



## EXHIBIT 'A'

### **CITY OF NORTH MIAMI RESIDENTIAL ROOFING PROGRAM**





## **INTRODUCTION**

This program guideline outlines specific program features, policies and procedures for implementing the City of North Miami Residential Roofing Program (NMRRP).

## **IMPLEMENTATION RESPONSIBILITY & APPROVAL AUTHORITY**

North Miami Residential Roofing Program (NMRRP) will be administered and implemented by the City of North Miami's Community Planning and Development Department (CP&D) with overall responsibility being held by the Department's Director. Specific program responsibility will reside with the Housing Manger who reports directly to the Director. Approval authority for deferred grants awarded under this program will be delegated to the CP&D Director consistent with these Housing Program Guidelines.

## **FUNDING SOURCE**

Funding for the North Miami Residential Roofing Program is being provided through the City of North Miami's General Funds.

## **CONFLICT OF INTEREST**

All applicants that receive general funds from the City's Residential Roofing Program must comply with the conflict of interest provisions set forth in the City of North Miami Code Of Ordinances Article XI Conflict of Interest and Code of Ethics. The conflict of interest provisions apply to the award of any contracts or agreements and the selection of contractors to provide the labor under the program. The purpose of the regulations is to ensure that the policies and procedures adopted for the activity will ensure fair treatment of all parties. It will also ensure that no employees, agent, consultant, or official will have no inside information or undue influence regarding the award of contracts or benefits under the NMRP.

Staff will ensure the effective administration of the program through the following Conflict of Interest process:

- Applicant and contractor will indicate on the application their relationship with the City, any employees of the City, board members or Councilmember;
- If indicated, staff will process an internal Conflict of Interest determination with the City Attorney's Office; Staff will simultaneously post the applicant's/contractor's name and request on channel 77, the City's designated newspaper and the City's website
- The City Attorney's office will process the determination consistent with Article XI Conflict of Interest and Code of Ethics Provision of the City's Code of Ordinances.

## **I. PROGRAM FEATURES – OWNER OCCUPIED RESIDENTIAL ROOFING PROGRAM:**

- A. **Purpose:** The purpose of this program is to repair or replace deteriorated roofing materials of homes located in the City of North Miami which are owned and



occupied by homeowners whose total household income does not exceed eighty percent (80%) of the area's median income.

In assisting eligible homeowners to make necessary roofing repairs or replacements, the Program seeks to achieve the following overall goals:

- Preserve and/or upgrade the existing housing stock;
- Provide and increase the supply of decent, safe and sanitary housing, and eliminate slum and blight;
- Maintain or increase property values, and stabilize or increase the tax base;
- Provide opportunities for the local construction industry
- Act as a catalyst for other homeowners to make property improvements.

**B. Eligible Homeowners:** The program is open to owner-occupied homeowners residing in the City of North Miami who have occupied their homes for at least one (1) year and have a roof in need of repair or replacement and who meet the program's income, occupancy and other guidelines. If there are persons other than the applicant who have an ownership interest in the property to be rehabilitated but do not reside at the property, they must agree to and join the applicant in executing program documents that secure the rehabilitation costs and encumber the property. Homeowners are considered eligible if their total household income does not exceed eighty percent (80%) of the area's median income as defined by HUD income limit chart (See **Exhibit "A-1"**). Priority will be given to households that include the elderly and the disabled. The names of eligible homeowners will be obtained from the existing Housing Rehabilitation Waiting List currently maintained in the CP& D Housing Division. Homeowners currently on the waiting list will be contacted in the order in which their names appear on the list. If homeowners participate in the North Miami **Residential** Roofing Program but have signed up for other housing rehabilitation services such as windows, shutters, interior or paint, they will not lose their current position on the waiting list.

**C. Amount of Assistance:** Up to \$15,000 per household. Under extenuating and extraordinary circumstances, the CP&D Director can, with a recommendation from CP&D staff, approve additional funding that exceeds the maximum assistance by up to twenty percent (20%). The circumstances under which the CP&D Director is authorized to approve the additional 20% funding are as follows:

1. Threats to the immediate health and safety of the occupants
2. Physical property conditions which, if not corrected, may lead to dislocation or temporary relocation of the household over an extended period
3. Established maximum assistance is not enough to address both code violations and physical or architectural barriers for the disabled



D. **Terms of Assistance:** Financial assistance through the North Miami Residential Roofing

Program (NMRRP) shall be structured as an interest free deferred payment forgivable loan over seven (7) years (affordability period). Financial assistance will be used to pay for the construction and incidental expenses associated with the repair or replacement of the roof. After the completion of the repair or replacement of the roof, the principal balance due on the loan will be reduced by equal annual increments over the affordability period until the balance is reduced to zero, provided that the homeowner remains in occupancy over said period, and maintains the property in a condition satisfactory to the City. If the homeowner disposes of the property prior to the end of the affordability period through sale, rental, transfer or abandonment, the principal reduction shall be null and void at the time of the applicable event. The portion of the loan that has not been forgiven will be due and payable at simple interest rate of four percent (4%) accrued from the award of the loan.

All financial assistance provided by the City of North Miami will be secured by a restrictive covenant and a **note and mortgage** on the property. However, the restrictive covenant and note and mortgage will be subordinate to a private sector loan. The City will entertain requests for subordinations during the affordability period in accordance with its subordination guidelines.

E. **Loan Assumption upon Death:** In the event of the death of the surviving property owner(s), assumption of the remaining loan balance is permissible under certain conditions. Blood relatives who are heirs to the estate and who are granted legal or equitable possession of the property may assume the loan. Validated heirs whose **total** household income does not exceed eighty percent (80%) of the area's median income as defined by HUD income limit chart (See Exhibit "A"), and who intend to occupy the property as their principal residence shall be approved to assume the balance of the deferred loan. Validated heirs who qualify based on the above conditions shall execute a new mortgage and promissory note for the balance.

Validated heirs whose income exceed eighty percent (80%) of the area's median income as defined by HUD income limit chart and/or those, regardless of income, who do not intend to occupy the property are required to repay the balance outstanding. Assumptions in accord with these policies shall be reviewed by CP&D staff. Upon qualifying the validated heirs, in consultation with the City Attorney's office, CP&D staff shall make a recommendation to Director to allow such assumption in accordance with these guidelines. If CP&D's review of the matter results in a recommendation against assumption and further legal action is required, then the matter shall be referred to the City Attorney's Office.

F. **Qualifying Properties:** Properties that are eligible for assistance shall include single family houses, townhouses and duplexes that are owned and occupied by income eligible residents within the Corporate City limits of North Miami. The



property must conform to the City's zoning requirements regarding use and density; although approved variances to existing zoning requirements will be accepted. Property information will be verified by one or more of the following: a site visit, official map, City planning and zoning records, and property appraiser's records. If the property does not meet the location and eligibility requirements the application will be rejected and assistance will be denied.

**G. Qualifying Criteria:** In order to be considered to receive assistance the homeowner and the property must meet the following conditions:

- Applicant must be the owner of record of the property.
- Applicant must reside at the property.
- Roof must be substandard and in poor condition
- Property must be located within the city limits of North Miami.
- Property must consist of no more than two dwelling units and be entirely used for residential purposes with one unit occupied by the applicant. Property must be zoned to have the number of units to be rehabilitated.
- Applicant's mortgage obligation must be current at the time of application to the program.
- Applicant's property tax obligation must be current at the time of application to the program.
- Applicant's total household income cannot exceed eighty percent (80%) of the area's median income as defined by HUD income limit chart.
- Repair or replacement of the roof must be determined to be practical and feasible.

**H. Eligible Program Costs:** The following expenses shall be regarded as eligible costs under this program:

- Labor, materials, and other costs associated with the replacing or repairing the roof of the property.
- Up to one (1) year of Flood and Hazard Insurance

**I. Technical Assistance:** – Technical assistance will be provided to homeowners in the form of services including inspections, work write-ups, specification preparation, bid solicitation, construction payment reviews and processing, and any other staff assistance needed to implement the Program.

**J. Repayment Conditions:** – Upon satisfactory completion of the terms and affordability period specified in the mortgage and promissory note, or upon remittance of the remaining balance due on the mortgage, the City shall prepare and execute a Satisfaction of Mortgage to release the lien on the property. Upon approval and issuance, a satisfaction of mortgage shall be placed on the public



records of Miami Dade County and the original shall be given to the applicant. The original recorded satisfaction document shall be accompanied by the original mortgage and promissory note documents when returned to the applicant.

If the property is sold prior to the end of the City's mortgage term, all of the City's remaining balance is due and payable from the net proceeds.

- K. Relocation:** The City will ensure that all reasonable steps are taken so as to prevent or minimize the possibility of temporary relocation as a result of the roofing repair or replacement project. Should the need arise, the participating homeowner will be responsible for relocation costs.

## **II APPLICATION AND APPROVAL PROCESS – OWNER OCCUPIED ROOFING PROGRAM:**

- **Preliminary Application Review:** After being contacted by the Housing Division via United States Postal Service (USPS), an applicant submits an application form (See **Exhibit “B”**), and provides documentation in support of the application. Applicants shall be processed on a “first come, first serve” basis upon submission of a complete application packet and all required supporting documentation. An interview shall be conducted with each applicant wishing to participate in the program. The interview shall take place at CP&D’s principal place of business,
- at any mutually agreeable location that is accessible to CP&D staff and applicants or at the applicant’s residence if the applicant’s special circumstances so require. During the interview CP&D shall advise the applicant of the program’s guidelines and the steps involved in the roof repair or replacement program. Based upon the information provided, income eligibility will be determined and an appointment for initial inspection of the property will be made, if it is determined that applicant meets the applicable income threshold.
- **Self Certification of Income:** Applicants will complete a self certification affidavit of annual income (See **Exhibit “C”**). The affidavit must be notarized.
- **Income Review:** The total income of all members of the household will be reviewed to establish whether the applicant’s annual household income, by household size, is at or below the applicable established income limit. If the total household income exceeds the applicable established income limits, the application will be rejected and assistance denied.
- **Liquid Asset Review:** The liquid assets of the applicant shall be reviewed to establish the extent of liquid assets of the property owner(s) only as a proportion of the applicant property owner’s annual income, such that any amounts in liquid assets in excess of \$15,000 must be made available by the property owner(s) to reduce the funding provided through this program



except for elderly and disabled households who are capped at \$40,000. Liquid assets include cash savings, certificates of deposits, stocks, bonds, and other investments. Investments in bona fide retirement accounts are excluded from this test.

- **Verification of Age:** Where at least one of the property owner applicants is 62 years of age or older, a verification of their age shall be documented through a copy of a document such as a birth certificate, drivers license, or Florida identification card.
  
- **Initial Inspection:** An initial inspection will be conducted by the Department's Housing Inspector, along with the owner of the property, to assess the condition of the roof and to determine if roof repair or replacement is necessary and feasible.
  
- **Determination of Necessity and Feasibility:** The initial inspection report shall be used to determine the necessity and feasibility of rehabilitation. If the following is determined, the report shall note that rehabilitation is not approved and be recommended for denial of assistance:
  - no deficiencies are found
  - the deficiencies are of a minor nature such that the cost of correction is \$1,000 or less. The applicant shall be advised that the program is not intended to assist in correcting minor deficiencies that arise which can be addressed through routine maintenance.
  - If the cost of rehabilitation exceed the program guidelines
  - If the cost of rehabilitation does not exceed the program guidelines but the cost of repairs exceeds 50% of the value of the structure to be rehabilitated, the property would not qualify for assistance.
  
- **Work Write-Up Preparation:** The Housing Inspector prepares a detailed work write up and construction specifications to address deficiencies identified at the property by the inspector and the owner. The Inspector also prepares a preliminary cost estimate to determine if the application is financially feasible. Upon completion of the work write-up, the Housing Inspector shall discuss the specifications with the Housing Coordinator and the applicant. The applicant will then be asked to sign the work write up indicating that they have reviewed the work write-up and understand the scope of the work to be performed on the property. The applicant will also be advised that no changes will be made to specifications unless required by the City's housing or building code. In addition, the applicant shall be advised that no agreements or change orders should be made between the applicant and the selected contractor. By signing the work write-up, the applicant also authorizes CP&D staff to obtain bids for the work to be done.



- **Application Approval Process:** Along with income eligibility information and construction cost estimates and having determined that the application is feasible; the Housing Coordinator underwrites the project and submits a recommendation for approval to the Director through the Housing Manager. A closing is then scheduled at which applicable agreement, mortgage and note and restrictive covenant and any other applicable documents are executed. If no approval is recommended, a letter is sent to the applicant informing him or her of the City's decision and stating the reasons for the denial.
  
- **Contractor Selection:** After the application has been approved, Housing staff will select a contractor from the list of pre-qualified, licensed roofing contractors who responded to the City's Request for Qualification (RFQ) or Information for Bid (IFB) and is on the City's approved Roofing Contractor List. Only licensed roofing contractors who responded to the City's formal RFP for roofing price quotes and have been approved and pre-qualified by the City are allowed to participate in the program. All Contractors will be required to complete a contractor application (See **Exhibit "D"**) to include proof of general contractor license, occupational license, proof of workers compensation and liability insurance.
  
- **Closing:** Upon approval of the City Attorney's Office, CP&D staff shall prepare the pertinent documents for execution and shall coordinate the date for closing with other parties. As pre-requisite to closing, CP&D must receive any updated information from the roofing contractor such as licensing, insurance, etc. as applicable. The closing shall be conducted by CP&D's Housing Staff who shall review all documents with the owner prior to execution. All owners of record, regardless of their location, must execute the mortgage and promissory note. Staff shall ensure that the documents are executed and recorded.
  
- **Construction:** Construction will begin after a Notice to Proceed has been issued by the appropriate Housing staff. During the construction phase, progress inspections will be conducted by the City's Housing Inspector and Project Manager.
  
- **Payments:** Payments to Contractors will be recommended for approval by the Housing Inspector and/or Project Manager and the Owner. Said payments will be approved by the Housing Manager and Director before submission for payment through the City's Purchase Order process.

**Files:** Relevant Housing staff creates a file containing the completed and signed application, with documentation, for each property owner seeking assistance.



### III APPLICATION FORM – RESIDENTIAL ROOFING PROGRAM:

#### Information Required:

- Name of applicant, co-applicant(s), and any other household members residing at the property (whether related to the property owner or not) and relationship to property owner(s)
- Address of property and telephone number.
- Social security numbers, dates of birth of applicant(s) and ages of other household members.
- Employment information on all household members except for resident full-time student dependents and minors (if applicant is unemployed, date unemployment began and type of work done before).
- All other income for the household including but not limited to wages, salaries, pensions, social security, disability, unemployment, self employment, rental income, interest dividends, and income derived from assets.
- Assets including but not limited to bank accounts, stocks, bonds, equity in real estate, and owned cars, boats, mobile homes, etc...
- Legal description of the property.
- Monthly housing expenses including mortgage payments of principal and interest where debt was incurred for housing purposes only (first, second, or other mortgage), real estate taxes, special assessments, flood insurance, fire and extended coverage insurance (hazard insurance).
- Information on flood and hazard insurance including name of insurer, agent, address, policy number, and amount and dates of coverage.

### IV APPLICATION PACKETS – RESIDENTIAL ROOFING PROGRAM:

**Application Packet:** The following is a list of the minimum information required at the time of application:

- Completed Residential Roofing Program Application requesting basic information for eligibility purposes and program requirements
- Social Security and /or Pension Award Letter(s)
- Social Security cards for all household members
- Picture ID of property owner(s)
- Property taxes verification
- Last two years (consecutive) of Federal Tax Returns, all schedules, W-2's and 1099's
- Birth Certificate (if applicable)
- Current three (3) consecutive pay stubs
- Custody or Adoption agreement (if applicable).
- Alimony, Child support payment records (if applicable)
- Warranty Deed



- Copies of last three (3) consecutive bank statements for each account (all pages).
- Documentation of other income (AFDC check stub, Award of retirement benefits, etc.).
- Declaration page of current year Home Owners Insurance policy.
- Copies of flood hazard insurance policies as applicable.
- Other information as required.

## V. MISCELLANEOUS:

**Program Monitoring and Compliance:** Projects receiving assistance through the North Miami Residential Roofing Program (NMRRP) shall be monitored by Housing staff to ensure compliance with applicable regulations and recordkeeping requirements.

**Applicant Information:** Information submitted by the applicant or gathered by Housing staff is reviewed for consistency. If the information appearing on various documents is consistent, the application is in compliance. If the information is not consistent, then the application is not in compliance and the applicant will be required to correct inconsistencies or provide explanations or clarifications. Failure to provide consistency or clarification shall result in the possible rejection of the application and denial of assistance.

**Insurance Coverage Review:** Housing staff will review insurance records for the property to determine that sufficient hazard insurance and flood insurance coverage exists that is at least equal to the total loans outstanding on the property including the City's anticipated loan and the balance of all other senior debt against the property. The insurance records shall be endorsed to include the City of North Miami as a loss payee and a mortgagee. The property will be considered in compliance if the required insurance coverage and policy endorsements are included. If insurance coverage is not in compliance, the applicant may achieve compliance by obtaining the required coverage. If the homeowner is unable to obtain insurance coverage, the City may assist the homeowner in obtaining adequate insurance for a period up to one (1) year. Failure of the homeowner to provide the City with proof of insurance within one (1) year from the date of the contract will be an act of default.

**Termination of Funding:** Termination of funding and acceleration of deferred loan repayment may be undertaken by CP&D during the rehabilitation process if:

- The applicant refuses or fails to allow the rehabilitation work to commence within thirty (30) days from contract award.
- The applicant refuses or fails to allow reasonable access to complete the rehabilitation after commencement.
- The applicant refuses to authorize payments associated with the project which have been deemed payable by CP&D staff.



- An event of default occurs as specified in the mortgage or promissory note.

Notice shall be given to the applicant of such termination and/or acceleration, as appropriate, with follow-up action by the City Attorney's office where necessary.

**Subordination:** Future subordination by the City of North Miami of a mortgage taken in connection with this program shall be reviewed by the Housing Coordinator and approved by the Director of CP&D. In evaluating request for mortgage subordination, the CP&D staff shall consider the City's financial interest and its interest in preserving homeownership, and preserving or enhancing the property's value in addition with compliance with the City's subordination policy.