

**FAN Assist  
(Fountain Avenue Neighborhood Assist)  
Home Repair Grant Program**

**Project Plan**

**Approved April 17, 2012**



The Midtown Alliance of Neighbors seeks to provide equal opportunity to all applicants and to prohibit discrimination based on: **Race, Color, Religion, National Origin, Sex, Disability or Familial Status.**

Fountain Avenue Neighborhood Assist  
Home Repair Grant Program  
Project Plan Outline

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ADDENDA

- Addendum A. Home Inspection Checklist (included)
- Addendum B. Documents and Provisions to be Used with HOME Dollars (included)
- Addendum C. Contractor Application
- Addendum D. Procurement Policy
- Addendum E. Grievance Policy (included)

# Fountain Avenue Neighborhood Assist Home Repair Grant Program Project Plan Outline

## I. PROGRAM DESCRIPTION

The FAN Assist program was developed and is administered by the Midtown Alliance of Neighbors, a 501(c)(3) non-profit. The mission of the non-profit is to "create strong neighbors and neighborhoods within Paducah, Kentucky, through education, community activities, and home rehabilitation."

The goal of the FAN Assist program is to help the lowest-income homeowners in the Fountain Avenue Revitalization Area repair their homes to meet the requirements of the 2006 *International Property Maintenance Code* and the 2007 Kentucky Residential Code Supplemental as well as the Fountain Avenue Area enhanced property maintenance standards, as required by the *Fountain Avenue Phase I Revitalization Plan* adopted by the Paducah City Commission in April 2007. Participation in this program is voluntary.

Applications from an initial pool of applicants were solicited in 2011 and are on file. Agency staff will contact these applicants for updated information. The agency will continue to accept applications for the program, and the projects of new eligible applicants will be ranked according to the ranking criteria described in this document.

The guidelines given in this project plan may be updated periodically to match new guidelines and requirements set by the funding agency or new priorities of the non-profit.

Questions about the program may be directed to Sharon Poat at 270-556-0826.

## II. ELIGIBLE PROPERTIES AND TARGET AREAS

The following requirements shall determine the eligibility of a structure.

### **Location**

All properties within the boundaries of the Fountain Avenue Revitalization area, as described in the *Fountain Avenue Phase I Revitalization Plan* are eligible. That area is described as " an area west of North 13<sup>th</sup> Street to the west side of Fountain Avenue, and the south side of Park Avenue to the alley just north of Jefferson Street."

### **Minimum and Maximum Subsidy**

An eligible structure shall be one which is below the minimum requirements established by the 2006 *International Property Maintenance Code* and which, at a

minimum, requires \$10,000 of rehabilitation assistance. The maximum costs for a project, including both hard and soft costs, is \$60,000. If the estimated cost of any project is greater than this amount, the Midtown Alliance of Neighbors will work with the homeowner on a case-by-case basis to help determine alternatives.

**Maximum After-Repair Appraised Value**

Homes repaired with this program must remain "affordable." Specifically, the appraised value of a home must be no more than \$150,000 after repairs are made to it.

**Eligible Repairs**

Rehabilitation assistance may be used for rehab work necessary to correct incipient as well as existing violations of the *2006 International Property Maintenance Code*. An incipient violation exists if, at the time of inspection, it is thought that the physical condition of any element in the house will deteriorate into an actual violation during the ten-year term of affordability. Rehabilitation assistance is intended to rehabilitate the dwelling structure. It may also be used to provide a basic driveway and sidewalk. It may not be used to repair or construct carports, garages, or other ancillary structures. Additional information about the type of rehabilitation work allowed is given in Section IV--Eligible Program Costs on page 6 of these guidelines.

**Owner-Occupied**

An eligible home must be owner-occupied and must remain the principal residence of the applicant for the duration of the ten-year affordability period. This requirement is detailed more in Section VII--Requirements of Applicants on page 7.

**III. ELIGIBLE APPLICANTS**

The following requirements shall determine the eligibility of persons applying for assistance.

**Ownership**

Eligible applicants shall be owner-occupants of the structure for which assistance is requested and the structure must be principal residence of the applicant. Owners shall hold legal title or deed to the structure including fee simple title to the property. Additionally, the property must not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.

All applicants must hold full title to the property to be eligible for these funds. If more than one person holds ownership to the property, the co-owners must deed over their portion to the occupants at that residence, or the property to be addressed may not be eligible for assistance. If (both living) husband and wife own the property, both *must* call this their principal residence or this property may not be eligible for assistance.

**Income**

The total GROSS income of ALL members of a household cannot exceed 60% of the Area Median Income as determined by the HUD Section 8 method of calculation. The income limits listed here are in effect from May 2011 to May 2012.

1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
\$24,120	\$27,540	\$30,960	\$34,380	\$37,140	\$39,900	\$42,660	\$45,420

To determine applicants' gross income, Midtown Alliance of Neighbors staff will add all sources of income for everyone in the household, including SSI, disability, pensions, wages, child support, alimony, K-Tap, food stamps, and other benefits. The agency will also gather information about cash, stocks, IRAs, other pieces of property, and other assets. If an applicant has more than \$5,000 in additional assets, the agency will add 2% of the value of assets over \$5,000 to the income amount to get a final income total.

**IV. CLIENT INTAKE PROCESS**

Each applicant must submit a completed application form. If necessary, the agency will provide assistance in preparing the form, especially to the elderly, handicapped, and non-English speaking. The Midtown Alliance of Neighbors will then review all applications for completeness and contact each applicant to review program guidelines.

The Midtown Alliance of Neighbors will verify each applicant's gross income and other assets. The imputed value of the assets will be determined using the current passbook savings rate as published by HUD. This value will be added to the gross income to verify each applicant's financial eligibility according to the income limits established by HUD.

At the same time, the Midtown Alliance of Neighbors will have a title search completed to verify the applicant's ownership of the property and to assess liens, mortgages, or other encumbrances against the property. The applicant's credit history may also be reviewed.

All applicants will be contacted and informed that they are either (1) eligible applicants or (2) ineligible applicants because of issues with ownership, income, or excessive debt.

## V. PROJECT RANKING

The Midtown Alliance of Neighbors staff will interview each eligible applicant about the work needed at the home and will inspect and make notes about the condition of the home. The agency's *Home Inspection Checklist* is attached to these guidelines as Addendum A.

Since the Fountain Avenue Revitalization Plan adopted by the City of Paducah in April 2007 requires that all homeowners in the plan area must repair their homes to meet the *2006 Edition of the International Property Maintenance Code* and the Fountain Avenue Area enhanced property maintenance standards, it is also important to work with a building inspector from the City of Paducah Inspection's Department to identify the work which must be completed to be in compliance. As a first step, a City inspector will be asked to visit the home with the Midtown Alliance of Neighbors representative and note items which will need to be addressed.

After assessing the home's condition and needs, the Midtown Alliance of Neighbors will rank the projects of eligible applicants based on the criteria listed below:

*Applicants should note that funds for this program are available to organizations across the state on a first-come-first-served basis, beginning July 1 each year. FAN Assist can only help two homeowners at the same time. If funds are limited by the middle of the funding year, the Midtown Alliance of Neighbors will help the highest-ranked project for which funds are available. We will eventually work our way through and help all eligible applicants, pending the availability of funds.*

*As new applications are received during the life of the program, the homes of new eligible applicants will be assessed and ranked according to the listed criteria. Date of receipt of application will NOT be considered in the ranking.*

*Once a year, the waiting list will be updated. Eligible homeowner applicants will be re-interviewed to assess their continued interest in the program and eligibility for it. The condition of their homes will also be reviewed and an updated Home Inspection Checklist will be completed. Projects will be re-ranked using the same criteria and updated information.*

*Homeowners with the highest point scores will have their homes addressed first. If several households have the same score, the tie-breaking criterion will be household income, with lower incomes receiving preference.*

- 10 pts.--Owned and lived in home on April 17, 2007 (when the City passed the Fountain Avenue Revitalization Plan)
- 5 pts.--Purchased or moved into the home after April 17, 2007, but before March 31, 2011, when the FAN Assist program was announced.
- 0 pts.--Purchased or moved into the home after March 31, 2011

\_\_\_ 1 to 5 pts.--If the home has an active roof leak or electrical, plumbing, heating, or other life and health-safety issues which make the house dangerous or uninhabitable and which cannot be addressed by temporary repairs.

\_\_\_ 2 pts.--The homeowner and/or spouse is elderly (62 or older) OR disabled (receiving disability benefits from the Social Security Administration).

Once the projects of eligible applicants are ranked, highest ranking projects will be given an "Up Next" status.

As projects reach Up Next status, agency staff will work with the homeowners to finalize work write ups for the project. Depending on the project, Midtown Alliance of Neighbors staff may work with the homeowner to solicit bids from a single contractor to complete all of the defined work or to solicit separate bids for several different work items and coordinate completion of the work. The details of the project process are discussed in more detail in Sections VIII--Property Standards through XII--Payment Procedures for Contractors.

## **VI. ELIGIBLE PROGRAM COSTS**

Costs eligible for assistance are the costs of meeting the requirements of the housing code including energy-related repairs or improvements, handicap accessibility, all health and safety issues, general property improvements of a non-luxury nature, correcting incipient violations and providing off-street parking. In addition, any reasonable and necessary costs associated with the program, such as title searches, credit checks, and recording fees are considered eligible costs.

When necessary to meet a specific requirement of the housing codes, eligible costs include but are not limited to:

- ◆ Rehabilitation or removal and replacement of elements, of the structure, including basic equipment. Basic equipment includes such items as heating furnace, hot water tank, electrical system, sanitary fixtures and kitchen stove and refrigerator if deficient or severely damaged. It does not include other appliances.
- ◆ Provision of sanitary or other facilities, including the provision, expansion and finishing of space necessary to accommodate those facilities.
- ◆ Provision of additional or enlarged bedrooms if necessary to meet occupancy standards to eliminate overcrowding.
- ◆ Provision of off-street parking in compliance with local zoning requirements.
- ◆ Provision of utility service, including water and sewer.
- ◆ Improvements for handicapped persons.

### **Incipient Violations**

Rehabilitation assistance may be used for rehabilitation work necessary to correct incipient as well as existing violations of the Kentucky Building Code. An incipient violation exists if, at the time of inspection, it is thought that the physical condition of an element in the structure will deteriorate into an actual violation during the ten-year period of affordability. For enforcement purposes and to establish the basis for providing corrective work with the rehabilitation assistance, the property inspection report may need to identify the incipient violations separately from actual violations.

### **Requirements Not Covered By Housing Code**

Any rehabilitation, not specifically required by the Kentucky Building Code, found necessary for the safety, health and general welfare of the occupants of the structure shall be determined by the rehabilitation inspector to be eligible.

### **Other Eligible Costs**

In addition to actual development hard costs:

- ◆ Site improvements and utility connections,
- ◆ Related soft costs such as inspections and work write-ups, architectural, engineering or related professional services, and
- ◆ Credit and title costs, recording fees, building permits, legal fees.

### **Ineligible Costs**

The following items are ineligible:

- ◆ Landscaping and other yard or nonstructural property improvements.
- ◆ Rehabilitation of accessory structures, unless specifically authorized for health and safety reasons.
- ◆ Additional rooms, except as required in meeting the Kentucky Building Code.
- ◆ Construction damaging to the historical character or value of a structure as determined by the State Historical Preservation Officer of the Kentucky Heritage Council.
- ◆ Excessive or luxury items.

## **VII. REQUIREMENTS OF APPLICANTS**

### **Before rehabilitation work is done on the property:**

1. Property owner must be current on city, county, state, and federal taxes – All taxes must be current before any work will be done to the property.

2. The property owner must have the home insured -- The property must be insured against loss by fire, windstorm and tornado, with a loss payable clause in favor of The Midtown Alliance of Neighbors.
3. Felony Conviction-- If an otherwise qualified deed holder or a resident of a property is currently serving a jail sentence for a felony conviction or is a defendant in felony criminal proceedings, the Midtown Alliance of Neighbors will accept and rank an application but will not move a project to "up next" status until the sentence has been served or the criminal proceedings resolved.

**During the entire ten-year period of affordability:**

1. The rehabilitated home must remain the homeowner's primary residence -- The property owner must sign a deed restriction says that the home must continue to be the homeowner's primary residence for the next 10 years. If for some reason, the homeowner must leave the home before the ten-year affordability period is up, the property must be sold to another low-income person (including a relative or friend) at an affordable price as outlined in the deed restriction.

(Occasionally, depending on the source of funds available from the funding agency, a Forgivable Mortgage and Note may be required rather than a Deed Restriction. Addendum B explains the documents and provisions to be used with HOME funds.)

2. Property owner must remain current on city, county, state, and federal taxes -- All taxes must be kept current during the ten-year period of affordability.
3. The property owner must keep the home insured -- For the full ten-year period of affordability, the property must be insured against loss by fire, windstorm and tornado, with a loss payable clause in favor of The Midtown Alliance of Neighbors.
4. The property owner must maintain the home -- The Midtown Alliance of Neighbors reserves the right to walk through the home up to twice a year to make sure that basic cleanliness standards are being met. The basic standards mirror those of the *2006 International Property Maintenance Code* and will include, but are not necessarily limited to, the following:
  - All rooms--including the kitchen and bath--must be maintained in a clean and sanitary condition.
  - There should be no accumulation of rubbish or garbage, inside or outside.

- There should be no evidence of a pest infestation.
- No room should be overfilled with items so as to impede egress from the home.

If any cleanliness issues are noted by Midtown Alliance of Neighbors staff, during the walk through, the property owner will be notified and required to correct the issues.

In addition to maintaining basic cleanliness, the property owner must also be prepared to complete basic maintenance work on the property. The Midtown Alliance of Neighbors will work with the homeowner to develop a checklist of items that should be checked periodically. The Alliance will also advise homeowners on maintenance issues as they are available and needed. There is no requirement placed on homeowners to save for home maintenance needs. However, the agency strongly recommends a that homeowners adopt a monthly budget that includes a modest amount of savings for home maintenance needs. The Midtown Alliance of Neighbors will discuss this issue with homeowners upon request.

It should also be noted, that City inspectors will also continue monitor yards and the exterior of properties for high grass, rubbish, and other issues. Any problems they cite or notices they send are separate and independent from those of the Midtown Alliance of Neighbors.

## **VIII. PROPERTY STANDARDS**

All rehabilitation must meet the minimum requirement of the latest edition of the *2006 International Property Maintenance Code* and other applicable codes adopted by the City of Paducah.

## **IX. PROCUREMENT OF CONTRACTORS**

### **Eligible Contractors**

In order for a contractor to qualify for work under the FAN Assist program, the contractor must submit to the Midtown Alliance of Neighbors an application to be placed on the approved contractor's list. The agency shall verify information on the application, and the contractor must attest to his federal eligibility. The Contractor Application is included here as Addendum B.

### **Contractor Lists, Bids and Proposals**

The Midtown Alliance of Neighbors will advertise for contractors and establish a listing of qualified contractors who are interested in doing work financed through the

program. While the list, in a limited way, may serve the purpose of pre-qualifying bidders, it shall not be used as a means of excluding bidders who are not on the list at the time the submission of a bid and proposal is in order. Vigorous efforts will be taken to encourage minority/women owned business participation in the execution of the administration and contract phase of the program.

Contractors will remain on the approved contractor list as long as their performance meets the Midtown Alliance of Neighbor's and the funding agency's expectations. The following list contains reasons for which a contractor's name may be deleted from the approved list. This list includes, but is not limited to:

- ◆ Poor performance
- ◆ Failure to honor the one-year guarantee
- ◆ Failure to obtain/maintain required insurance
- ◆ Disapproval from HUD
- ◆ Continuous poor quality work as determined by the Midtown Alliance or administering agency
- ◆ Failure to promptly pay subcontractors or material suppliers
- ◆ Contractor's insolvency, bankruptcy or other conduct or condition which has resulted in a monetary loss to a homeowner or to the agency in connection with contract work
- ◆ Abandonment of a job or repeated failure to complete contract work within a specified time limit
- ◆ Contractor's conviction of a crime in connection with contract work or in connection with payment or receipt of funds administered by the Midtown Alliance
- ◆ Failure to maintain a current business license
- ◆ Failure to provide respectful, courteous treatment to a homeowner, or inability to maintain satisfactory relationships with homeowners.

#### **Invitation to Contractor for Bid and Proposal**

Contractors on the "approved list" will be contacted with regard to structures that are ready for bid. The method used for procuring any services will be the method outlined in the Procurement Policy adopted by the Midtown Alliance of Neighbors attached here as Addendum C.

Contractors will be given an opportunity to review the work write-ups and the structure. After this review, the contractors will be asked to submit bids on the job. Depending on the needs of a particular project, bids may be sought from general contractors and/or from contractors specializing in the needed trades. Bids will be evaluated on several criteria:

- Specialized experience or technical expertise of contractor and personnel in completing similar rehabilitation work.
- Past record of performance on contracts with other clients, including quality of work, timeliness, and cost control.

- Capacity of the contractor to perform the work within time limitations, given the current and planned workload of the firm.
- Cost.
- Familiarity with local conditions relevant to the proposed project.

All bids will be reviewed and compared to the Midtown Alliance of Neighbor's cost estimate. If the best evaluated bid is within 15 percent above or below the agency's cost estimate, the bid will be acceptable. If the bid is outside the 15 percent window, the non-profit will reevaluate its cost estimate for accuracy and reserve the right to negotiate with the contractor and owner. If no agreement can be reached which is acceptable to all parties, the non-profit and owner will negotiate with the next lowest bidder. If no agreement can be reached through the above-described negotiations, the proposed work may be re-bid.

### **Bid Awards**

After the contractor or contractors have been selected through the procurement process, the contractor(s) and homeowner must sign the contract(s). At the time the contract is signed, the deed restriction will also be signed by the homeowner. However, the deed restriction will not be recorded at the McCracken County Court House until all work is completed, inspected, and paid for.

By federal law, a Right of Rescission must be given to the homeowner giving them at least three business days to rescind the contract if they so desire. At the time the contract is executed, the non-profit staff shall remind the owner and the successful contractor(s) that the undertaking of the work covered by the contract(s) is subject of issuance by the owner of an order to proceed within the number of days stated in the general conditions of the contract from the date of contract execution.

Owners must use the lowest evaluated bidder-contractor for the construction work. Owners may select another contractor provided that contractor is either on the approved list or eligible for the approved list and is paid no more than the amount of the low bid with project funds; the owner will be responsible to pay additional costs.

The proceed-order(s) shall be prepared by the Midtown Alliance of Neighbors for the owner's signature and provided to the contractor(s) with a copy retained by the non-profit.

## **X. CONSTRUCTION MANAGEMENT PROCEDURES**

### **Work Write-up and Cost Estimate**

Once homeowners have been determined to be eligible for the FAN Assist program as outlined in Section III--Eligible Applicants and Section IV--Client Intake Process AND the home projects have been ranked as described in Section V--Project

Ranking, Midtown Alliance of Neighbors staff will prepare project documents for the top-ranking, Up-Next projects.

Staff will consult with the homeowner and request a Corrections Notice from the City building inspector in order to draft a work write-up which will bring the home into compliance with the *2006 Edition of the International Property Maintenance Code* and the Fountain Avenue Area enhanced property maintenance standards. A cost estimate for all labor and materials needed to complete this work will also be developed.

Once the draft work write-up and cost estimate are complete, Midtown Alliance of Neighbors staff will meet with the homeowner to review and have the homeowner approve the final work write-up. As part of this discussion, the non-profit staff will advise the owner which items of work are required to meet the housing codes and standards and which are not required. The owner must review and approve the final work write-up.

The final work write-up will be the basis for soliciting bids and proposals from contractors. On a project-by-project basis, the non-profit may solicit lump-sum bids or by-element bids or both in order to get the most cost-effective project.

### **Specifications and Drawings**

Specifications and any necessary illustrative sketches will be included as part of the work write-up. Drawings shall be prepared, where necessary, to show the scope of the work involved so that a fair bid can be obtained and to avoid misunderstandings with the bidder. The specifications shall clearly establish the nature and location of the work to be done and the material and equipment to be installed.

All contractors will calculate into their bids proper clearance techniques, and will properly dispose all debris in an approved landfill. On site burning is prohibited. Additionally, all contractors whose work will involve disturbing lead paint will use safe work practices as established in the EPA's RRP Rule. (In the event that federal dollars are used on a project as outlined in Addendum B, the Midtown Alliance of Neighbors will be responsible for following 24 CFR Part 34 in dealing with lead-based paint compliance issues.)

### **Contract Document**

After procuring the contractor(s), the construction work shall be undertaken through a written contract (a standard form furnished by the agency) between the contractor(s) and the owner. ***It is important that the owner and each contractor understand that while the Midtown Alliance of Neighbors is providing financial assistance and project oversight, the owner and contractor are the two parties to each contract and they must communicate with each other and strive for agreement and resolution of any problems. A one-year guarantee is required of the contractor. Should problems arise, the owner should contact the contractor for resolution.***

## **XI. INSPECTION PROCEDURES**

A Midtown Alliance of Neighbors representative will visit the worksite regularly to assess the progress of the work and determine if it has been performed in accordance with the contract. Additional site visits will also be made by the appropriate City inspectors as needed or required. Additional periodic inspections may be made by an inspector-representative of the program's funding agency as listed below:

- ◆ An initial inspection to be made before work begins in order to approve the planned scope of work.
- ◆ Interim inspections to be made before approval of a draw request to ensure that the construction work is being completed in accordance with the construction contract.
- ◆ A final inspection to be made to ensure that the construction work has been completed in accordance with the construction contract. After the final inspection and approval of final payment. The signed deed restriction will be recorded at the McCracken County Court House.

If any inspections by any party reveal that the work has not been completed in accordance with the contract, the contractor will be required to make the necessary corrections before receiving payment. If the contractor fails to make the necessary corrections prior to the expiration of the contract, the non-profit shall assist the owner in obtaining another contractor to make the corrections. When corrections are made to the satisfaction of the owner and the Midtown Alliance of Neighbors, the non-profit will make the necessary arrangements to pay the new contractor for the corrections from the remaining contract funds. The contractor who failed to perform shall be paid the value of the work he/she completed. This payment shall only be made upon receipt of the appropriate release of lien documentation.

If a contractor fails to complete the contract within the term of the contract, he/she may be required to pay for any additional expenses incurred as a result of the time delay, and a penalty may be assessed in accordance with the construction contract.

## **XII. PAYMENT PROCEDURES FOR CONTRACTORS**

Payment procedures will vary, depending on whether a single contractor is hired to complete all of the defined work or separate contractors are hired to complete several different work items.

### **For Projects with Multiple Small Contracts**

Contractors must submit to the Midtown Alliance of Neighbors a request for payment that has been signed by the homeowner, along with lien waivers and affidavits. A

representative of the Midtown Alliance of Neighbors and/or a City Inspector will inspect the completed work.

If complete, payment will be made. However, the contract with the contractor will include a clause making them responsible for faulty work for the period of one year. That responsibility will specifically include correcting any faults the inspector-representative of the funding agency finds during his inspections of the project, even if those inspections are made and faults identified after payment has been made by the non-profit.

In the event that work completed is not in compliance, it shall be the duty of the Midtown Alliance of Neighbors representative to obtain appropriate corrective action from the contractor. The contractor shall be notified verbally at the time of the inspection of any necessary corrective action to enable the agency to make payment. This verbal notification will be followed up by a written memo to the contractor if the work is not completed as required by the verbal notification. Once work is complete, payment will be made.

#### **For Large Projects with a Single Contractor**

Interim Payment-- At 50% completion, the contractor should submit to the Midtown Alliance of Neighbors a request for payment that is signed by the homeowner, along with lien waivers and affidavits. A representative of the Midtown Alliance of Neighbors and/or a City Inspector will inspect the completed work. If the completed work is acceptable, an inspection by the inspector-representative of the funding agency will be scheduled. Inspections will determine that the work completed is valued at an amount equal to the progress payment requested. If corrective actions are required, no payment will be made on a construction contract until the contractor has satisfactorily completed the necessary corrective action.

Final Payment-- Upon completion of the work and receipt of the contractor's final invoice containing his/her certification of satisfactory completion of all work in accordance with the contract and his/her warranty, the non-profit shall obtain from the contractor a release of liens, including releases from all subcontractors and suppliers, and a copy of each product warranty before making final payment.

When the work is inspected and approved by the inspector-representative of the funding agency, the Midtown Alliance of Neighbors will request and make the final payment.

#### **Change Orders for All Contracts**

When changes are required in the contract, change orders will be issued by a Midtown Alliance of Neighbors representative and executed by that representative, the owner, and the contractor. The contractor shall not be authorized to perform any work outside the scope of the original contract without a written and properly executed change order.

**One-Year Guarantee Requirement**

In some cases, defects and inadequacies in the construction work, not apparent at the time of final inspection may show up after final payment for the work is made and the certification of final inspection has been issued. Therefore all work performed by the contractor is covered by a one-year guarantee. Owners may require the contractor to correct significant defects and inadequacies found in the construction work performed under the contract. In addition, factory warranties, on items such as the heating unit, shall be provided to the owner by the contractor.

**XIII. GRIEVANCE PROCEDURES**

Owners and contractors are encouraged to work together to resolve construction-related problems. If a dispute should arise regarding construction activities that can not be resolved between the contractor and owner, the parties should first notify the Midtown Alliance of Neighbors representative. The Midtown Alliance of Neighbors representative will review the situation and will work to resolve it.

If the homeowner feels that the non-profit representative is not taking the appropriate steps, the homeowner may follow the steps outlined in the organization's Grievance Policy, a current version of which is attached here as Addendum E.