

FREMONT RENTAL REHABILITATION PROGRAM GUIDELINES

**City of Fremont
Newaygo County, Michigan**

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January 2011



The City of Fremont implements programs to ensure equal opportunity in housing for all persons regardless of religion, race, color, national origin, age, sex, height, weight, familial status or marital status.

FREMONT RENTAL REHABILITATION PROGRAM GUIDELINES (Fremont, Michigan)

GENERAL

Background

The City of Fremont participated in the *Blueprints for Michigan Downtowns* Program in partnership with the Michigan State Housing Development Authority (MSHDA), the Michigan Municipal League (MML), and the Michigan Economic Development Corporation (MEDC) with consulting services provided by HyettPalma, a firm that specializes in revitalizing older downtowns. The Blueprint Program helped Fremont leaders formulate a comprehensive action plan that addresses economic development challenges and encourages growth in downtown Fremont.

The Fremont Blueprint Plan was adopted by the Fremont City Council in May, 2005, and the Fremont Downtown Development Authority (DDA) was charged with the responsibility of implementing the action steps outlined in the Plan. One of the specific recommendations in the Plan is to “Work with owners and investors to develop more upper-level housing.” The City of Fremont officials have demonstrated a desire to bring available resources to downtown Fremont to assist in the development of upper floor housing. Therefore, the City has implemented the Fremont Rental Rehabilitation Program, and these are the Guidelines.

Program Purpose

The purpose of the City of Fremont’s Rental Rehabilitation Program is to partner with owners of downtown Fremont properties to create quality, affordable housing in downtown buildings and to stimulate economic activity in the City.

Desired Outcomes

The following outcomes are desired as a result of implementing the Fremont Rental Rehabilitation Program:

- Utilize unused space above downtown retail/commercial spaces
- Create quality, affordable rental housing opportunities
- Fulfill recommendations made in the 2005 Fremont Blueprints report
- Create a vibrant, viable community with sustained residents
- Encourage private re-investment in downtown buildings
- Create public/private partnerships that improve the local economy
- Revitalize historically significant structures in downtown Fremont
- Remediate lead based paint hazards in existing structures
- Remove fire hazards in existing structures
- Increase profits to property owners

- Create construction and building maintenance employment opportunities
- Leverage public resources with private investment
- Promote Rental Registry/Housing Maintenance Codes

Program Location

The target area for the Fremont Rental Rehabilitation Program is the four (4) block commercial core located on Main Street in Fremont between Merchant Avenue on the east and Mechanic Avenue on the west. The four blocks extend south to Sheridan and north to Dayton Streets. This four (4) block area is the focal point of the City, and it is where other economic development efforts are being focused.

Funding

MSHDA will fund up to 75% of the total rehabilitation costs per unit, up to a maximum amount of \$25,000 per existing unit and \$35,000 per new unit (converting office/commercial/storage-empty space into residential units). The owner must leverage at least 25% of the total project cost.

A maximum of \$25,000 per existing unit or \$35,000 per new unit is available as long as the owner agrees to rent 51% of the units in the building to households whose incomes are at or below 80% of the area median income (AMI) adjusted by family size for a period of at least five (5) years. The minimum funding that can be requested via the Program is \$1000 per unit.

The funding from MSHDA will be in the form of a 0% interest loan requiring a five (5) year lien, forgivable 100% after the 5th year (not prorated). The amount of money the property owner must leverage is based on the total project cost, not the amount of assistance received from MSHDA. Leveraged dollars will be spent first on the project before grant funds are expended. The cost of the project must include lead-based paint remediation. All project cost overruns will be paid for by the property owner. Rehabilitated units must be in compliance with HUD, MSHDA and local building codes.

Only existing structures located in the four (4) block downtown commercial core are eligible for assistance of up to \$25,000 per existing unit or \$35,000 per new unit. Construction of entirely new rental units above existing structures is not eligible for assistance through the Fremont Rental Rehabilitation Program.

Applicants who have occupied rental units will not be considered for participation in the Fremont Rental Rehabilitation program. A property owner cannot elect not to renew a lease or evict a tenant due to anticipated participation in the Program. Housing and Urban Development (HUD) interprets this as displacement whereby the tenant would be entitled to relocation benefits.

If the owner refinances, the lien will only be subordinated for a better rate and term financing (no new debt to be incurred), per MSHDA policies.

If the property is sold, the amount of assistance will be recaptured as program income. If proceeds from sale of the property at fair market value are insufficient to repay the loan, the lien will be discharged only in return of the full loan amount or the new owner(s) may continue the affordability requirements for the remaining period of time.

Timeline

The term of work performance by the City of Fremont for the Fremont Rental Rehabilitation Program for grant # MSC-2010-5903-HO is from 12/1/10 – 12/31/12.

The minimum expenditure rate for the grant funds for rehabilitation costs associated with the Program is as follows:

- 15 percent expended by the end of the 2nd quarter of the grant term
- 40 percent expended by the end of the 4th quarter of the grant term
- 75 percent expended by the end of the 6th quarter of the grant term

Property Owner/Landlord Requirements

An eligible property owner must be an individual, corporation, or non-profit who owns vacant downtown property in the Fremont Rental Rehabilitation Program location area as outlined earlier in these Guidelines.

As a landlord, the property owner is required to do the following:

- The initial occupant of 51% of the units in the project must have income at or below 80% of Area Median Income (AMI).
 - If there is only one unit being renovated, that unit must be affordable in accordance with Program Guidelines.
 - If there are two units being renovated, the larger of the two units must be affordable in accordance with Program Guidelines.
 - If there are three units being renovated, two of the units must be affordable in accordance with Program Guidelines.
- The rent charged to the initial occupant(s) of 51% of the units cannot exceed the HUD Section 8 “Fair Market Rent”.
- The landlord may not economically displace the initial low/mod tenants. Therefore, any rent increase for these tenants after their first year of occupancy cannot exceed 10% of the previous year’s rent.
- All units in the project must be maintained as residential rental property for a period of five years. Additionally, for five years, the units will be maintained up to local property standards or at a minimum HUD Housing Quality Standards (HQS) and marketed to the general public when vacancies occur.
- All tenants (for all units) must be given a minimum one year lease.

- Landlords must market (list) their units on the Michigan Housing Locator website (www.MichiganHousingLocator.com) for the five year lien period.
- A mortgage and note between the City and the property owner(s) will regulate the rental program requirements.
- Failure to comply with the Fremont Rental Rehabilitation Program Guidelines by the landlord and/or Grantee (City of Fremont) could result in required repayment of part or all of the CDBG funds to MSHDA.

What Type of Lien is Placed Against the Rental Property?

- A deferred payment mortgage between the City and the building owner to be recorded at the Register of Deeds. There are no interest or mortgage payments due.
- A five-year compliance period enforced by a lien is required. During the compliance period the property must be maintained to property standards and local property code requirements and continued to be utilized for residential rental use and fairly marketed to the general public.
- All rehabilitation costs including costs attributable to lead base paint hazard reduction or abatement must be included in the lien. Additionally, soft costs such as inspections, work specifications and other soft costs charged to the project must be added to the lien.
- In the event of sale, should a new owner agree to continue to abide by the terms of the CDBG assistance for the remainder of the lien period, repayment of the CDGB assistance would not be required. Otherwise, repayment would be required.

Conflict of Interest Policy

The City of Fremont abides by MSHDA's Conflict of Interest policy as outlined in Policy Bulletin #8. However, if an employee of the City of Fremont wants to participate in the Fremont Rental Rehabilitation Program, the City could request an exception from the Conflict of Interest policy on behalf of an employee if the employee follows all the program rules required by the City and MSHDA and that the factors to be considered for an exception as outlined in MSHDA's Policy Bulletin #8 are relevant.

Program Selection Process

Property owners will be selected for program participation based on how well the applicant meets program priorities as established below:

- Buildings with unoccupied space above first floor retail/commercial space
- Units that are accessible from viable parking areas and have entrances separate from the commercial entrance or the ability to have separate entrances
- Units that contain entrances that have undisputed legal access
- Buildings in the Program Location Area

The following process shall be followed in the selection of Program participants:

1. Applicant completes a pre-application required by MSHDA. After review of the pre-application, if the project seems viable, the landlord is invited to submit an application.
2. Applicant (property owner) completes an application. Applications will be due on a specific date outlined at the time applications are distributed. All applications will be considered for funding if the application is submitted by the due date. If the City receives more applications requesting funding than there are program funds, the City will conduct a lottery to determine which applicants will participate in the Program. A \$50.00 non-refundable down payment must accompany the application.

Those applicants who submitted an application, which was not acted upon due to insufficient program funds, will be notified by the City of Fremont if the City decides to apply for and is awarded new grant funds for rental rehabilitation activities.

3. Evaluation of applications is performed by the City of Fremont.
4. At the time of application, the property owner must provide the following:
 - Proof of ownership (recorded deed or a recorded land contract) and letter from land contract holder that they will sign the mortgage/lien, if applicable.
 - Land Contract Holder Acknowledgement and Consent
 - Proof of paid property taxes, assessments and utilities
 - Proof of current hazard insurance coverage
 - Proof of required property owner match (letter from bank or lending institution)
 - Down payment requirement form (No credit check is needed if this form is signed.)
 - Profit or Loss Statement
 - Occupancy report
 - Mortgage verification
 - Authorization to Release Information
 - Authorization to Take Photos
 - Down Payment/Credit Certification Form
 - Applicant Receipt of Lead Based Paint and Fair Housing Publication
 - Protect Your Family from Lead in the Home
 - Fair Housing: Equal Opportunity for All
 - Pre-Evaluation Disclosure of Lead Based Paint Procedures to Property Owner
 - Asbestos Survey (To be coordinated with the City before contractor secured)
 - \$50.00 application fee

Prior to signing the mortgage and/or commencing the rehabilitation work, the property owner must provide the following:

- The property owner match must be put in an escrow account maintained by the City.

Money in the escrow account (property owner's funds) will be paid out for project expenses before funds are expended through the grant funds awarded for the Program by MSHDA.

Note: The City will collect all required documents for each step of the Rental Rehabilitation Program as listed in the "Required Documents for Rental Rehabilitation" provided by MSHDA.

5. The City will be responsible for obtaining all verifications on applications and making sure that all program requirements have been met.
6. Recommendation for approval or denial of an application will be presented to the Fremont City Council.
 - a. If denied, a letter stating reasons for denial is sent to applicant.
 - b. If approved, final mortgage documents are completed prior to the rehabilitation work commencing.

Any complaints or grievances regarding the verification or selection process should follow the procedures outlined in the Complaint Resolution Procedures section of these guidelines.

Level of Improvements

Upon completion of the rehabilitation, the dwelling unit shall meet local building codes along with HUD Housing Quality Standards (HQS) and MSHDA Rehabilitation Standards. This includes plumbing, heating, electrical and structural components, all of which must be completed by licensed and insured contractors. Architectural drawings are required for all projects. The architect must approve the final work on each project.

The owner agrees that all units within a single structure, even those not rehabilitated with grant dollars, must meet HUD Housing Quality Standards (HQS) if grant dollars are received to rehabilitate one or more of their units within said structure.

TENANT REQUIREMENTS

The owner(s) must agree to rent 51% of the units in the building to renters whose income must not exceed 80% of the area median income (AMI) adjusted by family size for a period of at least five (5) years. The rents on these units must not exceed the current HUD Fair Market Rent for Newaygo County for the same five (5) year period. The Fair Market Rent includes paid utilities as outlined in the current MSHDA Utility Schedule.

For this Program, income eligible tenants must occupy the following number of units based on the number of rental units in the building:

- Single-unit projects: Must be occupied by income eligible tenant
- Two-unit projects: An income eligible tenant must occupy at least one unit (unit with the most bedrooms or if equal number of bedrooms, then the largest unit in square footage)
- Three-unit projects: An income eligible tenant must occupy at least two units
- Four-unit projects: An income eligible tenant must occupy at least three units

If an income eligible tenant chooses not to renew his/her lease after the first year, the owner is free to rent the unit for the remaining five (5) year period at market rate rents.

Tenant Income

All renters applying under the Fremont Rental Rehabilitation Program must meet the income requirements. Renters must verify their income by completing a Family Composition Form and an Income Checklist for the head of household and spouse (if married) and each household member over 18 years of age. The City of Fremont will provide, collect and review tenant income documents.

Gross income will be verified using the following methods:

- Third party verification: Verification from the source of the income is preferred (employer, social security administration, family independence agency, etc.) or
- Review of documents: Documents provided by the renter/applicant(s) (pay stubs, tax returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third party verification.
- Tenant selection will be first come, first eligible, first served

The tenant's annual gross income projected twelve (12) months into the future must not exceed 80% of area median income to be eligible. Gross income means all income earned by all household members over 18 years of age. Income of members between the ages of 18 and 25 will not be included if they are full-time students and can show proof of enrollment. MSHDA will have final authority in determining household income for purposes of determining tenant eligibility.

Income limits for renters will be that of HUD's Income Limits based on the most recent limits established at the time of application. Tenant income will be verified through an annual income re-certification. During this period both tenant income and rental rates will be certified annually by the City. The property owner will be responsible for providing income information annually to the City during the five-year affordability period.

Rents

The property owner will be required to sign a “Deferred Payment Loan Agreement” to ensure a five (5) year affordability commitment for the assisted units. If a tenant of an affordable unit chooses of his/her own volition not to renew the lease after one year, then the landlord may rent the dwelling unit at market-rate, but the unit must be a rental unit for the five year period. Rents for assisted units will not exceed Fair Market Rent Limits by unit size as adjusted annually by HUD.

Income and Demographic Reporting Requirements

When CDBG dollars are used to rehabilitate multi-unit rental properties, the Department of Housing and Urban Development (HUD) requires that at least 1 in a 2 unit structure or at least fifty-one percent (51%) of the units in a structure with 3 or more units are affordable at initial occupancy, meaning the tenants’ income is limited to 80% of the area median income (AMI), and the rents cannot exceed the HUD Fair Market Rents (FMRs).

HUD allows up to forty-nine percent (49%) of the units in the structure to be market-rate, meaning that neither the income of the tenants nor the rents are restricted. MSHDA’s Office of Community Development allows up to forty-nine (49%) of the units to be market-rate as well, but only for CDBG-funded rental properties located in downtowns.

Regardless of whether the unit is affordable or market-rate, HUD considers all units in the structure to be assisted, even unimproved units within the structure. Therefore, grantees are required to report income and demographic information for the tenants living in all the units. The income verification process outlined in MSHDA OCD Policy Bulletin #11 must be utilized for the affordable units. HUD requires only minimal information to be reported for the market-rate units. The tenants must sign a form verifying this information and permit this information to be shared. Although tenants must sign a form, their names will not be entered into MSHDA’s OPAL system.

PROJECT COST ASSIGNMENT

Project Cost Item	Owner Pays	MSHDA Grant Pays	Shared Costs
Architectural Drawings and Fees	X		
Building Dept. Inspections	X		
Lead Risk Assessment and Clearance Fees		X	
Asbestos Survey	X		
Asbestos			X

Remediation			
Title Search	X		
HQS Inspection		X	
Renovation Costs			X
Historic Review		X	
Ongoing Compliance		X	

ELIGIBLE REHABILITATION COSTS

Rehabilitation assistance may be provided for materials and labor costs associated with meeting the requirements of HUD Housing Quality Standards (HQS), to improve energy efficiency, to correct code violations, to obtain necessary building permits and their related fees, to make necessary accessibility improvements and to eliminate/minimize lead paint hazards as identified by a lead risk assessment. Asbestos remediation costs are also eligible. Assistance cannot be used to pay for labor costs when the owner provides the labor; however, assistance can be used to pay documented material costs. If owner provides the labor, it must be pre-approved by MSHDA.

The primary purpose of the Program must be the rehabilitation of upper level space for rental apartments. MSHDA funds must not be spent on improvements exclusive to the commercial space; however, shared improvements that also affect the commercial portion of the building, such as a new roof, upgraded electrical and plumbing are eligible under certain conditions. Shared improvements have to be cost allocated. If the commercial space is 50% of the building, and the residential space is 50%, then the grant could pay for the 50% residential portion cost of the shared improvements up to the per unit maximum. Windows in the residential part of the building are eligible to be funded through MSHDA as part of the project but funding is not to be used in the commercial part of the building. Davis Bacon wage requirements and labor standards are triggered if more than \$2,000.00 is spent on commercial related items. They are also triggered if a new roof is part of the project; this is because the new roof assists both the commercial and residential portions of the building.

Lead-based Paint Regulations – Eligible Costs

In addition to costs (risk assessments, clearances, soil treatments, etc.) that are conducted only because of the Lead-Based Paint (LBP) rule, the LBP hazard reduction costs may also include the incremental costs of a rehabilitation activity that are the result of Safe Work Practice requirements. Incremental costs are not the full cost of the rehab activity but just those additional costs incurred because of Safe Work Practice compliance.

IMPLEMENTATION OF HUD LEAD-BASED PAINT HAZARD RULE (24 CFR Part 35)

Buildings constructed prior to January 1, 1978 and whose owners are requesting assistance under the Fremont Rental Rehabilitation Program are subject to the HUD Lead Based Paint (LBP) Regulation. These standards apply to both the exterior and interior of the structure as well as any outbuildings or garages.

The City will provide all owners with the following documents regarding LBP:

1. EPA/HUD pamphlet “Protect Your Family”
2. If hazards are identified by risk assessment and treated, “Notice of Evaluation” and “Notice of Lead Hazard Reduction” will also be provided.

FAIR HOUSING

The City will place notices in the local newspapers encouraging minority and female owned businesses to participate as bidders for the various projects. All notices and publications concerning the Program will include the “equal housing opportunity/equal opportunity employer” and the Fair Housing logos. All complaints and concerns regarding Fair Housing issues must be presented to the City of Fremont in writing where they will be processed according to federal Fair Housing laws.

The City will maintain, at the City Clerk’s office, brochures and other Fair Housing materials provided by MSHDA and HUD for distribution. These materials will be available to the general public and interested persons.

CONTRACTING FOR REHABILITATION

Construction work financed through this Program will be undertaken only through a written contract between the contractor and the owner(s). The City will assist each recipient in arranging for and obtaining an acceptable construction contract. The construction contract will consist of a document signed by the contractor and the owner(s) and the following steps will be taken before a contract is signed:

1. All contractors must maintain in effect Personal Liability Insurance for no less than \$500,000 and Worker’s Compensation Insurance as required by State Law, while participating in any rehabilitation projects. Proof of insurance is not required to bid on a project; however, proof of insurance will be required before a project contract will be awarded. The contractor will be responsible for all damages to person or property, either on or off the site that occur as a result of his/her work on the project.
2. All contractors must be currently licensed by the State of Michigan in their respective trades. The City will keep a copy of the current licenses for all contractors authorized to bid on projects.
3. No contractor on the Department of Licensing and Regulation list of debarred contractors may participate in this program.

4. The contractor may be asked to supply the Program Administrator with references. The Program Administrator will be responsible for verifying all references.
5. Any contractor involved in interim controls or paint maintenance on a rehabilitation project involving lead-based paint (LBP) should have liability coverage for LBP hazard work, either in a general liability policy or individual project policies.
6. The contractor must certify that:
 - a. The work will be performed in accordance with all codes, standards, zoning regulations and specifications including ADA standards, subject to a clear final inspection by the owner, the architect, or the City of Fremont and the County of Newaygo Building Administrator; and
 - b. The contractor will provide and pay for all materials, labor, tools, permits, licenses and fees and shall comply with all laws, ordinances, rules and regulations of the City of Fremont; and
 - c. The contractor will abide by U.S. Department of Housing and Urban Development (HUD) regulations pertaining to equal employment opportunity and Davis Bacon regulations.

In addition, any contractors who will be working on buildings constructed prior to 1978 and which are determined to have Lead Based Paint hazards must have the following training and certifications:

For Interim Control Work (including standard treatments when LBP is presumed present), workers must have attended any of the following courses:

- a. The Remodeler's and Renovator's Lead-Based Paint Training Program
- b. Work Smart, Work Wet, and Work Clean to Work Lead Safe
- c. Abatement worker training approved by Michigan Department of Community Health (MDCH)
- d. Other courses approved by HUD

If workers do not have this training, they must be working under the direct supervision of an on-site supervisor who has been certified as an abatement supervisor by the Michigan Department of Community Health (MDCH). Appropriate documentation of certifications will be completed on a certification form and kept in the contractor's files.

The City of Fremont will maintain a list of potential contractors to be used for bidding purposes. The contractors will be asked to identify their category of specialization, which will be used to solicit bids for certain projects. The City will invite a reasonable number of contractors to bid on the project. All announcements concerning the Program will indicate minorities and female-owned businesses are encouraged to participate. All contracts will contain defined start and end dates with penalties assessed for time over-runs.

When sealed bids are used, the following must take place:

- The City must publicly advertise in the local newspaper at least once.
- The invitation for bids and specs must provide a detailed description of the goods and services needed to ensure that comparable bids were received.
- Bids must be publicly opened.
- Once bids are opened, selection must be made on the review of the bids to determine the lowest responsible source and then a firm fixed price contract must be executed between the source and the subject property owner.

Where possible, a minimum of three bids will be solicited with the work awarded normally to the lowest responsible bidder. However, the Program Administrator and the property owner(s) have the option of selecting alternate bidders based on the following factors:

- a. Availability of qualified contractors
- b. Work needs to be completed in a timely fashion and the low bidder cannot complete the project within a reasonable time

The owner(s) may elect to have an alternate bidder, provided the difference between the lowest bid and the alternate bid price is paid for by the owner(s). All bids received will be opened on the date and time specified in the bid packet. Bids received prior to the stated deadline for submissions will be kept unopened until such date, and all bids must be submitted on the forms provided. Improperly completed bids may be rejected.

If small purchases (typically limited to equipment/material purchases and/or services are needed, such as professional consulting, environmental review or planning) are used, the City must follow the rules outlined below:

- Proof that the purchase was less than \$100,000.00.
- Quotes were solicited from potential vendors by providing a detailed description of the goods or services needed and then competitive written quotes were received from at least two qualified sources.
- The lowest responsive and responsible source was selected

The City will retain in its files estimates and quotes to determine cost reasonableness of proposals received.

When procuring services with federal funds, the City is required to check the List of Parties Excluded from Federal Procurement and Non-Procurement Programs. Contractors that are on that list cannot be awarded contracts funded with federal dollars. The City will check the website “Excluded Parties List System” at www.epls.gov/ to review the current list and ensure that contracts are not awarded to debarred or suspended contractors.

Completed work must be satisfactory to the owner(s), the contractor and the City of Fremont. Both the owner(s) and the contractor will give the County of Newaygo Building Inspector access for all inspections. The owner(s) must keep all guarantees and warranties furnished by the contractor on material and equipment for a period of two years, and the City must keep all documentation for a period of four years.

After construction begins, the owner(s) and Program Administrator must approve each bill submitted before payment will be authorized. The individual projects will be inspected to determine if the work is in compliance with the specifications as prepared and a final inspection must occur before final payment can be awarded. All invoiced work will be inspected. The contractor will be paid the full contract price after written approval of the completed work has been obtained from the owner(s), and the City of Fremont. If a progress payment is made, it will be limited to no more than 90% of the value of the work satisfactorily completed. Final payment will be withheld until the City receives the contractor's invoice and satisfactorily releases the liens by subcontractors and material suppliers for completed work or installed materials as well as receiving copies of all certificates of occupancy as applicable.

The City will ensure that all the proper procedures (notice of commencement, sworn statements, lien waivers, etc.) are followed to ensure compliance with the Michigan Homeowner Construction Lien Recovery Fund Procedures.

In the event a dispute arises between the contractor and the owner(s) in regard to the rehabilitation work, the procedures outlined below concerning Complaint Resolution Procedures will apply.

Payments to Contractors

The following payment schedule shall apply to all Program projects:

1. All invoices for work performed must be signed off by the property owner and the City of Fremont.
2. When a contractor submits a final invoice, he must also provide a full unconditional lien waiver and Warranty for final payment.
3. The City will process payments once a month.
4. Checks will be mailed by the City to the contractor at the address specified on the invoice.

Complaint Resolution Procedures

All complaints arising from the implementation of this Program must be directed to Fremont's Neighborhood & Economic Development Director in writing. The Director will review the complaint and attempt to resolve the problem within 15 working days from the date the written complaint or concern is logged. If the claimant is not satisfied

with the Director's response, the City Manager will be informed and asked to recommend a solution. If the complaint has not been satisfactorily resolved still, a review committee will be established to hear the case. The review committee will consist of three members:

1. A representative of the construction industry (not the contractor who is a party to the complaint)
2. A representative from the community
3. A representative from the City of Fremont (not the administrator of the Program)

The claimant may make a presentation or submit a written complaint to the committee for review. The Committee will notify the claimant, in writing, of their decision within 15 days of the date of the hearing. If at this point the matter is still unresolved, the case may be referred to:

Dispute Resolution Center of West Michigan
Community Reconciliation Center
679 Front Street, NW, Suite 250
Grand Rapids, MI 49504
Phone: 616/774-0121
Fax: 616/774-0323
Website: www.drcwmich.org
E-mail: info@drcwmich.org

The costs, if any, of mediation will be considered eligible administrative costs under the program. If the complaint is still unresolved, the claimant may contact MSHDA in writing. MSHDA will only review complaints after all of the steps listed above have been completed.

Financial Management

The financial management of the Fremont Rental Rehabilitation Program will be handled by the City of Fremont. Funds will be tracked and accounted for using MSHDA's OPAL system. An account will be set up by the City for the disbursement of funds related to the Program. Disbursements will be made by check and will cover administrative costs of the Program or contract work performed in connection with the Program.

The Program Administrator is authorized to approve payments after an invoice is signed off on by the Program participant and after inspection of the work completed, if applicable, is performed. The Finance Director is responsible for generating financial statements and records. The City has an accounting system other than OPAL that does the following:

- Tracks grant and project receipts and expenditures
- Records budgeted amounts for eligible components and activities

- Records commitment of funds when contracts are executed, purchase orders issued, etc.

Additionally:

- Records identify the source (MSHDA) and use of funds for each grant-supported activity
- All grant funds, including those received in the form of an advance, are kept in a non-interest bearing account
- For deposits, there are copies of deposit slips with a record of times deposited.
- For deposits and payments, records clearly identify the grant (grant number is on supporting documentation) and grant activity/project
- Expenditures are documented/supported by approved invoices, contracts and/or purchase orders, etc.
- Financial information recorded in OPAL's grant management system will match grantee's official accounting records for the covered period.
- Leverage funds as stated in the Program Guidelines are met and documented.
- Financial and related records will be maintained for a minimum of five (5) years from grant closeout.

The City of Fremont has written procedures establishing financial management responsibilities and a person assigned to each task (e.g., receiving mail, paying bills, depositing cash, etc.)

Review and Modifications

These Program Guidelines are subject to review and modification by the City to maintain compliance with MSHDA regulations and to improve the overall effectiveness of the program.