



PINAL COUNTY
WIDE OPEN OPPORTUNITY

OWNER OCCUPIED HOUSING REHABILITATION (OOHR) PROGRAM GUIDELINES

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I. PURPOSE

The purpose of the Pinal County Owner Occupied Housing Rehabilitation (OOHR) Program is to assist low income homeowners with the repair, rehabilitation or reconstruction of housing in which they reside. Rehabilitation includes the alteration, improvement, or modification of an existing structure. Projects such as correcting code violations and solving health and safety issues are the focus of the OOHR Program. The OOHR Program uses funds from the Housing and Urban Development (HUD) Community Development Block Grant (CDBG), HOME Program, and other available grant funds to provide financial assistance to eligible homeowners to:

1. Rehabilitate or reconstruct an existing residence (HOME grant funds).
2. Make emergency repairs or complete standalone improvements such as Americans with Disabilities Act (ADA) accommodations or weatherization projects for an existing residence (CDBG, HOME (for limited uses), or other grant funds).

II. ELIGIBILITY REQUIREMENTS

To be eligible for the OOHR Program, the applicant and property to be rehabilitated must meet the following criteria:

Applicant must:

- Have a gross household income of 80% or less of the Area Median Income (AMI), based on household size. Proof of income is required.
- Legally own the housing unit to be rehabilitated and the property on which it is located. This includes the property on which manufactured or mobile home housing units are located.
- Have resided in the housing unit to be rehabilitated as a principal residence for the past 12 months, and currently reside in the property as a principal residence.

Property must:

- Be located in an unincorporated area of Pinal County or in the cities of Eloy, Florence, Mammoth or Maricopa.
- Not be located within a 100 year floodplain ("A" zone).
- Be one of the following types of properties:
 - a. Traditional single family housing
 - b. A condominium unit
 - c. A manufactured home built after 1976, including a mobile home.
 - i. Must be permanently attached to a foundation at the time of project completion.
 - ii. Must be connected to permanent utility hook ups at the time of project completion.

- Be free of any encumbrances such as liens or judgments. Properties may be encumbered by a mortgage in first position so long as a financial institution or other such mortgage company holds that mortgage.
- Be current on mortgage payments, insurance premiums, and property and assessment taxes.
- Be insured for fire and liability protection in the form of fire and liability insurance.

III. REHABILITATION PROGRAM (HOME funded)

A. Rehabilitation Includes

- The repair of unsafe, hazardous living conditions on an existing housing structure.
- The rebuilding, on the same lot, of housing that is standing on a site at the time of project commitment.
- The rebuilding of housing that was destroyed by a disaster on the same lot if HOME funds are committed within 12 months of the date of destruction.
- Replacement of an existing substandard unit of manufactured housing with a new standard unit of manufactured housing.
- The number of housing units on the lot may not be decreased or increased as part of a rehabilitation project, but the number of rooms per unit may be increased or decreased.

B. Property Standards

- When using HOME funds for rehabilitation, the entire property must be brought up to the county or city's housing code and meet Pinal County's Rehabilitation Standard at the completion of the project.
- A preliminary property inspection will be completed to identify deficiencies that must be addressed to bring the entire property up to code.
- Standalone programs such as weatherization, emergency repairs, or ADA accommodations may be included with rehabilitation when they are undertaken in conjunction with overall rehabilitation of the housing unit.

C. Assistance Limits

Minimum assistance per housing unit is \$1,000.

Maximum assistance per housing unit is based on unit size as follows:

Unit Size / Maximum Per-Unit Subsidy Limit (Effective September 9, 2021)				
0-BR	1-BR	2-BR	3-BR	4+-BR
\$153,314	\$175,752	\$213,718	\$276,482	\$303,490

For more information on maximum home per unit subsidy limit, see:
<https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>

D. After Rehabilitation Property Value Limit

The value of the rehabilitated or reconstructed property may not exceed 95% of the area median property value after rehabilitation or reconstruction. The homeownership value limits for Pinal County as of June 1, 2020 are:

	1 Unit	2 Unit	3 Unit	4 Unit
Existing Homes	\$252,000	\$322,000	\$390,000	\$483,000

For more information on after-rehab value limits, see:
<https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>

E. Eligible Rehabilitation Costs

- a. Hard costs – the actual costs of rehabilitating the housing:
 - i. Construction costs required to meet the rehabilitation standards and/or applicable codes
 - ii. Essential improvement
 - iii. Energy related improvements
 - iv. Lead based paint hazard reduction
 - v. Accessibility modifications for disabled persons
 - vi. Repair or replacement of major housing systems
 - vii. Repairs and general property improvements of a non-luxury nature
 - viii. Site improvements and utility connections

- b. Soft costs – related costs that are not direct construction costs:

- i. Financing fees
- ii. Credit reports
- iii. Recordation fees
- iv. Appraisals
- v. Pest inspections
- vi. Water and well testing
- vii. Work write ups
- viii. Initial and job progress inspections
- ix. Project costs incurred by the County that are directly related to a specific project
- x. Lead based paint assessment (only on properties built prior to 1978)
- xi. Energy audit

F. Forgivable Deferred Payment Loan (FDPL)

Financial assistance for rehabilitation shall be in the form of a FDPL. The loan will be for the full amount of eligible rehabilitation project specific costs. The loan shall be non-interest bearing and shall be secured with a deed of trust and promissory note (lien on property) to be recorded by the Pinal County Recorder.

The promissory note will be for the full amount of eligible hard and soft costs plus 10% contingency above the selected contractor's bid. See Contractor Selection section.

Pinal County (County) will be no lower than the first position on the lien of the home or second if a financial institution held first position.

A percentage of the loan will be forgiven on the anniversary date of the execution of the recording of the loan instruments throughout the recapture period, provided the homeowner compliance requirements are met. See Homeowner Compliance section.

The County will maintain financial records on the loans and will provide payoff amounts upon request. The lien will remain in place until the end of the recapture period, or the repayment of HOME funds in the case of homeowner non-compliance.

Upon satisfaction of the recapture period of the loan or payoff of the loan, the County will record a release of lien with the Pinal County Recorder.

G. Refinancing of Existing Debt/Home Equity Loans

After a lien is recorded and during the life of said lien, the Grant Specialist will review any request for refinancing or subordination and will make a determination as to appropriateness of the request on a case by case basis. The County will not subordinate the lien placed against the property unless the homeowner is securing

new financing for the property that will result in the reduction of the homeowner's monthly mortgage payment. New mortgage financing to consolidate debt or provide cash back to the homeowner will not warrant subordination of the County's lien position. Consideration will include, but not be limited to, existing financial debt, individual family circumstances or changes in income.

H. Recapture Provisions and the Period of Affordability

The recapture period, or period of affordability, is the length of time over which the FDPL will be forgiven. The length of the recapture period is determined by the amount of HOME assistance provided to the homeowner. Homeowner compliance requirements apply during the recapture period. See Homeowner Compliance section.

Pinal County will not adjust recapture amount of direct assistance based on shared equity or the value of capital improvements made by the homeowner. Furthermore, regardless of improvements made to the home during the affordability period, or the increase in value of the home, Pinal County will not recapture any additional income earned on the sale of the home beyond the unforgiven portion of the FDPL as outlined in the recapture provisions.

HOME Per Unit Funding	Time of Lien on HOME Assisted Property/Homeowner Compliance (Recapture Period)	Rate of Forgiveness on FDPL
Less than \$15,000	5 years	20% per year
\$15,000 - \$40,000	10 years	10% per year
More than \$40,000	15 years	10% per year starting in year 6 through year 15

I. Homeowner Compliance

Failure to comply with the following requirements during the recapture period is considered non-compliance, and may result in the repayment of the unforgiven portion of the FDPL:

- a. Principal Residency Requirement – The HOME assisted homeowner must occupy the property as his/her principal residence for the entire recapture period,

or the property is considered non-compliant and the unforgiven amount of the FDPL is subject to repayment. This means the homeowner is not able to move out, even temporarily, and rent the home to another household or leave the property vacant. The repayment amount is based on the unforgiven amount of the FDPL based on the recapture period.

- b. Ownership Requirement – If the HOME assisted homeowner sells the property during the recapture period, the balance of the FDPL will be repaid at the time of sale. The repayment amount is based on the unforgiven amount of the FDPL based on the recapture period.

J. Resale Provisions

In compliance with 24 CFR 92.254 (5), Pinal County will not impose Resale Provisions on owner-occupied homes upon the sale or transfer of the home. Pinal County structures the recapture period to ensure affordability for a minimum of 15 years.

IV. EMERGENCY REPAIRS OR STANDALONE IMPROVEMENT PROJECTS (CDBG, HOME (for limited uses), or other grand funded)

Financial Assistance for emergency repairs or standalone improvement projects shall be in the form of a grant which requires no repayment.

A. Emergency Repairs

When bringing an entire property up to the County or city's housing code is not feasible, or the structure currently meets Pinal County's Rehabilitation Standard, financial assistance for emergency repairs to eliminate an imminent threat to life, safety or health may be granted. Immediate needs will be addressed and the home may later be rehabilitated to meet Pinal County's Rehabilitation Standard.

Examples of emergency repairs include roofs, heating and cooling, plumbing, electrical, and hot water heating systems.

- Minimum assistance per housing unit is \$1,000.
- Maximum assistance per housing unit is \$15,000.
- Financial assistance shall be in the form of a grant.

B. ADA Accommodations

Homeowners may request assistance to make their residence physically accessible without rehabilitation to bring the entire property up to the county or city's housing code. Assistance may be either structural changes or purchase of durable medical equipment (if it becomes a part of the structure) and may include ramps, grab bars,

handrails, raised toilets, lowered light switches, automatic door openers, visual alarms, transfer shower benches, and hand held showers.

- Minimum assistance per housing unit is \$1,000.
- Maximum assistance per housing unit is \$15,000.
- Financial assistance shall be in the form of a grant.

C. Weatherization

Standalone weatherization projects not included with other rehabilitation activities should be directed to the Community Action Human Resources Agency (CAHRA) Weatherization Assistance Program.

CAHRA
109 N. Sunshine Blvd.
Eloy, AZ 85131
(520) 466-1112
<https://www.cahra.org/contact-us>

V. REHABILITATION STANDARD

All rehabilitated properties assisted with HOME funds must comply with Pinal County's Rehabilitation Standard (Rehabilitation Standard). The entire property must comply with the Rehabilitation Standard at project completion.

The Rehabilitation Standard incorporates compliance with applicable state and/or local codes, defines standards for health and safety, and defines standards for the correction of Housing and Urban Development prescribed minimum deficiencies based on Uniform Physical Condition Standards. The Rehabilitation Standard also includes policies for repairs, methods, and materials to be used for rehabilitation activities and clarifies whether certain upgrades are permissible amenities for modest housing versus luxury items not eligible under HOME.

Upon project commencement, the entire property will be inspected for deficiencies. If the property cannot be brought up to the required Rehabilitation Standard at project completion within the HOME maximum subsidy limit, another funding source must be used.

For HOME funded projects, standalone projects such as weatherization, emergency repair, or accessibility can only be paid for when they are undertaken in conjunction with overall rehabilitation of the unit.

VI. HOMEOWNER INFORMATION

A. Homeowner Application and Waiting List

Homeowner applications for the OOHR Program are available on the Pinal County Website at www.pinal.gov.

Pinal County
Housing Rehabilitation Program
P.O. Box 1348, Florence, AZ 85132
PHONE: (520)866-6250
E-mail: grants@pinal.gov

Applications will be received and processed on a first come, first served basis, with the exception of requests for emergency repairs.

When an application is received, the OOHR Program Coordinator will review the application and determine if the applicant meets the eligibility requirements for the program. If program eligibility is met, the Coordinator may contact the homeowner to get more information about the requested repairs. Based on the information provided by the homeowner, the OOHR Program Coordinator will determine if the project is an emergency repair, standalone improvement project, or a housing rehabilitation project.

Emergency repairs must pose an imminent threat to health or safety and will be prioritized and addressed as promptly as possible. The OOHR Program Coordinator will contact the homeowner via telephone regarding all requests for emergency repairs.

Standalone improvement projects and housing rehabilitation projects will be placed on a waiting list and addressed at the County's discretion and earliest convenience. The applicant will receive written notice from the OOHR Program Coordinator notifying them of their placement on the waiting list.

Homeowners will remain on the waiting list until they request to be removed or are contacted by the OOHR Program Coordinator to proceed to the next step.

B. Homeowner Interview and Whole House Assessment

When the County is ready to proceed with an improvement or rehabilitation project, the OOHR Program Coordinator will contact the homeowner by mail to request verification of income and homeowner insurance. Once the requested verifications are received, and the homeowner is determined to meet the eligibility requirements

for the program, the OOHR Program Coordinator will contact the homeowner to schedule an on-site visit.

During the visit, the OOHR Program Coordinator will complete a Whole House assessment to identify repairs and deficiencies that must be addressed to be in compliance with the HOME funding requirements. The OOHR Program Coordinator will need access to all rooms of the home during the whole house assessment. If the home was built before 1978, a Lead Paint Inspection will be conducted by a qualified contractor, as identified by the County.

An Energy Audit will be conducted by a BPI certified contractor, as identified by the County.

C. Work Write-up and Bid Process

The Whole House Assessment, Lead Paint Inspection (if applicable), and Energy Audit will be used by the OOHR Program Coordinator to develop the work write-up for the project. The homeowner must approve the work write-up before the procurement process begins. All rehabilitation projects must procure a licensed contractor through the County's competitive solicitation process.

The County will obtain bids and recommend the lowest responsible, responsive bidder complying with the solicitation request. The homeowner has the discretion to award to a bidder other than the lowest bidder, if they pay the cost difference.

Once a contractor is selected, a three way agreement between the County, homeowner, and contractor explaining each party's roles and responsibilities will be signed by all parties and executed through the County process. No construction can begin until the three way agreement is fully executed and the contractor has received a Notice to Proceed from the OOHR Program Coordinator.

D. Construction

The homeowner is not authorized to make changes to the project scope of work. All requests for changes must be submitted to the OOHR Program Coordinator.

The homeowner is allowed to select the following items:

1. One interior paint color
2. Exterior wall and trim color
3. Counter top color
4. One carpet color
5. One floor tile or laminate flooring color

VII. PROPERTY INSPECTIONS

The OOHR Program Coordinator will monitor and document all rehabilitation work during the course of construction and conduct regular inspections, accompanied by the homeowner whenever possible.

The County will not release final payment to the contractor until a final inspection has been completed on the home and the homeowner and County have signed off on the completed work. All concerns should be discussed with the contractor during the final walk through.

VIII. ENVIRONMENTAL REVIEW

After initial inspection of the property to be rehabilitated, an environmental review shall be completed by the OOHR Program Coordinator to determine if any additional compliance requirements must be met before rehabilitation can occur. The completed Environmental Review form shall be submitted to HUD by the Grant Specialist for final approval.

IX. CONTRACTOR SELECTION

The County will follow Pinal County Procurement code for Article 5 construction requirements. The OOHR Program Coordinator will prepare a scope of work based on the initial inspection of the property.

For rehabilitation projects, a mandatory pre-bid meeting will be scheduled at the project site. The pre-bid meeting will be used to answer questions and offer information to the contractors and property owner. The contractor may not contact the homeowner prior to this meeting.

The County will obtain bids and recommend the lowest responsible, responsive bidder complying with the solicitation request. The homeowner has the discretion to award to a bidder other than the lowest bidder, if they pay the cost difference.

The homeowner may not perform any of the project work.

County procurement staff will verify applicable State and Federal contractor clearances through (license, insurance, DUNS number, Federal tax Id number and the System for Award Management (SAM)) prior to execution of the rehabilitation contract.

X. NOTICE TO PROCEED

Once the contract between the homeowner, contractor, and the County have been fully executed, the OOHR Program Coordinator shall issue a Notice to Proceed to the contractor. The contractor must begin construction within seven days of the start

date indicated on the Notice to Proceed. The homeowner shall be carbon copied on the Notice to Proceed.

XI. PRE CONSTRUCTION CONFERENCE

A pre-construction conference will be held at the property to be rehabilitated and will involve the homeowner, the contractor, and the OOHR Program Coordinator. This conference will cover all aspects of the rehabilitation project to assure any questions or concerns are addressed and to prevent any misunderstandings between the parties involved. All pre-construction conferences will be documented. Any special accommodations required such as translation services will be made available through the County upon request.

XII. CHANGE ORDERS

Change orders may be requested to cover situations which were not included in the original work write-up due to unforeseen circumstances or project modifications. Change orders require the concurrence of the homeowner and the OOHR Program Coordinator. The contractor must have written approval from the County before undertaking any change order work. Change orders will be limited to a total of 10% of the awarded contract bid amount.

XIII. PAYMENTS AND INVOICES

All payment requests shall be subject to written approval by the homeowner, the OOHR Program Coordinator, and the Grant Specialist. Contractor shall submit payment requests to the OOHR Program Coordinator, who will review and approve payment request based on work completed. Payment requests shall be forwarded to the Grant Specialist by the OOHR Coordinator for processing and payment.

Contractor may request a 50% draw when one-half of the contracted work is completed and a 40% draw when 90% if the work is completed. The County will hold 10% retention for up to thirty (30) calendar days at the end of the contract to cover closeout contingencies. The contractor must submit all lien waivers, warranties/guarantees prior to the release of the 10% retention.

Final draw shall not be released until final inspections are completed, the OOHR Program Coordinator and the homeowner have signed and accepted all repairs and the contractor has provided all necessary lien waivers. The contractor shall warrant in writing all work performed under the contract for a period of two years from the date of final acceptance, and provide the homeowner with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.

XIV. COMPLAINT RESOLUTION PROCEDURES

In the event of a disagreement between the homeowner and the contractor with respect to rehabilitation work to be performed under the contract, the OOHR

Program Coordinator and County staff will mediate a satisfactory resolution of the dispute. If this mediation is unsatisfactory, either party may initiate the formal Complaint/Grievance Procedure adopted by Pinal County.

These procedures are attached, and also may be obtained at the Pinal County Grant Coordinator's Office, P.O. Box 1348, Florence, Arizona 85132. Each homeowner is provided with a copy of this procedure, and project files are documented accordingly.

XV. PROGRAM MANAGEMENT

The OOHR Program Coordinator, with the assistance of the Grant Specialist, is responsible for all aspects of the implementation of the OOHR Program including, but not limited to, application processing and verification procedures, maintaining all individual housing rehabilitation case files and updating the files on an ongoing basis, monitoring and tracking progress on all housing rehabilitation contract work.

The Grant Specialist is responsible for assuring that program implementation occurs in accordance with applicable guidelines and contract requirements. The Grant Specialist is responsible for general administrative oversight, reporting procedures, recapture period and FDPL tracking.

XVI. FAIR HOUSING AND EQUAL OPPORTUNITY

The County conducts and administers all HOME and CDBG funded activities in conformity with the Civil Rights Act of 1968 (Fair Housing Act) and the Fair Housing Amendments Act of 1988. Pinal County shall administer all HOME and CDBG Program activities in a manner which affirmatively furthers fair housing and protects individuals from discrimination based on race, color, religion, gender, national origin, marital status, age, physical or mental disability, medical condition, or veteran status.

Pursuant to 24 CFR 5.105(a)(2), people shall not be denied HUD assisted housing services based on actual or perceived sexual orientation, gender identity, or marital status.

XVII. CONFLICT OF INTEREST

Any person who is an employee, agent, consultant, officer, or elected or appointed official of the County or the Cities of Eloy, Florence, Mammoth or Maricopa may not obtain a personal or financial interest or benefit from this activity, nor may they have an interest whatsoever, however remote, in a contract, subcontract or proceeds either for themselves, their family or business ties during their tenure, or for one year thereafter.

No contract will be awarded to a contractor who is related, or whose employee is related to the applicant by blood or marriage.

XVIII. TEMPORARY DISPLACEMENT

In the event the homeowner requires or desires temporary relocation during the rehabilitation or repair process, relocation shall be paid by the homeowner. The Pinal County OOHR Program does not provide financial assistance for temporary relocation.

PINAL COUNTY
OWNER OCCUPIED HOUSING REHABILITATION PROGRAM
COMPLAINT/GRIEVANCE PROCEDURE

Pinal County has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints or grievances concerning all aspects of the application for and implementation of Owner Occupied Housing Rehabilitation Program (OOHR).

Complaints or grievances concerning OOHR activities should be addressed to: Grants Manager, Pinal County Office of Budget and Finance, P.O. Box 1348, Florence, AZ 85132 Telephone Number (520) 866-6250. The procedure is as follows:

1. Complaints/grievances should be filed in writing, contain the name and address of the person filing it, and briefly describe the alleged violation of the regulations or the issue of non-compliance. Persons in need of special assistance in preparing the complaint or
2. grievance should contact the Grants Manager.
3. A complaint/grievance should be filed within thirty (30) days after the complainant becomes aware of the alleged violation or issue of non-compliance.
4. A review, and investigation as may be appropriate, will follow filing of the complaint/grievance. The review will be conducted by the Grants Manager. These procedures contemplate an informal but thorough review process, affording all interested persons and their representatives, if any, an opportunity to submit evidence relevant to the complaint/grievance.
5. A written determination as to the validity of the complaint/grievance and description of the resolution, if any will be issued by the Assistant County Manager and a copy forwarded to the complainant no later than fifteen (15) days after its filing.
6. The complainant may request a reconsideration of the case in instances where he or she is dissatisfied with the determination or resolution. The request for reconsideration should be made in writing within fifteen (15) days of the initial response and should be directed to the County Manager at P.O. Box 827, Florence, Arizona 85132. A written determination in response to the request for reconsideration will be issued by the County Manager and a copy forwarded to the complainant no later than fifteen (15) days after its filing.
7. Any complainant who is dissatisfied with the determination resulting from the administrative review process may file an appeal. The appeal should be made in writing within fifteen (15) days of receipt of the reconsideration response and should be directed to the Pinal County Board of Supervisors at the address noted above. The complaint/grievance shall be placed on the agenda of the next regular meeting or special meeting of the Board to be held within fifteen (15) days following receipt of the appeal. Minutes of such meeting and action shall be maintained in the same manner as for other such regular or special meeting of the Board. A copy of such minutes shall be made available at cost to the complainant within five (5) days of such meeting. The decision of the Pinal County Board of Supervisors shall be final.
8. Pinal County will maintain the files and records of any complaint/grievance filed under this Procedure for a period of five (5) years. These files and records will be available for public inspection and for review and monitoring by the Arizona Department of Housing, the Office of the Inspector General (HUD), and any other entity authorized by Pinal County.
9. The right of a person to a prompt and equitable resolution of the complaint/grievance filed here under will not be impaired by the complainant's pursuit of other remedies such as filing a complaint with the appropriate state or federal department or agency. Use of this complaint/grievance procedure is not a prerequisite to the pursuit of other remedies.