl and be either single hung or single slider, based on the existing rough openings.

(7) Roof: Condition of the roofing material, vents, flashing, chimneys, drip edge, and fascia boards. When new roofing material will be installed, all old shakes, shingles, felt paper, drip edge and flashing shall be removed and new material shall be installed. Roofs that have less than



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

a 3/12 pitch shall have a modified bitumen roofing system installed. There should not be more than two (2) layers of roofing material on any single roof.

(8) Insulation: Duct work, attic insulation, insulation between the floor joists, vapor barrier on the ground under the dwelling. Insulation in the attic is required to have a minimum R-value of 38. Insulation must be installed between the floor joists and is required to have an R-value of 19. All exposed exterior walls shall have insulation installed that has a minimum value R-13, a vapor barrier is required to be placed on the ground under the dwelling and shall have a minimum thickness of 6 mils. Blown insulation shall be a cellulose material.

(9) Paint: The home is required to be tested for lead-based paint, before any work may be started. When paint is required to be applied to any surface, the homeowner shall choose the color of paint. The owner shall choose one trim color and one field color. The colors shall be chosen before the project is released for bids.

(10) Exterior: Trim, siding, rot, decay, foundation, rain-gutters, drainage. All rotten lumber shall be removed and replaced.

(11) Porches/Deck/Landings: A minimum 4 foot by 4 foot landing is required on the exterior side of an egress door, if the threshold of the door is over 8" above grade. Any porch, deck, and/or landing with a walking surface greater than 24" above grade are required to have guardrails. Stairways having three or more risers above a floor or finished grade shall be equipped with handrails.

(12) Carpentry: Flooring, sub floor, framing or any item that may be a safety hazard, or code violation.

(13) Property: Size, condition of the property, location of the dwelling on the property, etc.

J. A Housing Quality Standards (HQS) Inspection determines the condition of the dwelling and how many points each homeowner will receive.

3. WAITING LIST

A. Families with children ages six (6) and under shall automatically be placed on top of the waiting list.

B. Applicants with the most points will be given priority. In the event that an applicant has the same point score, the date of application will decided the standing.

C. In the event that an applicant has the same point score and date of application as another applicant, position will be decided by the Community Resources Staff based on need.



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

D. If minor work is required it shall be completed as soon as possible, when funding permits, regardless of the owner's position on the Housing Rehabilitation waiting list.

E. The owner shall be notified before the CDBG Administrator begins the Description of Work process for the owner's rehab project. All rooms shall be cleared of obstructions to provide access for the CDBG Administrator to take measurements, especially in front of the window locations.

F. If an owner is not ready for their project to be started when their name appears on the top of the waiting list, the owner's name will be removed from the Housing Rehabilitation Waiting List (HRWL). A new rehabilitation application may be submitted within twelve months of the date the project was removed from the HRWL. If medical problems are the reason for the delay, the owner shall submit a request for an extension in writing. The owner should keep in mind each time their name is moved down on the waiting list, the total program budget for the Housing Rehabilitation Program is reduced. The owner may reapply at a later date if their name is removed from the Housing Rehabilitation Waiting List.

4. LEAD-BASED-PAINT (LBP)

A. Each applicant that signs up for the Housing Rehabilitation or the Minor Rehab Program must agree to a lead-based paint inspection. If the applicant refuses a lead-based paint inspection, the applicant would not qualify for the Housing Rehabilitation Program.

B. Each applicant applying for the Housing Rehabilitation Program will receive an informational sheet titled "Lead Paint Poisoning Notification", a copy of EPA's booklet 747-K-94-001 titled "Protect Your Family Form Lead In Your Home", and an informational sheet titled "Lead Paint Can Poison: Protect Your Family When You Paint Or Remodel".

C. The dwelling is required to be inspected for lead-based paint before any work may be started if the work involves any painted surfaces. A complete lead-based paint inspection must be performed by a Certified and Licensed Lead-based Paint Inspector. The results of the lead-based paint inspection will show where lead-based paint was detected and the concentration levels of the lead-based paint. The Lead-based Paint Inspector will also perform a Risk Assessment and write Hazard Control Specifications for the lead-based paint work.

D. The Community Resources Division must have possession of the LBP inspection, risk assessment, and Hazard Control Specifications before a Description of Work can be finalized.

E. Minor Rehabilitation work may be accomplished without having a lead-based paint



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

inspection if, the work will not affect the lead-based paint regulation, such as roofing, exterior plumbing, some electrical and/or heating work.

F. A lead-based paint inspection, risk assessment, and design specifications will be coordinated by the CDBG Administrator and funded by the Community Resources Division.

G. A copy of the results of the lead-based paint inspection, risk assessment, design specifications and a Lead-based Paint Disclosure Notice will be provided to the homeowner(s) within ten (10) days of the report being received by the Community Resources Section.

H. Material containing high levels of lead-based paint may be removed and replaced if possible or feasible or it may be covered. All construction material being removed from the home, containing lead-based paint belongs to the contractor performing the work and he/she are required to remove the material from the property.

I. At the completion of a Housing Rehabilitation project a Clearance Inspection is required to be performed by a Certified and Licensed Lead-Based Paint Clearance Inspector. The clearance inspection will be coordinated by the Housing Specialist and funded by the Community Resources Division. A copy of the clearance inspection results will be provided to the homeowner(s) within ten (10) days of the report being received by the Community Resources Division.

J. If a lead-based paint inspection has been performed and the homeowner(s) alters, modifies, and/or removes or have someone else alter, modify, and/or remove any material previously identified as containing high levels of lead-based paint from their home prior to the start of their Housing Rehabilitation project, they may be financially responsible for a Lead-based Paint Clearance Inspection and cleaning if required. Current clearance inspection fees would apply.

5. DESCRIPTION OF WORK

A. The Description of work shall be broken down into one or more of the main subjects such as:

- * Cabinets & Counter Tops
- * Carpentry Rough-in
- * Carpentry Finish
- * Clean-up and removal
- * Concrete & Masonry
- * Demolition
- * Doors
- * Electrical
- * Excavation & Grading



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

- * Floor Coverings
- * Gypsum Board (drywall or sheet rock)
- * HVAC
- * Insulation
- * Painting
- * Plumbing
- * Rain Gutters
- * Roofing
- * Vinyl Siding
- * Windows

B. The description of work shall specify;

- (1) What work is required to be performed?
- (2) Location of the work to be performed such as, bedroom, kitchen, bathroom, etc.
- (3) Type, style, shape, brand name, quantity, thickness of material.
- (4) To remove, replace, construct, install, or some other action verb.
- (5) Color of specified material to be installed and the color to paint specific material.

C. If a new central Heating & Ventilation system is to be installed, the owner may have central air conditioning installed at the same time. If the homeowner chooses to have air conditioning installed, the owner is required to pay a portion of the expense. This amount is based on the homeowner's income, adjusted for family size. 25%-30% = \$100, 31%-35% = \$125, 36%-40% = \$150, 41%-45% = \$175, 46%-50% = \$200, 51%-55% = \$225, 56%-60% = \$250, 61%-65% = \$275, 66%-70% = \$300, 71%-75% = \$350, 76%-80% = \$400

6. OWNER SUPPORT

A. The CDBG Administrator shall notify the owner of his/her/their pending Housing Rehabilitation project, 3 to 5 days before the CDBG Administrator conducts a site visit and begins writing the Description of Work. The owner shall cooperate with the CDBG Administrator in a reasonable manner to facilitate writing the Description of Work, by choosing colors and styles. All colors and styles shall be chosen by the owner within 7 days of the CDBG administrator's visit. The CDBG Administrator shall have the Description of Work written, changes made if necessary, completed and approved by the owner within 14 days of his site visit. This entire process shall not take more than 21 days. After the 21 days the CDBG Administrator shall release the Housing Rehabilitation project for bids. The project shall be out for bids for 21 days. Upon receipt of the bids and the funds being available the Community Resources Section



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

staff shall hold a preconstruction meeting within 30 days of the receipt of bids. The contractor shall specify the date he/she will begin the Housing Rehabilitation project. This date shall not be more than twenty-one (21) days from the date of the pre-construction meeting unless, mutually agreed upon by all parties involved. The contractor shall have 30 days (depending on weather,

and any required change orders) from the start date to complete the Description of Work. The contractor has 10 additional days to have the final inspections conducted by the City and the Lead-Based Paint Clearance Inspector.

B. The owner(s) shall approve the Description of Work before it is released to contractors for quotes and/or bids. All Housing Rehabilitation projects are required to be mailed to contractors interested in submitting a bid on the project. The contractor with the lowest bid shall be awarded the project.

C. The owner is encouraged to help speed the process on repair projects or minor housing rehabilitation projects, by getting quotes from contractors to perform the necessary work. Such as: plumbing, electrical, roofing, HVAC and/or General Contractors.

D. When the Owner will continue to occupy the premises during the rehabilitation, the owner shall cooperate with the Contractor in a reasonable manner to facilitate performance of the work including abandonment of certain areas as may be essential to the conduct of the work, and moving, or removing personal possessions which will interfere with the work.

E. The owner shall confer with the Contractor and/or Community Resources Project Administrator regarding minor problems and general progress of the project. CDBG Administrator shall be involved with the project from writing the description of work all the way through the final inspections of the project.

F. The City retains the right to pay the contractor directly and without the owner(s) approval if the contractor has completed all of the work in the description of work, to include any and all change orders, and all work has been performed in a workmanlike manner; according to common construction practices and building codes.

G. Any material which requires a choice of color, style, or pattern, selection will be made by the homeowner from the available samples of colors, patterns, and styles stocked by local suppliers. This may involve colors in roofing shingles, vinyl siding, paints and stains, color and patterns of floor coverings and laminate counter tops. All colors, styles and patterns shall be selected within seven days after the CDBG Administrator makes his site visit to begin writing the Description of Work. The homeowner is allowed to choose one field color and one trim color of paint. The owner is allowed to choose one color of vinyl siding, roofing material and any other item involving choices of color. The owner shall choose one pattern and color of floor coverings and/or laminates. The homeowner shall furnish to the CDBG Administrator the location,



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

manufactures brand name, product numbers, color, style, pattern and cost of any items the owner is allowed to choose from.

H. All materials specified to be removed and/or replaced as part of the Description of Work, become the property of the contractor and shall be removed from the property by the Contractor.

I. All material (shipping, packing, cardboard, glass, plastic or cans) that is recycled by the City may be left with the homeowner's recyclables. Large amounts of cardboard shall be taken to the City's recycle center, by the contractor. The contractor is required to leave the interior of the project site broom clean.

J. For all rehabilitation projects, the existing house utility services shall be made available, without charge to the Contractor. Electricity, Gas, Heat, Water, and Telephone (local calls only).

K. For all rehabilitation projects, the existing house utility services shall be made available, without charge to the Contractor. Electricity, Gas, Heat, Water, and Telephone (local calls only).

L. Landscaping, If new exterior windows and or siding material is to be installed the owner(s) are required to remove any vines growing on the existing wall surfaces and trim any bushes, hedges or trees that may be in the way of installing new windows or siding.

M. The owner(s) agree not to perform or hire a contractor to perform any type of construction related repairs, improvements, and/or modifications to his/her/their home. Effective from the date of the agreement through the final inspection phase which will be performed by the City's Building Safety or Community Resources Section. Failure to comply with this section will cause this project to be placed on hold until the unauthorized repairs, improvements, and/or modifications have been completed.

7. LIENS / REFINANCING / DEFAULT

A. A lien is required to be filed against the property when federal funds are expended on the dwelling. Forgiveness is accrued on a monthly basis for the required afford-ability period.

(1) Five (5) Years - for amounts between \$0.00 and \$10,000.00.

(2) Ten (10) Years - for amounts between \$10,000.00 and \$20,000.00.

B. Any individual(s) whose name appears on the deed, residing in the dwelling or not, must be notified of a pending lien must agree to the lien and must sign the Deferred Loan Agreement.

C. Any individual(s), company(s), corporation(s), or financial institution(s) that holds a mortgage to the property must be notified of a pending lien.



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

D. During the afford-ability period, ***Home Equity Loans are not allowed***. The afford-ability period begins the date the loan agreement is signed and extends for the duration specified in the agreement.

E. If ***Home Equity Loan process*** does occur, any amount remaining on the Deferred Loan Agreement must be paid in full to the City's Community Resources & Code Compliance Division before the lien against the property will be released.

F. The Community Resources & Code Compliance Division cannot subordinate its lien for any reason.

G. If the owner(s) is in non-compliance of the Deferred Loan Agreement, any amount remaining on the Deferred Loan Agreement from the date of the default becomes due and payable in full within thirty days from the date of the default.

H. If the owner(s) default on the Deferred Loan Agreement he/she/they will not be eligible to re-apply for the Rehabilitation Program as follows:

(1) Ten years from the date of default on a ten year agreement.

(2) Five years from the date of default on a five year agreement.

I. If the owner(s) must sell his/her/their home and the future owner(s) are low-to-moderate-income, adjusted for family size, they may qualify under the Program Eligibility guidelines.

J. If the new owner(s) qualify they may:

(1) Payoff the remaining amount on the Deferred Loan Agreement and apply for the Rehabilitation Program.

(2) Assume the Deferred Loan Agreement, but would not qualify for the Rehabilitation Program until the current agreement expires.

K. If the new owners do not qualify under the Program Eligibility Guidelines, the amount remaining on the Deferred Loan Agreement must be paid in full before the lien would be released.

8. PRE-CONSTRUCTION

A. After all bids have been received; the CDBG Administrator shall discuss the bids with the



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
homeowner(s).

B. A date and time will be set for a pre-construction meeting to be held at the Community Resources Division's office. The CDBG Administrator, Notary Public, Owner and Contractor are required to attend the meeting.

C. At the meeting the following documents will be reviewed and signed by all parties involved;

- * Certification Form
- * Notice to Proceed.
- * Building Permit Application
- * Deferred Loan Agreement
- * Housing Rehabilitation Warranty
- * Owner/Contractor Agreement
- * Change Order Procedures

9. CONTRACTOR(S)

A. A contractor who is hired and paid by the home owner(s) and/or Community Resources Division is considered a General Contractor. The General Contractor works directly for the homeowner.

B. A subcontractor is hired and paid by a General Contractor. All subcontractors work directly for the general contractor.

C. All contractors shall carry and require that there be carried by the subcontractors general liability insurance which shall include contractual projects.

D. Before commencing work the Contractor shall submit evidence of insurance coverage to the Community Resources Division.

10. CONTRACT

A. The homeowner shall enter into a contract with the City for the amount of funds required to perform the Rehabilitation work.

B. The homeowner shall enter into a separate contract with the contractor for the amount of funds specified in the bid. The contractor shall complete all Rehabilitation work described in the Description of Work, for the price stated in the contract.

C. No work shall be commenced by the contractor until the contractor has received the executed



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
contract and a notice to proceed.

D. The owner has the right to terminate the contract should the Contractor at any time:

- (1) Fail to commence and/or proceed in such a manner that will cause the project not to be completed by the agreed completion date.
- (2) Permit work to cease for any cause, on said improvement for a period of 5 working days, or more.
- (3) Fail to maintain the quality and the intent of the Description of Work as interpreted by the Owner and the Community Resources & Code Compliance Division of the City of Fayetteville.
- (4) Die or becomes physically or mentally incapacitated to carry on his/her business, or if a voluntary or involuntary petition of bankruptcy is filed by or against the Contractor, or if the Contractor becomes insolvent or makes an assignment for the benefit of creditors, or if a receiver is appointed for the Contractor's assets.
- (5) Assigns the Contract to another Contractor or party without written consent of the owner. (Assignment to establish a financial credit line is acceptable without the owners consent.)
- (6) Then if any of these events occurs, the owner shall, by letter, advise the Contractor of the termination of the Contract and direct the Community Resources & Code Compliance Division to withhold any further disbursement of funds to the contractor. The Community Resources Division shall determine if the Contractor is entitled to reimbursement for unpaid completed work, but only after all costs have been fully paid for the completion of all contracted work including Change Orders.

E. The Contractor has the right to terminate the Contract, should the owner at any time;

- (1) Deny the Contractor access to the property during normal working hours.
- (2) Enter into a separate contract or subcontract at the time the original contract is in force for the specific address except those which have been agreed to by the Owner and the Contractor.
- (3) Delay the work (3 days or more) as described in the Description of Work due to wanting to make changes to the original bid specifications.
- (4) Then, if any of these events occur, the Contractor is entitled for reimbursement for all work completed, in a proportionate amount of the total Contract price. The Community Resources Division shall determine this amount.



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

11. PAYMENTS

- A. All monies due to the contractor shall be paid directly to the Contractor by the City of Fayetteville.
- B. Payments due to the Contractor for rehabilitation projects shall be disbursed in either; One (1), Two (2), or Three (3) payments depending on the duration of the project.
- C. The City retains the right to pay the contractor directly, and without the owner(s) approval if the contractor has completed all of the work in the description of work, to include any and all change orders. And all work has been performed in a workmanlike manner; according to common construction practices.

12. CHANGE ORDERS

- A. Change orders will only be allowed for any unforeseen work. This is work that is required but could not be seen during the visual inspection of the dwelling. The unforeseen work must be required to correct structural damage, code violations, or similar work required to complete the project.
- B. No revisions, modifications, additions, deletions, in relation to said construction, specifications, and Description of Work, or plans, or intent thereof, shall be made without prior approval by the Community Resources Section, owner, and Contractor through the execution of a written Change order by the three parties.
- C. Any additional funds needed for unforeseen work, must be approved prior to the additional work being started.
- D. Change orders, if any, will be processed with the final pay request.

13. PROJECT SITE

- A. Any damage to the dwelling or property caused by the contractor(s), his/her worker(s) delivery personnel or vehicles during the rehabilitation project shall be repaired to the Homeowner's satisfaction.
- B. The contractor(s) shall maintain a clean and orderly project site during the course of the work.
- C. Materials that have been removed and replaced as part of the Description of Work shall belong to the general contractor and removed from the property by the contractor.



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

D. If a General Contractor is assigned to oversee the entire project he/she is responsible for ensuring the work site is cleaned up on as a needed basis.

E. If a General Contractor is not assigned to oversee the entire project then the Contractor(s) performing work is responsible for cleanup.

14. WARRANTIES:

A. The Contractor will guarantee all work performed for a period of one (1) year from the date of the recorded notice of completion of all work performed under the contract.

B. Manufacturer's and suppliers written guarantees and warranties covering materials and equipment furnished under the Contract shall be furnished to the Homeowner.

C. All warranties shall specifically provide that all defects in material and workmanship appearing during the warranty period, as determined by the Community Resources Division in case of conflict between the Contractor and the Homeowner, will be remedied to the satisfaction of the Community Resources Division at no additional cost to the owner.

D. Warranty of new roofs shall be two years for labor and the period as specified by the manufacturer, from the date of final inspection.

E. Roof repairs do not have a warranty.

F. The homeowner shall notify the CDBG Administrator if a problem arises from the work that was performed by the contractor in regards to the Description of Work. The only purpose of notifying the CDBG Administrator is; The Community Resources Section is required to track the number of times a contractor is called back to correct his/her work.

G. The homeowner shall notify the contractor directly, and explain the problem to him/her and schedule a day and time for the contractor to correct the problem.

I. Any product new or used supplied by the owner(s) are not covered.