

AGENDA

FRANKLIN CITY COUNCIL

MONDAY, July 27, 2015 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVE.

7:00 P.M.

Regular Meeting

CALL TO ORDER MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEASE TURN OFF CELL PHONES MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEDGE OF ALLEGIANCE

CITIZENS' TIME

AMENDMENTS TO AGENDA

1. CONSENT AGENDA
 - A. Minutes: July 13, 2015 Regular Meeting and Work Session
 - B. Departmental Reports: June 2015 (Separate File)

2. OLD/NEW BUSINESS
 - A. Madison Street Neighborhood CDBG Housing Rehabilitation Program Design Approval
 - B. City Treasurer's Office Accreditation Recognition
 - C. City Manager's Report
 1. Virginia Department of Corrections August 7, 2015 Event – Councilwoman Hilliard

3. COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS

4. ADJOURNMENT

UPCOMING ITEMS TO BE SCHEDULED

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

SUBJECT**TENTATIVE TIME LINE**

**Comprehensive Plan Update and Related Zoning
Ordinance Amendments Public Hearing**

August 10, 2015

City Council/School Board Joint Meeting

TBA

Personnel Policy Work Session

TBA

CONSENT AGENDA

A. Minutes: July 13, 2015, Regular Meeting & Work Session

B. Departmental Reports: June 2015 (Separate File)

The Franklin City Council held a regular meeting on Monday, July 13, 2015 at 7:00 p.m. in the Council Chambers at City Hall.

Council Members in Attendance: Raystine D. Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, Mona Murphy and Frank Rabil (Councilman McLemore absent).

Staff in Attendance: Randy Martin, City Manager; Lt. Patrick Wilson, Franklin Police; Dinah Babb, Treasurer; Melissa Rollins, Director of Finance; Russ Pace, Director of Public Works; and Mark Bly, Director of Power and Light.

Others in Attendance: Officer Kevin Muse, Franklin Police; Kelley Conaway, Lead Teacher Franklin City Public Schools and Teresa Rose-McQuay, Administrative Assistant and Acting Secretary, Recording Minutes.

CALL TO ORDER

Mayor Johnson-Ashburn called the regular City Council Meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

CITIZENS' TIME

No one signed up to speak at Citizens' time.

AMENDMENTS TO AGENDA

Councilman Burgess made a motion to amend the agenda to include a discussion of the Comprehensive Plan and Vice-Mayor Cheatham seconded it.

Mayor Johnson-Ashburn asked if anyone had any questions and hearing none Council voted.

The motion to amend the agenda was approved by a vote of 6 – 0 (Councilman McLemore absent). Mayor Johnson-Ashburn placed that item on the agenda under Old/New business, item D after the City Manager's Report.

Consent Agenda

Minutes of the June 22, 2015 Regular Meeting

Mayor Johnson-Ashburn asked if there were any questions, comments or corrections to the minutes. Manager Martin stated that Councilman Burgess had pointed out an omission and the correction had been made. Manager Martin distributed a handout with an excerpt of the minutes noting the correction.

Councilwoman Hilliard made the motion to approve the minutes with corrections as noted and Vice-Mayor Cheatham seconded it.

Mayor Johnson-Ashburn asked if anyone had any questions and hearing none Council voted.

The motion was approved with a 6 – 0 vote (Councilman McLemore absent).

Minutes of the June 17, 2015 Called Meeting

A motion was made by Vice-Mayor Cheatham to adopt the minutes as presented for the Called Meeting held on June 17, 2015. The motion was seconded by Councilman Rabil.

Mayor Johnson-Ashburn asked if anyone had any questions and hearing none Council voted.

The motion was approved with a 6 – 0 vote (Councilman McLemore absent).

Minutes of the June 22, 2015 Called Meeting

A motion was made by Vice-Mayor Cheatham to adopt the minutes as presented for the Emergency Called Meeting held on June 22, 2015. The motion was seconded by Councilman Rabil.

Mayor Johnson-Ashburn asked if anyone had any questions and hearing none Council voted.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilwoman Murphy; NAY; Councilman Rabil; AYE and Councilwoman Hilliard; NAY (Councilman McLemore absent).

Finance

FY 2015 – 2016 City Budget Amendments/Transfer # 2016 – 01 and # 2016 – 02

Budget Amendment # 2016 – 01 is a request from Smart Beginnings to appropriate the FY 2015 – 2016 Budget for the agency in the amount of \$167,081. This excludes any carryover funds that may be available upon audit completion of the FYE June 30, 2015 financial records. This includes the agency funding from all sources.

Councilman Burgess made the motion to authorize the appropriation of funds totaling \$167,081 to the FY 2015 – 2016 Smart Beginnings Budget by adopting FY 2015 – 2016 Budget Amendment # 2016 – 01 and Vice-Mayor Cheatham seconded it.

Mayor Johnson-Ashburn asked if anyone had any questions and hearing none Council voted.

The motion was approved with a 6 – 0 vote (Councilman McLemore absent).

Budget Amendment # 2016 – 02 is proposed as follows:

- Franklin City Police Department – received notification of an award from the Virginia E-911 Services Board under the FY 16 PSAP Grant Program in the amount of \$55,254 for upgrades in the City’s E-911 Communications Center. There is no City match required.
- Franklin City Fire & Rescue Department – received a grant from the Office of Emergency Medical Services (OEMS) under the Rescue Squad Assistance Fund in the amount of \$13,507.73 to purchase three CPR assist devices.

The required action from City Council is to authorize the amendment of grant funds to the FY 2015 – 2016 budget in the amount of \$55,254 (E-911 Dispatch) and \$13,508 (Fire & Rescue) and the appropriation of these funds for expenditure.

Vice-Mayor Cheatham made the motion to authorize the amendment of grant funds to the FY 2015 – 2016 budget in the amount of \$55,254 (E-911 Dispatch) and \$13,508 (Fire & Rescue) by adopting Budget Amendment #2016 – 02 and Councilman Rabil seconded it.

Mayor Johnson-Ashburn asked if anyone had any questions and hearing none Council voted.

The motion was approved with a 6 – 0 vote (Councilman McLemore absent).

GFOA Comprehensive Annual Financial Report Award

Mayor Johnson-Ashburn congratulated the Finance Department on receiving the Government Finance Officers Association (GFOA) Comprehensive Annual Financial Report Award for the third consecutive year. Everyone in attendance applauded.

Manager Martin commended all the efforts by all the staff and departments that work together to achieve the award.

Treasurer’s Report

Mayor Johnson-Ashburn introduced Treasurer Babb to give her report.

Treasurer Babb reviewed a listing of the Delinquent Taxes owed to the City of Franklin as of June 30, 2015. The last collection report dating October 17, 2014 was reported with delinquencies of \$612,059.72 showing a decrease of \$238,337.31 in delinquent taxes.

Real Estate:	\$209,744.47
Personal Property:	\$137,051.26
Business License:	\$4,757.99
Meals Tax:	\$22,168.69

Total Delinquent Taxes: \$373,722.41

Debt Set Off

Since last reporting the city has had 779 claims and a total of \$142,683.00 received and applied to delinquent taxes and inactive utility accounts. This program is through the Virginia State Withholding. Any taxpayer scheduled to receive a State refund or lottery winnings will have the funds captured and sent to the city to satisfy the delinquency.

Tax Sale

We continue to use Jason Dunn PLC to assist with our Tax Sales. Since last reporting we have had 1 tax sale on December 09, 2014. A total of 3 properties were sold with delinquencies dating back as far as 2001. We are in the process of working toward our next sale, which should take place around September with at least 8 properties scheduled to be included in the sale.

Additional Data

Looking at the City's Historical delinquency reporting data during the period since Treasurer Babb took office; there has been a steady decline in in the total amount outstanding as follows:

March 2010	\$1,231,064.26
August 2011	\$913,774.49
August 2012	\$909,647.66
September 2013	\$612,059.72
October 2014	\$605,471.25

Mayor Johnson-Ashburn asked if anyone had any questions or comments for Mrs. Babb.

Manager Martin commended the Treasurer's office for all their hard work; the Council for policy changes that staff had recommended resolving some of the delinquency issues; and, the citizens of Franklin for paying their bills.

Old/New Business

Parents/Citizens Cyber Learning Academy Update – Kelley Conaway, Lead Teacher, Franklin City Public Schools

Mrs. Kelley Conaway, Lead Teacher for the Franklin City Public Schools gave an update on the Parents/Citizens Cyber Learning Academy which is a partnership with the National Education Foundation. Mrs. Conaway shared that this is a two component program consisting of a student part and an adult part.

This program is free to Franklin City Employees and parents of Franklin City Public School students. Once the course is completed you will receive a certificate from the State University of New York. Currently they have two students enrolled in classes.

Mrs. Conaway stated that on July 30, 2015 at 5:30 p.m. there will be an information session at Franklin High School concerning the Cyber Academy for parents and employees.

Mayor Johnson-Ashburn commented on the tour of the Cyber Learning Academy that she and Manager Martin had attended. Mayor Johnson-Ashburn stated that it was very interesting seeing it in person.

Mayor Johnson-Ashburn asked if this opportunity would be opened to the entire Franklin community.

Mrs. Conaway said that they are working towards that but in the meanwhile if someone would like to know more about the program just call her at Franklin High School.

Western Tidewater Regional Jail Authority Financing Resolution

Mayor Johnson-Ashburn recognized Mr. Kyle Laux from Davenport & Company to present the Western Tidewater Regional Jail Authority financing resolution request. He distributed material to Council for his presentation.

Mr. Laux stated that they have been working with the Western Tidewater Regional Jail Authority on financing for energy improvement projects. In summary, the Authority is asking that each member jurisdiction adopt a resolution that would authorize the jail authority to move forward with the financing.

The Western Tidewater Regional Jail Authority recently approved the financing of an Energy Performance Contract project with Siemens through a Direct Bank Loan to replace equipment at the jail facility in order to save utility and energy costs over time. The cost of the equipment is \$4.7 million. The debt service on the project is structured so that it is paid from energy savings.

Mr. Laux stated that Davenport serves as Financial Advisor for each of the three member jurisdictions which are City of Franklin, Isle of Wight County and the City of Suffolk as well as the Authority. All three member jurisdictions must take action to authorize financing for the Jail Authority to move forward with the Energy Performance Contract.

Mr. Laux advised Council that the Authority's Bond Counsel (McGuire Woods LLP) prepared a resolution for each member jurisdiction to approve that will allow the Authority to move forward with the Direct Bank Loan for the Energy Performance Contract. Mr. Laux noted that the resolution is a moral obligation by the City and does not constitute city debt.

After reviewing the details of the resolution and advising Council that the closing of the loan should be in early August, 2015; Mr. Laux asked if anyone had any questions for him.

Councilman Burgess asked about the guaranteed savings.

Vice-Mayor Cheatham stated that they are not guaranteeing the dollars but the amount of usage of each of the energy products or utility items. It was noted that the state law regulates these transactions. Mr. Laux advised that the terms expected were a fixed interest rate of 3.06% for the term of the borrowing not to exceed 15 years.

Councilman Burgess made a motion to adopt Resolution # 2016 – 01 to support the borrowing. Councilwoman Hilliard seconded and the motion was approved by a 6 – 0 vote (Councilman McLemore absent).

City Manager's Report

Manager Martin advised Council that as was discussed in the Council Retreat, staff is recommending that we evaluate potential refinancing or restructuring of the City's debt. Manager Martin met with Mr. Laux and he will evaluate opportunities and options and prepare a summary for the City of Franklin. Manager Martin stated that in the coming weeks, Mr. Laux will be working with he and Mrs. Rollins to do the assessment. The timeframe will be aggressive because Mr. Laux advised that one of the options has a deadline that is very close. Manager Martin asked Mr. Laux to share that option with Council.

Mr. Laux said that it is still early and they are still working through the numbers. One of the options is the Virginia Resources Authority program. They have an application that is due in early August. Mr. Laux shared that they would put in an application as a place holder which would not obligate the City but give us time to work through the numbers to see what works best.

VDOT Primary Extension Paving Program Funding Allocation

Manager Martin asked Director Pace of Public Works to come forward to report and answer any questions on the VDOT Primary Extension Paving Program Funding Allocation that was awarded to the City of Franklin. Under the direction of Manager Martin, the Public Works staff looked for ways to help with the City's paving programs. Mr. Pace advised that the city gets a limited amount of funds each year for street maintenance and paving projects.

Manager Martin asked Director Pace to comment on the VDOT funding allocation schedule. Director Pace replied that this funding came up only because VDOT had a surplus of money; this is something that is not seen very often and there is criteria on which streets are eligible. Essentially it has to be a thoroughfare that runs within and outside of the City.

Director Pace advised Council that the department had submitted two applications for paving maintenance monies for South Street that would allow Public Works to continue paving from Hogart Street to the Route 58 interchange and to pave from Sunset Lane on Clay Street to where the work was done with the waterline on up to Kings Lane. Director Pace said they were the only two street sections that the City of Franklin had which fit the criteria. VDOT criteria required the street section had to have a connection to a main route like 58 secondly they graded the condition of the road that needed to be paved.

Manager Martin shared the award amounts with Council which are:

1. Clay Street - \$225,000 – Fully Funded
2. South Street - \$260,370 – Fully Funded

Manager Martin congratulated Director Pace, Deputy Director Chad Edwards and their staff for their hard work; as well as thanking VDOT for the award. Director Pace advised that he was hoping to be paving in August.

Police Department Charities Grant Award

Manager Martin advised Council that Chief Hardison was unable to attend this evening but he wanted to congratulate the Police Department for receiving a spring grant from the Franklin Southampton Charities in the amount of \$32,190.

The funds will be used to enhance the security of the City's Police Department building.

Manager Martin asked Director Bly to give Council an update on the State's Commission of Utility Regulation Legislative Committee meeting that was held on Monday, July 13, 2015. The meeting was to discuss whether the State Corporation Commission should pursue a study on whether to regulate municipally owned utilities.

Director Bly stated that the outcome of the meeting was mixed and that the Committee was going to do additional research and meet again at a later date.

Comprehensive Plan Update Public Hearing Discussion

Mayor Johnson-Ashburn consulted with Council regarding their preference on the scheduling of the required Public Hearings for the Comprehensive Plan Update and related zoning amendments for August 10, 2015 as recommended by staff and discussed during the work session held earlier this evening.

Manager Martin stated that the public hearings should include both the Comprehensive Plan and zoning ordinances that have already been recommended by the Planning Commission. This would expedite finalization and be more cost effective for advertising the hearings.

Councilman Burgess made the motion to authorize the advertising of the Public Hearings on the Comprehensive Plan update and the related zoning ordinance amendments for the August 10, 2015 regular council meeting and Vice-Mayor Cheatham seconded the motion.

The motion was approved by a 6 – 0 vote (Councilman McLemore absent).

Council/Staff Reports on Boards and Commissions

Councilman Rabil reminded everyone of the upcoming DFA events: the Cruise-In on Wednesday and We Be Jammin' on Thursday. He also reported on the Franklin Business Friendly meeting held on July 8, 2015. Councilman Rabil stated that the Business Friendly Committee is looking into improvement grants for existing businesses.

Manager Martin announced the public meeting for the Madison Street CDBG Project on Tuesday, July 14, 2015 at 6:00 at the Sportsman Club to discuss the grant funded project with area residents.

Closed Session

Vice-Mayor Cheatham made a motion that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions; evaluation of the performance and salary of employees; and to discuss or consider the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; and to discuss a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community pursuant to Virginia Code Section 2.2 – 3711 (A)(1)(3) & (5). Councilman Burgess seconded the motion. The motion was approved by a 6 – 0 vote (Councilman McLemore absent).

The Council entered the Closed Session at 8:10 p.m.

The Mayor reconvened the open session and asked for a motion certifying the closed session.

Councilman Rabil made the motion that the only matters discussed during the session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. Councilwoman Murphy seconded the motion and it was approved by a 6 – 0 vote (Councilman McLemore absent).

Action #1

Councilman Burgess made a motion to appoint Patti Rabil to the City's Beautification Commission to replace Jack Norvell for a term which began January 1, 2014 and will end December 31, 2018. Councilwoman Hilliard seconded the motion.

The vote was approved as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilwoman Murphy; AYE; Councilman Rabil; ABSTAIN and Councilwoman Hilliard; AYE (Councilman McLemore absent).

Action # 2

Councilman Burgess made a motion to appoint Gayle Schmitz to the Beautification Commission replacing the late Gayle Urquhart for a term which began January 1, 2014 and will end on December 31,

2018. Vice – Mayor Cheatham seconded the motion and it was approved by a 6 – 0 vote (Councilman McLemore absent).

Action # 3

Vice – Mayor Cheatham made a motion to approve a new contract with City Manager Robert Randolph Martin for the period July 1, 2015 through June 30, 2017 and authorize the Mayor to execute the contract on behalf of the City. Councilman Rabil seconded the motion and Council approved by a 6 – 0 vote (Councilman McLemore absent).

City Manager Martin thanked the City Council for the vote of confidence.

Adjournment

Councilwoman Murphy made a motion to adjourn. The motion was seconded by Councilman Burgess and approved by a 6 – 0 vote (Councilman McLemore absent).

Mayor Johnson-Ashburn declared the meeting adjourned at 9:08 p.m.

These Minutes for the July 13, 2015 City Council Meeting were adopted on the 27th day of July, 2015.

Mayor

Clerk to City Council

The called Meeting of the Franklin City Council was called to order by Mayor Raystine Johnson-Ashburn at 6:00 P. M. on July 13, 2015 at the Franklin City Hall Council Chambers. The stated purpose of the called meeting was to hold a work session on the Draft City Comprehensive Plan Update recommended to Council by the City Planning Commission.

Council Members Present: Mayor Raystine Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, Mona Murphy and Frank Rabil (Greg McLemore absent).

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, City Attorney; Donald Goodwin, Director of Community Development; Beth Lewis, Deputy Director of Community Development and Teresa Rose-McQuay, Acting Secretary, Recording Minutes.

Comprehensive Plan Update

City Manager Martin reminded Council that the draft of the proposed Comprehensive Plan Update had been distributed several weeks ago for Council review. He advised that the City was required to update the plan every five years and that the Planning Commission along with staff from most City Departments had been in the process of working on the update for more than a year. Numerous public meetings had been held and considerable feedback received. It is now time for the Council to consider formal action on the plan following a required public hearing. One of the objectives for this meeting was to receive direction from Council on the scheduling of the public hearing on the Comprehensive Plan and whether Council would desire to also schedule a public hearing on Comprehensive Plan Update related zoning amendments at the same time to expedite the process and hopefully reduce associated advertising costs. The Planning Commission has already held public hearings on both the Comprehensive Plan and related zoning changes and recommended approval. The Manager noted that some Council Members had already provided feedback on the plan, but this session was another opportunity for Council feedback. Council could give further input on the draft until the public hearing is held and action is taken. Any subsequent changes would require another public hearing once Council has adopted the plan.

Manager Martin then recognized Community Development Director Donald Goodwin who presented a power point citing highlights of the Draft Comprehensive Plan Update and the most significant changes from the previously adopted plan. Mr. Goodwin reviewed each of the eight chapters and specific items of significance in each, while providing updated statistical information including: housing and population trends, transportation needs, economic conditions analysis, community facility assessments and plans, future land use planning data and recommendations. Members of Council commented and posed questions on various topics including specifically the housing inspections program planning previously discussed by Council, rental and owner occupied housing statistics and demographic trends. Members of Council emphasized desire for staff to develop a timeline and implementation plan for a rental housing inspection program for Council consideration during this fiscal year.

After considerable discussion on various aspects of the Comprehensive Planning documents, Council by consensus agreed to consider amending the regular meeting agenda this evening to discuss scheduling the public hearings as recommended by the City Manager.

Recess

There being no further business scheduled for the Work Session, Mayor Johnson-Ashburn recessed the called meeting at 6:55 P. M. until the 7:00 P. M. Regular Meeting to follow the Work Session.

These Minutes for the July 13, 2015 City Council Work Session were adopted on the 27th day of July, 2015.

Mayor

Clerk to City Council

OLD/NEW BUSINESS

- A. Madison Street Neighborhood CDBG Program Design Approval**
- B. City Treasurer's Office Accreditation Recognition**
- C. City Manager's Report**
 - 1. Virginia Department of Corrections August 7, 2015 Event – Councilwoman Hilliard**



**DEPARTMENT OF COMMUNITY DEVELOPMENT
PLANNING - BUILDING INSPECTIONS – ZONING**

To: R. Randy Martin, City Manager
From: Donald E. Goodwin, CBO, CFM, Director of Community Development
Date: 7/22/2015
CC: City Council Members
Re: **Madison Street Neighborhood Revitalization Project**

The Community Improvement Grant (CIG) that has been awarded to the City from the Virginia Department of Housing and Community Development (DHCD) for the referenced project requires that the City Council adopt the Program Design document in accordance with the guidelines provided by DHCD. Said guidelines are specific to the Madison Street Neighborhood Revitalization Project, and said guidelines are established as local policies and procedures for the implementation of housing improvements as adopted by the Madison Street Neighborhood Revitalization Project Management Team and Housing Rehabilitation Oversight Board.

The proposed Program Design provides the following:

- names and duties of the specific program staff
- eligibility requirements for households and properties
- financial assistance available
- security and resale requirements
- establishment of program guidelines
- property rehabilitation standards
- contracting procedures
- rehabilitation construction process outline
- home maintenance education
- procedure for program design amendments

STAFF RECOMMENDATION: Adopt the Madison Street Neighborhood Revitalization Project Program Design as presented.



**MADISON STREET NEIGHBORHOOD
REVITALIZATION PROJECT
CIG #14-26**

HOUSING REHABILITATION
PROGRAM DESIGN
CITY OF FRANKLIN, VIRGINIA

ADOPTED BY CITY COUNCIL
JULY , 2015

ASSISTANCE PROVIDED BY:
COMMUNITY PLANNING PARTNERS, INC.
DEPARTMENT OF COMMUNITY DEVELOPMENT

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SECTION 1: PROGRAM ADMINISTRATION

PROGRAM OBJECTIVE

The overall objective of this program is to provide decent, safe, sanitary, and affordable housing in a suitable neighborhood living environment for the residents of the Madison Street Neighborhood Revitalization Project.

The objective of **Housing Rehabilitation** is to provide financial and technical assistance to qualified residents and property owners, who are not financially able to resolve their housing deficiencies, to repair and maintain their homes to ensure lasting benefits for at least ten years. The Madison Street Neighborhood Revitalization Project will target twenty (20) owner-occupied homes and ten (10) owner-owned for housing rehabilitation.

PROGRAM GUIDELINES

The Housing Rehabilitation Program for the Madison Street Neighborhood Revitalization Project will operate according to written guidelines which will be established as local policies and procedures for the implementation of housing improvements as adopted by the Madison Street Neighborhood Revitalization Project Management Team and Housing Rehabilitation Oversight Board. The adopted program standards will apply equally to each program applicant.

ELIGIBLE AREA

The project service area encompasses residential properties the designated Madison Street Neighborhood Project Area (see Appendix A: Project Area Map).

HOUSING OVERSIGHT BOARD

The Housing Rehabilitation Program will also be overseen by a Madison Street Neighborhood Revitalization Project Oversight Board (Oversight Board) whose duties are outlined on page 14 of this Program Design. The members and bylaws of the Oversight Board are delineated in the separate document, "Members and Bylaws of the Housing Rehabilitation Oversight Board," adopted by City Council on July 13, 2015.

HOUSING REHABILITATION PROGRAM STAFF

The Housing Rehabilitation and Production Program will be implemented by the following positions who will serve on a Project Management Team along with others who have responsibilities for other components of Madison Street Neighborhood Revitalization Project:

Grant Administrator & Certifying Officer – Mr. R. Randy Martin, City Manager, is designated as the CDBG Grant Administrator and will be responsible for the overall implementation and management of the project. He is responsible for processing all contracts and other items requiring City Council approval. All positions involved in the project will report directly to the Grant Administrator and the Grant Administrator will receive and process complaints. Mr. R.

Randy Martin will also serve as the Certifying Officer responsible for signing all documents of compliance for DHCD reporting and monitoring requirements.

Project Manager – Mr. Donald Goodwin, Franklin Southampton Director of Community Development, will serve as the Project Manager responsible for general oversight of all project activities. He will lead the Project Management Team and Oversight Board. He will prepare and approve all receiving reports to be forwarded with appropriate invoices and other documentation to the Finance Director for payment. Mr. Goodwin will oversee the Project Engineer and provide general oversight to the planning and construction of water, sewer, drainage, and street improvements implemented as a part of this project.

Project Coordinator of Infrastructure – Mr. Russ Pace, Director of Public Works, will serve as the Project Coordinator responsible for general oversight of all project activities with specific responsibilities related to the infrastructure improvements to be implemented as a part of the project.

Project Engineer – Mr. Dave Reaves of PRISM Engineering will serve as the Project Engineer and will coordinate development of the engineering plans and specifications for the water, sewer, drainage, and street improvements and other associated improvements implemented as a part of this project, assist in the bidding process for these projects, monitor progress and do inspections of the improvements, and certify pay requests to contractors and sub-contractors based on work progress.

Project Support – Ms. Beth Lewis, Franklin Southampton Deputy Director of Community Development, will serve as a technical assistance resource for the Management Team. Ms. Lewis is familiar with CDBG program policies and procedures.

Project Support – Shelia Baker, Administrative Assistant for Franklin Southampton Department of Community Development will serve as a technical assistance resource for the Management Team, the Housing Oversight Board and the Project Manager. Ms. Baker is familiar with CDBG program policies and procedures.

Project Support – Elizabeth Boehringer, Community Development Specialist, will represent the Department of Housing and Community Development and assist the City with technical assistance related to grant administration.

Housing Intake Counselor – Mr. Sam Tuttle will coordinate all housing intake activities. He will be responsible for distributing information about the CDBG-funded Housing Rehabilitation Program, coordinating the solicitation of applications and assisting property owners in the completion and submission of Housing Rehabilitation Program applications and soliciting the initial data and other information needed for income verification.

Housing Rehabilitation Specialist – Mr. Dennis LeBlanc of American Housing Specialist will serve as the project's Housing Rehabilitation Specialist. He will be responsible for developing and maintaining a list of pre-qualified contractors in coordination with the Oversight Board and Project Managers. He will serve as the liaison with participating residential property owners and residents and rehabilitation contractors. He will be responsible for monitoring the quality, cost, and HQS requirements of the housing rehabilitation activities. Mr. Dennis LeBlanc will serve as the Lead Risk Assessor and will be responsible for ensuring "lead safe work practices" are followed by all project contractors/sub-contractors and for Lead-based Paint Clearance

Testing. Mr. Dennis LeBlanc will also conduct the pre- and post-rehabilitation blower door tests.

Initial duties for each home to be rehabilitated include initial HQS inspections, blower door testing, lead-based paint notifications/approvals, work write-ups, and cost estimates. Mr. Earl Howerton will review the completed work write-up and the regulatory requirements with the property owner and tenant, if an investor-owned property. He will secure a signature from the property owner indicating approval of the proposed improvements. This shall be done prior to bidding the job.

Mr. Dennis LeBlanc will prepare master specifications and necessary support materials, bid packages (both rehabilitation and substantial reconstruction); distribute the bid packages to the list of pre-qualified project contractors; conduct pre-bid and pre-construction conferences and walk-throughs; issue any addenda to the bid package; review and make recommendations for contract award, price negotiations, and any necessary change orders (with approvals as outlined in the Madison Street Neighborhood Revitalization Project Program Design); monitor the work as it progresses to insure that specifications are met; and approve pay requests for all rehabilitation contractors.

Mr. Dennis LeBlanc will serve in a support role to the City Building Inspector for intermittent and final inspections to monitor rehabilitation work and close-out of individual projects including certification that HQS violations have been alleviated. Mr. Dennis LeBlanc is responsible for certifying that all work has been completed in compliance with work write-ups, construction plans, and other program requirements before progress and final payments can be made to project contractors.

City Building Inspector – Mr. Phil Sherman, Deputy Code Official of the City of Franklin, is responsible for issuing building permits for rehabilitation and substantial reconstruction projects and demolition permits as required for substantial rehabilitations and other property clearance activities.

Mr. Sherman is responsible for intermittent and final inspections to monitor rehabilitation work and close-out of individual projects including certification that all property maintenance code/building code requirements have been fulfilled. He is responsible for issuing certifications of completion/certificates of occupancy for all housing rehabilitation projects.

Mr. Sherman is also responsible for inspecting properties designated as relocation resources if they are needed to determine if they are decent, safe, and sanitary dwellings.

Financial Accountant – Ms. Joe Ann Faulk, Financial Accountant of the City of Franklin, will be responsible for managing the overall financial records for the project. Ms. Faulk and her staff will be responsible for the day-to-day accounting activities including receiving and assisting with payment of all invoices properly approved and forwarded by the Project Manager; ensuring the proper entry of all payments and receipts in the City's accounts and general ledger; tracking all loans and loan repayments generated by the project; and preparing a project financial report (monthly, bi-monthly, or quarterly as needed) for meetings of the Project Management Team.

Neighborhood Sparkplug – Mr. Christopher McNeil, resident of the project area, will serve as the neighborhood representatives for the project. As an active member of the community, the Neighborhood Sparkplug will assist with resident interface, information gathering, and project morale. Mr. McNeil understands the intent and content of the project and will be vital in assuring that all project area residents fully understand the program. Mr. Neil is a potential beneficiary of the project and therefore will not serve on the Housing Oversight Board.

Management Consultant – Mr. Sam Tuttle, Project Manager, Community Planning Partners, Inc., will provide technical assistance services in the implementation of the project. This will include assisting the Project Manager and Project Specialists with day-to-day grant administration in compliance with DHCD requirements.

He will assist in all aspects of the project including, but not limited to, preparing for monthly meetings of the Project Management Team and Oversight Board, CDBG file maintenance, submitting reports to DHCD as needed, project marketing to neighborhood residents eligible for participation, application intake and verification, necessary acquisitions and any relocations in keeping with the Uniform Relocation Act, Labor Compliance records, compliance reviews, and project close-out.

Additionally, Mr. Tuttle will prepare Eligibility Verification & Certification of income level and LMI status of owner-occupants and tenants as required for completing the Housing Rehabilitation Program application and will oversee the preparation of the final “applicant package” for presentation to the Oversight Board for approval. He will also coordinate the preparation of loan closing documents and construction contract(s) with City staff and the City Attorney for the Housing Rehabilitation Program.

Mr. Tuttle will assist with tracking CDBG, City, and other expenditures in a manner consistent with DHCD policies; provide a periodic tracking report for DHCD and City purposes; prepare all drawdown requests and drawdown support materials; prepare any budget revisions; and generally monitor project finances offering suggestions and adjustments necessary to keep the project finances in order.

Liaison to City Council – Councilmember Mary Hillard, will serve as liaison to the City Council. As such, it is anticipated that Ms. Hillard will only occasionally attend meetings of the Project Management Team, but will be kept fully informed of project progress through regular updates by the Grant Administrator.

Consulting Attorney – Mr. Taylor Williams, City Attorney, will serve in a consulting capacity reviewing all contract and loan document templates to be utilized in the Housing Rehabilitation Program for appropriateness and accuracy and providing other legal services as deemed appropriate by the Grant Administrator and Certifying Officer. As such, it is not anticipated that Mr. Williams will attend meetings of the Project Management Team.

SECTION 2: HOUSING REHABILITATION

ELIGIBILITY FOR ASSISTANCE

Each applicant must reside or own property located within the boundaries of the Madison Street Neighborhood Revitalization Project Area in order to apply for financial assistance for rehabilitation. The eligibility of an applicant is based on the beneficiary household's income, individual's term of residency or ownership of the property, rent affordability and feasibility of the property to be rehabilitated. The City of Franklin will consider all eligible LMI applicants without regard to race, religion, sex, national origin, age, familial status, or disability. The program will not benefit moderate-income persons to the exclusion of low-income persons.

All procedures will be applied in a uniform manner. All owner-occupants and tenants will be asked for information on race, sex, national origin, age, familial status, and disability. The following eligibility considerations will be used to determine participants:

A. Income Eligibility

Households are eligible to participate in the housing rehabilitation program if they meet certain low- to moderate-income standards. LMI income standards are defined as:

1. 80% of median family income for the area based on family size for Community Development Block Grant (CDBG) funds:

Number of Persons in Household	Maximum Income*
1	\$31,600
2	\$36,100
3	\$40,600
4	\$45,100
5	\$48,750
6	\$52,350
7	\$55,950
8	\$59,550

* FY 2015 DHCD Income Limits (Franklin City)

For the purpose of this program, annual income is defined as all income from any source during the 12-month period prior to the application date or the date of annual re-examination for any person residing in the applicant property.

Income inclusions are: wages and salaries, overtime pay, commissions, fees, tips, and bonuses; paid alimony, child support and regular contributions or gifts received from persons not residing in the dwelling; interest and dividends; periodic payments from social security, SSI benefit, annuities, insurance policies, retirement funds, pensions, lotteries, unemployment,

workers compensation and severance pay, food stamps (SNAP), Temporary Assistance for Needy Families (TANF), and other sources of public assistance.

Income exclusions are: income from employment of children under the age of 18 years, foster care payments, medical reimbursements, income of live-in aid, student financial assistance paid directly to the student or educational institution, hostile fire pay, qualified training payments, temporary, nonrecurring or sporadic income, disabled PASS, temporary, non-recurring gifts, and housing assistance payments.

Additionally, eligible households must not possess liquid assets in excess of certain limits:

1. Both checking and savings bank accounts and liquid asset accounts will be verified to determine if applicant exceeds maximum cash assets of \$35,000. Applicants who have in excess of \$35,000 in net cash assets, but do meet the LMI Income Limits for City of Franklin, will be ineligible for rehabilitation assistance, thereby permitting the structure to be rehabilitated without CDBG assistance.
2. Ten percent (10%) of net assets or actual interest earned, whichever is greater, shall be added to the annual gross income of household in determining eligibility.

B. Property Eligibility

Eligible properties include structures "Suitable for Rehabilitation" and structures "Unsuitable for Rehabilitation" (Substantial Reconstruction). Housing units in the Madison Street Neighborhood Revitalization Project will be rehabilitated or substantially reconstructed with CDBG funds.

Properties defined as "Suitable for Rehabilitation" are not substandard or deteriorated beyond the point that they cannot be brought up to DHCD/HUD Housing Quality Standards (HQS) within the maximum allowable \$35,000 in CDBG financial assistance available under this program. Up to \$45,000 in funding can be made available under certain conditions as defined under Financial Assistance Available.

Properties defined as "Unsuitable for Rehabilitation" or "Substantial Reconstruction" are defined as substandard units in such poor condition that it is not structurally or financially feasible to rehabilitate to HQS within the CDBG allowable per unit costs plus exceptions. Housing units "Unsuitable for Rehabilitation" also include units to be razed within the Project Area to remove deleterious use and blight. "Unsuitable for Rehabilitation" is further defined as a residential structure which has major structural conditions due to inadequate original construction or has failing foundation, floor, wall, ceiling, roof and exterior systems. The Housing Rehabilitation Specialist will document specific conditions and make a determination that more than 50 percent of the structure must be demolished in order to comply with HQS.

If identified as bid alternates, exceptions to the base construction cost limit may be granted by DHCD for the items listed below. Demolition costs are a separate, stand alone budget item, allowable for substantial rehabilitation projects only, and must be reasonable in cost as determined by the Housing Rehabilitation Specialist and DHCD. Following is a list of possible exceptions:

1. Bathrooms;
2. Water and/or sewer connections;

3. Accessibility improvements for elderly or disabled persons;
4. Provisions of one or more additional bedrooms to relieve overcrowding or other changes to the footprint of the house as needed;
5. Flood proofing including house elevations; the elevation and relocation of utilities; the addition of sump pumps with back-up generators; and the reinforcement of basement doors and dry flood proofing methods as appropriate with the City's building code;
6. Removal and disposal of asbestos;
7. Actual lab costs for evaluation of lead tests;
8. Soil evaluations; and
9. Property surveys.

Assistance will not be available to travel trailers or properties determined by the Housing Rehabilitation Specialist to be squatter shacks whereby residency has been established haphazardly and posthaste in order to take advantage of this financial assistance. In order to receive assistance the dwelling must be a year-round residential unit.

Debris removal is a pre-construction requirement to participate in the housing rehabilitation program. Property owners will be required to clear the exterior and interior rehabilitation site of all identified trash, debris, and inoperable vehicles prior to receiving rehabilitation assistance. If the owner is elderly or handicapped and cannot physically clear the property or arrange for the removal of the debris, the work will be added to the rehabilitation work write-up and included as part of the contractors' bid package and the subsequent lien on the property.

C. Ownership Eligibility of Owner-Occupied Structures

The housing rehabilitation program is available to single-family, owner-occupied structures within the target area. The applicant must legally own the property and maintain it as his/her principal residence. A principle residence is defined for purposes of this program as the housing unit in which the individual lives nine (9) months out of the year. Owner-occupants are required to maintain all-hazard insurance coverage to replace or repair the rehabilitated unit should there be a fire or other disaster. For residential units in the 100-year flood plain, insurance coverage must include flood insurance.

Eligibility as an owner will be verified by conducting a Title Search upon submission of the application with Income Eligibility confirmed by the Management Consultant and Oversight Board prior to property inspection and the completion of a work write-up. Owner income eligibility will be re-verified during the loan period on an annual basis or if the Oversight Board has sufficient cause such as missed loan payments.

The owner-occupant will be required to sign an agreement with the City specifying he/she will abide by the terms of the program during the loan period. During the term of the loan it is the responsibility of the owner-occupant, his/her heirs or the executor of the estate to notify the Oversight Board immediately if ownership of the property changes or if the structure is no longer the principal residence of the applicant.

D. Ownership Eligibility of Investor-Owned Structures

The rehabilitation program funded via CDBG is available to investor-owned single-family and duplex structures within the target area. Investor-owners of properties in need of rehabilitation will qualify regardless of the investor-owner's income.

The rehabilitated properties must be rented to low- and moderate-income occupants, as defined by current DHCD LMI guidelines within three (3) months of completed rehabilitation. Extensions may be granted if the Housing Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going. Displacement of an existing tenant not meeting the income standards by the investor-owner will not be allowed to make his property eligible for participation in the rehabilitation program. A landlord is prohibited from charging a tenant more than 35 percent of his or her adjusted annual income for rent and utilities for a structure assisted under this program. Investor-owners will be prohibited from unduly raising their rents. An annual percentage increase will be reviewed by the Housing Oversight Board and allowed for documented increased costs related to taxes and insurance as long as the rent plus utilities does not exceed more than 35 percent of the LMI tenant's adjusted gross annual income.

Eligibility as an investor-owner will be verified by conducting a Title Search upon submission of the application with the Income Eligibility of the tenant confirmed by the Grant Management Consultant and Oversight Board prior to property inspection and the completion of a work write-up. Tenant Income Eligibility will be re-verified during the loan period on an annual basis or if the Oversight Board has sufficient cause for investigation.

The investor-owner will be required to sign an agreement with the City specifying he will abide by these rent controls for the term of any lease signed during the loan period. Investor-owners are required to maintain the property to HQS, to provide income eligibility documentation, and to maintain all-hazard insurance coverage to replace or repair the rehabilitated unit should there be a fire or other disaster. For residential units in the 100-year flood plain, insurance coverage must include flood insurance. Rental properties which become vacant during the loan term must be rented within three (3) months of vacancy to a qualified tenant or the loan will be due and payable. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going. During the term of the loan it is the responsibility of the investor-owner to notify the Oversight Board (if still operating) or the City Manager when the unit becomes vacant and to submit an application and required documentation to verify income eligibility for the potential tenant. The City will solicit assume these duties after the Oversight Board and Management Consultant have completed their duties.

E. Heir Properties

Heirs of subject property are eligible to receive assistance provided they prove heirship and can document control over the property. In cases where ownership is clouded by questions of inheritance (heir properties), the following requirements are in effect:

1. A reasonable effort will be made to identify heirs and this effort will be documented. An effort will be made to contact each heir in writing to request transfer of their interest to the beneficiary. The title will be recorded with City of Franklin in the intended beneficiary's name or the landlord's name.

2. Where heirs are unknown or unable to be contacted, proof of control of the property for the previous three (3) years by the resident must be documented. Proof must include continued residence, payment of property taxes, payment of homeowner's insurance, and house payment by the resident
3. Where heirs or co-owners are known but unwilling to convey the property or it is undesirable to convey interest in the property to the intended beneficiary, a legally recorded Life Estate will be acceptable provided that the grantor(s) will execute an agreement to either (1) repay the outstanding balance upon death or removal of the resident or (2) agree to reside in the property and take over the obligation of the resident if the grantor(s) meets the program qualifications.
4. Properties held by occupants who have "life rights" to the property are eligible for program assistance if both the owner(s) of the property and the occupant who has the life rights sign the Deed of Trust and Construction Contract. Should the individual who has the life rights cease to live in the property during the mandatory term of the loan, the owner(s) of the property must either buy-out the loan at full value, less what has been paid and/or forgiven, or find an eligible LMI occupant for the property.

F. Vacant Properties

CDBG funds may not be used to rehabilitate vacant properties unless the rehabilitated properties are sold or leased to low- and moderate-income occupants, as defined by current DHCD LMI guidelines, within three (3) months of completed rehabilitation and the eligible LMI tenant has agreed to maintain it as his/her principal residence. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going. Vacant structures are also eligible under the following conditions:

1. A consistent history of being occupied over the past five (5) years and been occupied six (6) months of the previous year to be eligible, or
2. Be available as a temporary relocation resource during the life of this rehabilitation program for any project area households, or
3. Owned by public body or non-profit community development group, or
4. In the process of being purchased by an LMI household as a primary residence.

During the term of the loan it is the responsibility of the investor-owner to notify the Oversight Board and/or City Manager when the unit becomes vacant and to submit an application and required documentation to verify income eligibility for the potential tenant.

FINANCIAL ASSISTANCE AVAILABLE

A. Owner-Occupied Housing Rehabilitation Assistance

If an eligible owner-occupant wishes to participate, the program will improve the property to HOS expending no more than \$35,000 of CDBG funds (Basic Program Assistance). Up to \$20,000 of CDBG funds can be utilized beyond the base construction cost for exceptions such as: bathrooms; water and sewer connections; ramps and other accessibility features; additional bedrooms for large families; flood proofing; and asbestos removal and disposal. The property

owner is required to provide any additional funds required to make up the deficit between the CDBG maximum assistance level made available (Basic plus exceptions) and the amount required to accept the lowest responsible bid. The property owner will be required to provide any required additional funds to the City for escrow prior to contract execution with the construction contractor. The amount of funds in escrow would reflect additional funds which exceed the CDBG maximum assistance level made available and which are required to meet lowest responsible bid or complete rehabilitation. If cost savings are incurred during the rehabilitation work, the program and the property owner would realize these savings proportionately.

Basic Program Assistance also provides for all necessary inspections; obtaining all necessary permits, inspections, authorizations, and certificates; bidding of the rehabilitation work; contract development with the selected contractor; processing of all contractor payments, and ensuring that all improvements have been made consistent with HQS and in accordance with program guidelines and requirements.

Under certain circumstances the maximum Basic Program Assistance for a single rehabilitation can be increased to \$35,000. If the Grantee tests for the presence of lead-based paint per DHCD regulations and all tested surfaces reveal no lead, or the Grantee has at least four (4) licensed lead abatement contractors who are qualified to bid on the job and one (1) of them was the successful bidder, or the unit was built after 1978 then the rehabilitation may be eligible for the increased maximum.

Eligible owner-occupants of the Madison Street Neighborhood Comprehensive Community Development Area interested in CDBG assistance will be provided a loan for a ten (10) year term at 0% interest. A lien must be recorded and tied to a promissory note requiring that the beneficiary make 120 monthly payments over ten (10) years. The lien can not be subordinated. The program will not require first lien position. There is no penalty for early payment of the lien.

Ability to Pay Determination. The amount the beneficiary pays monthly toward rehabilitation costs will be determined by housing costs and an Ability-to-Pay calculation. Housing costs include rent or mortgage, utilities, real estate taxes, and insurance. If these costs are less than 25% of the adjusted household income, the difference is the Ability-to-Pay or repayment amount. However, homeowner beneficiaries are subject to a \$25.00 per month minimum repayment for the length of the ten year term of the loan. This \$25.00 minimum monthly payment can exceed the 25% of monthly income threshold for housing costs.

The difference between what the beneficiary pays as determined by the Ability-to-Pay calculation and the actual amount of the amortized loan is forgiven each month. The forgivable term must run concurrent with the repayment period. The beneficiaries' Ability-to-Pay will be reviewed on an annual basis, or more frequently if requested by the beneficiary, and the monthly payment toward the loan payment adjusted accordingly (with the Deed of Trust Note similarly revised). Further:

1. Income counted toward the Ability-to-Pay is calculated on the aggregate gross household income of all occupants residing in the household who are 18 years of age or older utilizing a DHCD Ability-to-Pay worksheet.
2. Income of an occupant who is 18 years and under or is a full time student and is not

the primary income recipient will not be counted toward the aggregate gross household income.

3. Lump sum payments will be deducted from gross income to determine adjusted gross income. Examples of lump sum payments are inheritances, insurance settlements, capital gains, one-time survivor benefits, insurance payments, etc.
4. Deductions from household income will be determined in accordance with the following guidelines:
 - a. \$480 for each dependent (under the age of 18 years of age; a fulltime student). A household head, spouse, foster child or live-in aid is not a dependent. A fulltime student is one carrying full time subject load (defined by the institution) at an institution with a degree or certificate program.
 - b. \$400 for any disabled or elderly household (age 62 years of age or older or a person with disabilities). Each household receives only one allowance even if both head and spouse are elderly.
 - c. Medical expenses in excess of 3% of gross annual income for disabled or elderly households.
5. A missed monthly payment will result in an extension of the 10-year lien for one additional month. The Madison Street Neighborhood Oversight Board, if still operating, or the City Manager, if the Oversight Board is no longer functional, has the authority to renegotiate payment of the outstanding amount of deferred loans through extending the term of the loan, forgiving the balance in the event of extenuating circumstances, or through foreclosure.

B. Investor-Owner Housing Rehabilitation Assistance

If an investor-owner wishes to participate in the CDBG assistance, the program will improve the property to HQS expending no more than a maximum of \$35,000, exclusive of DHCD allowable exceptions not to exceed \$20,000. The property owner must provide any funds required to make up the deficit between the maximum CDBG assistance level and the amount required to accept the lowest responsible bid or complete the rehabilitation. The landlord will contractually agree to rent the units to LMI tenants for a 10-year period. At the discretion of the Oversight Board (if still operating) or the City Manager, the 10-year period may be extended due to lengthy periods when the unit was not occupied by an eligible LMI household.

The property owner will be required to provide any required additional funds to the City for escrow prior to contract execution with the construction contractor. The amount of funds in escrow would reflect the additional funds which exceed the maximum CDBG assistance amount and which are required to meet the lowest responsive and responsible bid or complete the rehabilitation, applicable City Codes, and additional funds required for change orders as deemed appropriate by the Housing Rehabilitation Specialist. If cost savings are incurred during the rehabilitation work, the program and the property owner would realize these savings proportionately.

Investor-owners of housing in the Madison Street Neighborhood Revitalization Project Area interested in CDBG assistance will be provided a loan for a ten (10) year term at 0% interest

with 1/120th of the principal portion of the loan forgiven each month that the unit is occupied by a tenant, with exceptions allowed for brief periods of vacancy. A lien will be placed on the property securing this loan. The rent plus utility costs cannot exceed 35% of the low- and moderate-income household's income. The lien can not be subordinated. The program will not require first lien position. There is no penalty for early payment of the lien.

Landlords must have an eligible tenant in the residence within three (3) months of the property being rehabilitated or be required to repay the loan in full immediately minus any forgiven portion of the monthly payments paid to date. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated immediately upon property availability and are on going.

CDBG funding for rehabilitation will not be extended to those units presently occupied by tenants using Housing Choice vouchers without prior written approval by DHCD. Vouchers will be counted as income for the ability-to-pay calculation to derive a cost burden percentage which must be under 35% of adjusted gross income.

C. Substantial Reconstruction Assistance

If, during the implementation of the housing rehabilitation program, the City qualifies a family in a dilapidated dwelling which is determined "Unsuitable for Rehabilitation", the City will seek DHCD approval to substantially reconstruct the house on the same site at a cost not to exceed \$75,000 in CDBG funds including exceptions after all other options, including relocation, have been fully explored and documented as infeasible. Substantial reconstruction will be pursued only upon written approval from DHCD. The established policy of DHCD for substantial reconstruction noted below will be followed:

1. The occupants of the house must be the owner of the property.
2. Up to \$75,000 of CDBG funds are available for substantial reconstruction (Basic Program Assistance for Substantial Reconstructions) inclusive of exceptions as needed.
3. Strategies such as rehabilitation and relocation must be explored and documented as infeasible before using this option.
4. Dwelling must meet the definition of "Unsuitable for Rehabilitation" per the Program Design.
5. In the case where a contractor has physically begun rehabilitation and discovers that conditions are worse than expected, making the property "Unsuitable for Rehabilitation" by the local definition, the locality may terminate the contract and proceed with "substantial reconstruction" after submitting and having approved a written request which explains the situation to DHCD.
6. For properties which are determined to be "Unsuitable for Rehabilitation" following the submission of the application to DHCD or during the course of the project, but prior to actual construction, the following process must be followed:
 - a. The Housing Rehabilitation Specialist must prepare a written itemized cost estimate of the repairs needed to bring the house to Housing Quality Standards and the cost must clearly exceed the limitations in the Program Design, or the Housing Rehabilitation Specialist must document that a structural condition exists which

clearly causes the property to meet the definition of "Unsuitable for Rehabilitation" as set forth in the Program Design.

- b. The Housing Rehabilitation Specialist must prepare plans and specifications for the proposed substantially reconstructed house. The plans and specifications must meet the Virginia Uniform Statewide Building Codes. The Housing Rehabilitation Specialist must either prepare an itemized cost estimate or secure bids from contractors and suppliers of the cost of the proposed house.
 - c. The cost of the proposed substantially reconstructed house must be less than the estimated cost of rehabilitating the existing house.
7. The substantial reconstructed home must meet local ordinances and may be either: a) stick built or b) a modular home. The owner must be allowed to select which option will be provided.

D. Permanent Relocation Assistance

In instances where a property is encountered which is documented as "Unsuitable for Rehabilitation" based on the inability to physically stabilize and bring it into compliance with HQS, the City has the option to voluntarily relocate the family from the dilapidated housing unit. The relocation would be to a comparable housing unit which currently has no HQS violations or to a housing unit which can be rehabilitated to HQS. Relocation payments/down payment assistance plus rehabilitation costs cannot exceed the Basic Program Assistance cost limits for rehabilitation. This does not include reasonable moving expenses.

If the relocation involves a rental unit, the tenant can be relocated to a comparable available rental unit. Homeownership is an option as well and financing will be available for down payment and moving costs. However, the renter must obtain mortgage financing. The Rehabilitation Specialist and City Building Inspector may assist with identifying a unit for purchase.

There are two options for units which are owner-occupied and are documented "Unsuitable for Rehabilitation." The owner-occupant can be relocated to a comparable owner-occupied unit or his/her substandard property can be substantially reconstructed in accordance with the Virginia Uniform Statewide Building Codes.

The City's permanent relocation procedure will be applied to all program participants in a fair and consistent manner and in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

E. Temporary Relocation Assistance

Temporary relocation may be provided in a limited number of rehabilitations for either of the following two reasons:

1. Inconvenience to the occupant. In cases where the occupant will be severely inconvenienced by the rehabilitation activities, the City should make allowances for temporary relocation. Inconvenience shall be defined as the inability of the household occupant(s) to use the bathroom and/or kitchen for daily use due to rehabilitation efforts occurring within the structure.
2. Possible Lead-based Paint. In cases where it has been assumed that a house has lead-

based paint (houses constructed prior to 1978) and there are deteriorated paint surfaces, paint dust/chips or painted surfaces which will be disturbed during the rehabilitation process, the occupants must be temporarily relocated. In such cases, temporary relocation is required for all properties receiving rehabilitation assistance.

The exceptions to Lead-based Paint temporary relocations are:

- a. All household members are 62 years or older.
- b. All interior work will be completed in an eight-hour period;
- c. All interior work will be completed in 5 consecutive days and the bedroom(s), bathroom, and kitchen can be isolated from the rehabilitation work; or
- d. Only exterior work will be done.

The need for temporary relocation assistance will be determined by the Project Manager, Housing Counselors, Housing Rehabilitation Specialist, and Management Consultant. Temporary relocation assistance of up to \$2,000 per household will be provided to the occupant(s) for a temporary relocation resource, such as a motel, and/or for reasonable moving expenses¹, or for an on-site storage trailer used to store the occupant's personal property. When an on-site trailer is used the head of the household is required to work with the contractor in transferring household contents by preparing or approving an itemized content list.

Owner-occupant recipients of financial assistance for housing rehabilitation will be required initially to relocate to the home of a relative or friend. If this is not feasible, financial assistance will be made available to pay for a motel or other reasonable relocation resource. At no time will a payment using grant funds be made to a beneficiary's family member or friend. Similarly, the beneficiary will not receive direct payments

Investor-owner recipients of financial assistance for housing rehabilitation will be required to relocate tenants to a vacant unit which meets HQS or request that the tenant relocate to the home of a relative or friend. If this is not feasible, financial assistance will be made available to pay for a motel or other reasonable relocation resource. At no time will a payment using grant funds be made to a tenant's family member, friend or for the use of a vacant unit.

The City's temporary relocation procedure will be applied to all program participants in a fair and consistent manner. The Rehabilitation Specialist and City Building Inspector may assist with identifying a unit for temporary rental.

SECURITY AND RESALE REQUIREMENTS

All properties rehabilitated with funds from the CDBG program will be secured with a lien granted to the City of Franklin. The lien can not be subordinated without prior written approval from DHCD. If the property is sold, transferred, or otherwise conveyed to a non-LMI household the property owner must repay any unforgiven portion of the loan. If the property is sold, transferred, or otherwise conveyed to an LMI household, the outstanding balance of the lien shall be transferred

¹ Storage costs cannot exceed \$1,000 per household.

to the LMI owners for the time remaining in the original loan term.

For a ten year lien, investor-owners (landlords) and owner-occupants of the improved property must agree that if the property is sold, transferred, or otherwise conveyed to pay the City a sum based on the loan amortization schedule under which 120th of the loan is forgiven monthly after any payments calculated under the Ability-to-Pay provisions are subtracted from the balance due. Similarly, these provisions apply to any liens of less than ten years in length.

The City of Franklin's Finance Director will serve as the Loan Officer for the purpose of servicing all housing rehabilitation loans unless the City at a future date chooses to secure the services of a qualified agency to perform these duties. The City or a qualified agency designated by the City to service rehabilitation loans under the City's Housing Rehabilitation Program will be under no liability for loss of funds due to lack of repayment or default by program beneficiaries. The responsibility of the City or its designee servicing housing rehabilitation loans is to collect, defer and forgive payments monthly. The City or servicing agent is to maintain records of loan balances, final payment due dates, and to make a good faith effort to collect delinquent loans. The City or servicing agent must adhere to all requirements under the law related to the collection of delinquent or bad debts.

In the case of death or institutionalization of the owner, the outstanding balance of the loan becomes due as of the date of the death or institutionalization. In such cases, the following three options apply.

1. The balance of remaining indebtedness must be paid in full and the lien will be removed by the City.
2. A family member who qualifies as a low to moderate income (LMI) household may assume the outstanding balance of the loan, enter into an agreement with the City and reside in the property as an owner.
3. The heirs or their authorized agent may rent the property to a qualified LMI family. New loan documents must be executed to include the unpaid balance of the loan. The loan will structured as an investor-owner loan and will include the unpaid balance to date and rental requirements.

ESTABLISHING PROGRAM GUIDELINES

Basic decisions regarding the housing rehabilitation program will be approved by the Madison Street Neighborhood Comprehensive Community Development Project Management Team and Oversight Board. The Oversight Board appointed by City Council on July 13, 2015 will assist the Project Manager, Grant Management Consultant and Housing Rehabilitation Specialist in overseeing all program activities to assure that they are carried out fairly and in conformance with this Program Design. The Oversight Board appointed by City Council consists of four (4) voting members including the Mayor, City Manager, a representative from the Department of Community Development and a non-benefitting community representative of the project area. The Board will review the Housing Rehabilitation Program Design and amend it as necessary; serve in an advisory and approval capacity in reviewing applications and work write-ups for bidding and contract award; review and approve the current list of eligible contractors for bidding on the project; monitor staff, consultant, and contractor work progress in accordance with this Program Design; assist the City in securing additional participation

from potential applicants and qualified contractors; and address and take action on written complaints or disputes that may arise in the course of the grant implementation.

A. Basic Guidelines

1. Project related non-construction cost (e.g. application intake and processing, inspections, blower door tests, etc.) will be limited to 10 percent of construction cost. Inspection and specification writing are considered non-construction cost.
2. The program will not benefit moderate-income persons to the exclusion of low-income persons.
3. The program will not prioritize beneficiaries in such a manner as to discriminate against minority, elderly, large families and female-headed households.
4. The program will not require payment of unpaid taxes or fees as a precondition of assistance, though the City has the right to collect the taxes and fees owed to them.
5. The program will not subordinate the lien unless written approval is obtained from Virginia Department of Housing and Community Development (DHCD).
6. The program will not require first lien position.
7. The program will not require contractors to be bonded if adequate credit is established.
8. The program will execute a rehabilitation contract for all units which include work or materials specifications as applicable), dollar amount of contract, lead-based paint certification and federal contract inserts concerning Equal Opportunity.
9. The mortgage documents securing the ten-year lien on the rehabilitated property will require the occupants of the property to participate in a Housing Maintenance Education Training program.

B. Solicitation of Applications

Access to submit applications will be afforded to all persons regardless of age, disability, or income. A citizen meeting will be held to provide information on the program to residents within the target area. Additionally, materials describing the program will be distributed to property owners and residents. Households with literacy problems, upon notification to the Intake Counselors, will be assisted individually to explain the program. A statement regarding the Provision of the Privacy Protection Act of 1976 will be provided each applicant with the assurance that their rights under the Act will be abided by. Each applicant will be required to provide a statement indicating the names and ages of all household occupants, who will reside in the assisted property.

C. Application Period & Prioritization

Applications for housing assistance will be accepted during the initial neighborhood meeting that will outline the housing rehabilitation program and the application procedure. Additional applications will be accepted through outreach efforts in the Madison Street Neighborhood Comprehensive Community Development Project Area up until such time it is estimated that all project funds have been expended or committed to pending housing rehabilitation projects. Eligible applications will be scored according to the system shown below. Applications will be prioritized based on the number of accumulated points and rehabilitation activities will

proceed in priority order as applicants are ready for commencement of construction.

Household Characteristics	Points
Long Term Vacant	0
Vacant, but Eligible under Program Design	1
Female-Headed Household (1 or more children)	2
Each Dependent Child	2
Each Elderly Household Member (62 years)	2
Disabled (other than elderly)	3
Very Low-Income (below 50% of median)	2
Owner	5

Structure Characteristics	Points
Minimal level of repairs required	1
Moderate level of repairs required	2
Major level of repairs required	3
Substantial reconstruction required	4

Following determination of income eligibility and Oversight Board application approval, the Project Manager or his designee will provide the Housing Rehabilitation Specialist with a list of homes for inspection including blower door testing. For those owners participating in Basic Program Assistance, the Housing Rehabilitation Specialist will prepare the work write-up with the owner's signature and a cost estimate. The Housing Rehabilitation Specialist will also prepare the bid packages. The Oversight Board will be provided with a summary of each applicant and rehabilitation job for its approval prior to notifying contractors for bidding (Basic Program Assistance) or prior to notifying owners that the lowest responsible bid(s) have been approved.

The applicant must establish clear title to the property as confirmed by a Title Search. The owner will have to provide a copy of the deed and mortgage. Life estate rights and "rent-to-own" arrangements are an acceptable form of ownership, but shall be recorded in the Southampton County Court Clerk's office if not already recorded prior to execution of the loan documents. If title issues arise after the household has been ranked or if the beneficiary is otherwise not ready to proceed promptly, the Oversight Board may proceed to the next "rehabilitation ready" property owner on the list and return to the higher ranked beneficiary when he or she is ready.

Applications will be taken on an on-going basis as long as funds are available. All applicants will be notified by letter as to their application status. Persons whose applications are denied have 60 days from receipt of the letter to appeal the decision and will be notified of this in the letter. The Housing Rehabilitation Specialist will determine and document whether an applicant has an emergency situation and will be given priority.

Contractual agreements specifying the responsibilities of all parties will be executed prior to

the issuance of a Notice to Proceed. Documents executed will include the deed of trust, deed of trust note, and a three-party construction contract.

PROPERTY REHABILITATION STANDARDS

All properties receiving rehabilitation assistance will be inspected by the Housing Rehabilitation Specialist in adherence to the Property Rehabilitation Standards of this program which are established as DHCD Housing Quality Standards (HQS). All housing units receiving rehabilitation improvements are restricted to the correction of HQS deficiencies and in accordance with the DHCD requirements for termite control, chimney safety, debris and trash removal, electrical components function, safety and weatherization, etc. Cosmetic improvements will be minimized and related to correcting substandard conditions. Items such as dens, garages, pools, greenhouses, decks, or extraneous landscaping will not be provided with funds from this program.

SECTION 3: CONTRACTING PROCEDURES

CONTRACTOR RECRUITMENT

Contractors will be solicited by the City of Franklin via newspaper advertisement and direct correspondence to local contractors and other contractors who regularly work in the area from neighboring localities. Public notices and outreach efforts will be made to solicit participation of local, female-owned, and minority businesses.

CONTRACTOR'S QUALIFICATIONS

Contractors wishing to contract housing rehabilitation activities will be required to complete a pre-qualification form requesting information regarding experience and references to determine their qualifications and eligibility to perform rehabilitation work. Contractors must be Commonwealth of Virginia Class A or B or C registered. Minimum liability insurance requirements are at least \$100,000 property damage and \$300,000 personal injury. Contractors will also be required to demonstrate creditworthiness. The program will not require contractors to be bonded if adequate credit is established. A list of approved contractors will be established and approved by the Oversight Board and maintained by the Housing Rehabilitation Specialist. Additional pre-qualified contractors may be added to the list with Board approval during the course of the project. No contract will be awarded to a contractor until he/she has met all qualification criteria.

Failure to perform under and comply with the terms of the construction contract will be documented by the Housing Rehabilitation Specialist and City Building Inspector. The Housing Oversight Board can vote to bar a contractor from future bidding based on staff recommendation and/or public complaint. A correspondence to the contractor from the Housing Rehabilitation Specialist and City Building Inspector will be sent by certified mail detailing the problems and the specific reasons for this action. The Complaint and Appeals Procedure, as adopted by the Housing Oversight Board, will be given to all applicants, beneficiaries and contractors.

PRE-BID ACTIVITIES

An informational meeting for contractors interested in submitting a statement of qualifications will be held by the Housing Rehabilitation Specialist for interested contractors. All Federal, State and local guidelines and requirements will be discussed. DHCD Housing Quality Standards, master specifications, bidding procedures, work process and payment schedules will be reviewed. The rehabilitation and housing production projects may be grouped together in phases for bidding purposes in the most effective manner to ensure timely implementation of the program.

BIDDING

All work and materials will be procured through competitive bidding. Bid packages will be provided to all contractors which will include detailed bidding procedures for contractors to

follow in preparing and submitting their bids, and rehabilitation specifications with cost estimates. The Housing Rehabilitation Specialist will conduct a mandatory walk-through of the structure under consideration for bid. The Oversight Board will review and approve the bids prior to the award of the contracts. Before final approval, the Management Consultant will submit contractor name and DPOR number for debarment.

HOUSING REHABILITATION CONSTRUCTION CONTRACT

For those property owners participating in the Basic Program Assistance for housing rehabilitation, the property owner, contractor, and the City will enter into a three-party construction contract, which includes an agreement, general conditions, and Federal construction contract conditions. All local and state licenses and permits will be required for each job. All work must be completed within sixty (60) days of the contract date, or within ninety (90) days for a substantial reconstruction projects. Extensions of this time period are subject to the Housing Rehabilitation Specialist's approval and shall be for causes beyond the contractor's control such as inclement weather or material availability.

Change orders are deletions or additions to the specifications made through an addendum to the rehabilitation contract. Change orders will be initiated only by the Housing Rehabilitation Specialist with concurrence by the City Building Inspector for work that was not foreseen prior to construction (conditions obscured by walls, floors, etc.). Change orders will not be executed without signed authorization and agreement of the specified work and cost by the property owner, contractor, and Housing Rehabilitation Specialist. Any and all change orders must be approved by DHCD prior to their execution.

SECTION 4: REHABILITATION CONSTRUCTION PROCESS

PRECONSTRUCTION CONFERENCE

For those property owners participating in the Basic Program Assistance for housing rehabilitation, after bids have been received and a contract has been awarded to the lowest responsible bidder, the Housing Rehabilitation Specialist may arrange a walk-through of the property with the owner and/or tenant and the contractor to ensure that: all work to be done is understood between the parties; pertinent questions are answered; the owner/tenant and the contractor are acceptable to each other; the schedule of work is acceptable to all parties; disruption of utilities is discussed; the removal of debris by the property owner or tenant and other clean-up responsibilities are discussed. Property owner preference in colors and styles shall be clarified and documented. Disagreements about the work to be performed shall be resolved by the Housing Rehabilitation Specialist.

INSPECTIONS

For those property owners participating in housing rehabilitation, the Housing Rehabilitation Specialist will make periodic inspections, at a minimum once a week including an inspection made at approximately 50 percent completion in order to authorize partial payment to the Prime Contractor for work completed and approved. The Prime Contractor is responsible for payments to all sub-contractors.

At the conclusion of the rehabilitation, the Housing Rehabilitation Specialist shall perform a final inspection to make sure that construction activities are completed to his satisfaction and in compliance with the construction contract. Any work items not completed to the Housing Rehabilitation Specialist's satisfaction shall be enumerated on a punch list and delivered to the contractor.

Once the contractor has completed the items on the punch list, another HQS inspection and when necessary a Lead-based Paint Clearance Test by dust swipe method shall be performed by the Housing Rehabilitation Specialist to assure completion of all work and compliance with Lead-based Paint procedures and requirements.

The City Building Inspector will perform the standard building inspection at the final completion of the rehabilitation and provide a certification of completion/certificate of occupancy.

PROGRESS PAYMENTS

Payment to the Prime Contractor will be made when the work specified in the contract is 50% complete and approved by the Housing Rehabilitation Specialist, City Building Inspector, and property owner. A final payment will be made at the completion of the job and final inspection approval. All work must be completed to the satisfaction of the Housing Rehabilitation Specialist and the City Building Inspector.

A 10% retainage based on the total contract amount will be withheld from the final progress payment and released when the homeowner final release is obtained. If the property owner

refuses to sign for the release of the final payment, the Project Manager may sign for the property owner in cases where the refusal is related to program administration and not related to the quality of the work performed. Portions of work completed and progress payments will be based upon complete work items, not materials delivered to the project, start-up costs, or partial completions.

Payments to the contractor will be made within thirty (30) days of inspections for work performed except as follows. Release of the final payment will not be made until the Rehabilitation Specialist has certified that all of DHCD's required paperwork has been entered into the property owner's project file, as stipulated below.

1. Electrical inspection report by a certified electrical inspector;
2. Exterminator Inspection/Treatment Report;
3. Chimney Inspection Report, if applicable;
4. Initial and Final Blower Door Test Reports;
5. Initial and Final HQS Inspection Reports, signed and dated;
6. Progress Inspection Reports;
7. Payment Approval Inspection Reports;
8. Punch List Inspection Report;
9. Lead-based Paint Clearance Test;
10. Building Permit;
11. Building Code Inspection Report;
12. Affidavit of Release of Liens;
13. Affidavit of Payment of Debts and Claims; and
14. Register of Assigned Employees, and Monthly Register of Contractors, Subcontractors and Suppliers.

COMPLAINT AND APPEALS PROCEDURE

Oral complaints of any nature and by any party shall be documented and resolved by the Project Manager as informally and quickly as possible. If the complainant requires assistance in putting his or her complaint or appeal in writing, staff will make such assistance available. Written complaints received by the Project Manager or the City of Franklin will be resolved and documented in consultation with the Oversight Board. The person making the complaint will be notified in writing of the decision. All written complaints will be addressed within thirty (30) days of receipt and resolved within the subsequent thirty (30) day time period and documentation retained for review.

Barring a resolution of the complaint by the Oversight Board, the complaint may be taken to the Madison Street Neighborhood Comprehensive Community Development Management Team with the same requirements as above. Barring a resolution of the complaint by the Management Team, the complaint may be taken to the City Council where a non-legal

resolution is final.

Any final appeal will be addressed in writing to DHCD where a non-legal resolution is final. Appeals to DHCD should include a copy of all correspondence that has taken place to date. The appeal should identify the problem and the desired solution. DHCD will investigate the complaint and respond in writing in a timely manner. All involved parties will be copied. Beyond this step, the complainant may seek a legal remedy in the local court of jurisdiction at complainant's own cost.

Once a job is Inspectorly closed out and the one-year warranty period is in effect, the property owner should address complaints, in writing, directly to the contractor involved in the rehabilitation.

LEAD-BASED PAINT

Lead-based paint may be found in properties constructed prior to 1978 and any owner and tenant of such properties will be appropriately notified of this potential health hazard, especially for children under the age of six (6) and pregnant women. All properties receiving rehabilitation assistance will be required to comply with the federal lead-based paint regulation found in 24 CFR Part 35.

All properties constructed prior to 1978 are presumed to have the presence of lead paint and are required to have a visual inspection, conducted in conjunction with initial HQS inspection by Housing Rehabilitation Specialist assisted by a contracted Lead Risk Assessor to determine the presence of deteriorated paint surfaces, paint dust, chips or residue, or rehab activity which will disturb a paint surface and which exceeds the allowable 'de minimus' levels permitted by HUD regulations.

If a visual inspection reveals such conditions, the property must undertake the following "interim measures" or "standard treatments" to protect occupants and workers during rehabilitation:

1. All contractors, subcontractors and crew, including volunteer workers, must attend the "Lead Safe Work Practices" training class conducted by a licensed trainer or provide documentation of valid certification . This class will be offered at least one time during the project;
2. For each contractor working on a property constructed prior to 1978 there must be one individual per contractor certified by the Environmental Protection Agency as a Certified Renovator through completion of the EPA's Renovation, Repair and Painting training course.
3. Occupants must be protected during the course of the work;
4. Lead-based Paint Clearance Testing by the dust swipe method must be performed by the Housing Rehabilitation Specialist or a Lead Risk Assessor licensed by the Virginia Department of Occupational Regulation (DPOR) at the conclusion of the work; and
5. All houses must successfully pass the Lead-based Paint Clearance Test.

SECTION 5: HOME MAINTENANCE EDUCATION

It is mandatory that the occupants of each household receiving housing rehabilitation, purchasing a newly constructed home, or purchasing a rehabilitated home participate in a Home Maintenance Education training course in order to receive instruction and direction in the day-to-day use and routine maintenance of the newly provided facilities and improvements, housekeeping matters, and household budgeting. The program will include two booklets, which provide information covering the three areas listed above. The educational program will include formal classes to disseminate information.

All beneficiaries will be required to participate in the educational program following participation in the assistance program under the following guidelines:

1. All households must have one adult present for the entire training session. Each training session shall be "hands on" in nature and take at least four hours, including one hour on budgeting. It will explain how to establish and use checking and savings accounts, how to select and purchase insurance coverage, and how to establish and follow a household budget.
2. There is no exemption for elderly households or households receiving less than \$10,000 in assistance. If the homeowner is physically unable to attend the home maintenance education class, then the training shall be offered at the homeowner's residence. All beneficiaries will receive some aspect of in-home training.
3. Sign-in sheets must be used to document attendance by beneficiaries.

SECTION 6: PROGRAM DESIGN AMENDMENTS

During the implementation of the housing assistance program, City staff responsible for the project may find it necessary to make minor changes and refinements as the program proceeds. Examples of these administrative decisions would be annual updates of the DHCD LMI guidelines and interpretation of eligible income adjustments.

If a major alteration to the program design is deemed necessary to better achieve the intent of the program, the staff will provide the proposed changes to the Oversight Board, Project Management Team, and City Council for consideration and adoption. Any major change will be submitted to DHCD for review and approval. Items constituting a major change in the program would include modification of the types of assistance to be provided or the eligibility criteria for assistance. This housing assistance program will be implemented to assure that consistent and equitable assistance is provided to all program participants.

SECTION 7: ADOPTION BY CITY COUNCIL

Reviewed and adopted by the Franklin City Council in session:

Mr. R. Randy Martin, City Manager & Certifying Officer
City of Franklin

Date

PROJECT AREA MAP





To: R Randy Martin, City Manager
From: Dinah M Babb, Treasurer
Date: July 22, 2015
Subject: Office Accreditation 2015

I'm pleased to inform you and City Council that the Treasurer's Office has for the second year in a row been awarded the Office Accreditation from the Treasurer's Association of Virginia. This award is given annually to offices who met all the core and desirable criteria established by the Treasurer's Association of Virginia as statewide standards of performance.

Listed below are the criteria's to receive the award:

- ❖ The Treasurer must have received the Master Governmental Treasurer's Certificate by the Weldon Cooper Center for Public Service at the University of Virginia. The required mandated courses for re-certification have been taken and exams passed by the Treasurer/principal officer or members of the office staff. The "Ethics" course shall also be mandatory for the Treasurer/principal officer.
- ❖ The minimum number of current employees are actively enrolled in the Certified Government Deputy Treasurer program administered by the Weldon Cooper Center for Public Service at the University of Virginia. One Employee must be enrolled for Franklin.
 - Population shall be determined by using the most recent U.S. Census data or population estimate provided by the Weldon Cooper Center for Public Service.
- ❖ The office has developed and implemented written policies consistent with applicable State and Federal law addressing:
 - A. **Personnel** policies including, but not limited to: leave and attendance, equal opportunity, sexual harassment, recruitment and selection and employee disciplinary procedures; or, has adopted local government policies that meet the same standard.
 - B. **Customer Service** policies
 - C. **Delinquent Collections** policies and procedures
 - D. **Investment** policies if handled by the Treasurer's Office
- ❖ The office collection rate for the 12-month period after the tax due date, adjusted by the local unemployment rate, is not less than 95% for real estate and 90% for personal property.
- ❖ The most recent outside audit of the office reported no finding of material financial weakness. For those collecting only state taxes, the most recent state audit of the office reported no findings of material weakness.
- ❖ All bank statements for a month are reconciled within 60 days of the close of that month.

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COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS