

## Schedule B Administrative Plan

The term Local Program Administrator (LPA) shall refer to the awardee as the recipient of Housing Trust Fund Corporation (HTFC) NYS Homes & Community Renewal (HCR) funds.

### **1. Outreach & Coordination**

#### **1.a. Marketing & Outreach**

The LPA shall conduct and document marketing and outreach in the eligible service area to make potential participants aware of the availability of program funds. This includes the dissemination of program and application information through traditional (print, advertisements, etc.) and online outlets (email, social media, etc.). Outreach efforts should consider the socioeconomic character of the service area and provide equal opportunity to apply for program resources.

Marketing and outreach approaches should reflect the purpose of the program, which is to support critical repairs for low- and moderate-income homeowners in areas of persistent and structural discrimination and housing which has resulted in wide racial wealth gaps, unequal access to homeownership, concentrated poverty for individuals of color and otherwise segregated living patterns in disinvested communities. It is expected that the LPA will undertake specific and targeted outreach that aligns with this purpose of the program. The LPA shall be considerate of language access issues and conduct multi-lingual outreach and marketing as needed and appropriate and document such efforts.

#### **1.b. Service Linkages & Referrals for Service**

The LPA is encouraged to make referrals to potential program participants to local service provider(s) for needs that cannot be met through T-HIP. The LPA should document the number and type of any referrals made to potential program participants.

### **2. Project Selection**

#### **2.a. Participant Intake, Eligibility and Selection**

The LPA must establish a formal procedure for application intake that documents eligibility confirmation and participant selection. Preparation and documentation of clear and consistent eligibility criteria and procedures are essential to ensuring fairness and avoiding conflicts of interest. The LPA must advise applicants in writing of the status of an application within 30 days of a completed application and determination of eligibility.

The LPA must retain documentation of the following, which is subject to periodic HCR Monitoring

## Review:

- Completed “Project File Checklist”
- Participant Application
- Verification of Ownership in eligible area
- Verification of Primary Residence
- Income Eligibility Verification
- Asset Review
- Verification of Current Homeowners Insurance (policy effective at time of set up)
- Verification Current on all Property Taxes
- Award Letter from LPA to Participant

### **2.b. Eligible Activities**

Funding will be used to support critical repairs. These repairs may include health and safety improvements, correction of code violations, accessibility modifications, environmental remediation and other repairs determined by the local program administrator as necessary to extend the useful life of the home and allow the homeowner to remain safely in their residence. The LPA is responsible for determining if an activity meets the “critical repair” threshold. The LPA shall have a policy for determination of critical repair that is consistently applied to applications.

Repairs completed prior to selection and award by a local program administrator are not eligible for reimbursement.

### **2.c. Eligible Geographies**

The eligible geographies for participant properties are limited to the targeted zip codes identified for the LPA’s Service Area in Schedule A. The LPA shall prioritize funding within the Service Area municipality (and within the targeted zip codes).

Potential participants (homeowners) owning property in targeted zip code areas outside of the Service Area municipal boundaries may be eligible in cases where it is necessary and warranted; however, most funding shall be awarded to participants with properties located both in a targeted zip codes and within the municipal boundaries. Exceptions may be made to make awards to applicants in targeted zip code areas outside of the service area municipality upon approval of HCR.

## **2.d. Eligible Participants**

An eligible participant must meet the following criteria:

- **Ownership and Residency:** Participant must be legal owner of a 1 to 4-unit residential property located in one of the target zip codes. The home must be the owner's primary and permanent residence. If the home is a multi-unit building, repairs may only be made in the unit where the participant resides or in common areas or in cases where the repair is necessary for the entire structure (e.g., roof replacement).
- **Income Eligibility:** Eligible participants must have a household income that does not exceed eighty percent (80%) of the area median income (AMI) per the U.S. Department of Housing Urban Development. The LPA must establish an intake process to document that every participant meets income eligibility criteria. This includes maintaining supporting documentation to confirm eligibility and participant selection. HCR recommends that LPAs recertify income eligibility if a significant amount of time elapses between initial eligibility and execution of participant agreement.

The LPA may accept proxies to document income eligibility for T-HIP. Many of the households that qualify and benefit from T-HIP also receive support under one or more public benefit programs like SNAP, WIC, etc. Most of the public benefit programs use a Federal Poverty Standard to define and determine income eligibility. In most cases, the Federal standards for income qualification are lower thresholds than the income limits established by T-HIP. The LPA must request and receive approval for using proxies.

Note that LPA is required to review assets for the purposes of prioritizing applications, but there is not a maximum asset value for participants to be eligible for participation in T-HIP (see following section).

## **2.e. Application Prioritization**

As part of the formal procedure for application intake, The LPA shall identify prioritization criteria for making awards. The criteria must be in alignment with the stated objectives and purpose of T-HIP; however, the LPA is encouraged to adopt prioritization criteria that reflect local demographic, housing conditions and homeowner need. The LPA must have formally documented application selection criteria that are used consistently throughout the application and participant selection process.

The Applicant's assets must be used as part of the prioritization and selection process. The LPA shall create clear guidelines for measuring participant assets that are consistently applied for the grant period to all applicants. The asset review guidelines should consider the reasonable range of asset types and values to gauge a participant's need for funding assistance. An Applicant's assets should have a meaningful impact on the priority level/funding order assigned by the LPA.

## **2.f. Conflict of Interest Policy**

The LPA shall maintain a conflict-of-interest policy that applies to any person who is an employee, agent, consultant, contractor/subcontractor, officer, participant, or elected official or appointed official of the state, the LPA, or a unit of general local government or any designated public agency. The LPA is responsible for determining if a conflict of interest exists and reporting it to HCR as necessary.

This policy must cover both the program participants selection process and the contractor procurement process.

## **3. Project Development**

### **3.a. Work Write-up / Scope of Work**

Once a project has been determined eligible and has been selected for assistance, the LPA must develop a written scope of work that complies with T-HIP Program requirements.

A professional evaluation must be conducted to establish and document the scope of repairs. LPA must formally document necessity of repairs and rationale for scope items, including photographs of current conditions. The LPA will prepare an in-house cost estimate for the eligible scope of work. All or a portion of the maximum grant amount of \$40,000 per unit may be awarded, dependent upon the eligible scope of work.

### **3.b. Participant Agreement**

The LPA must execute a Participant Agreement with the homeowner specifying the award amount and outlining roles and responsibilities for the respective parties. At a minimum, the contract must specify:

- Agreed Upon Scope of Work
- Estimated Grant Amount
- Contractor Bidding & Selection Process
- Completion Deadline
- Securing Permits (work may not begin until all required permits have been issued, or formally confirmed as not required)
- Site Inspections (LPA reserves right to inspect at any time to confirm eligibility of work, monitor progress, and inspect quality of work)
- Right to Terminate or Withhold Payment (LPA reserves right to terminate contract or withhold payment if work is not completed as agreed, change orders are implemented without approval, ineligible scope of work items are included on invoice, for failing to satisfy

contract terms, or for violating program rules)

- Compliance Monitoring (LPA reserves right to share information about participant and project consistent with HCR monitoring)
- Dispute Resolution Policy
- Declaration of Interest (participant must sign agreeing to use and sale restrictions and ongoing monitoring for ten (10) years after the date of the most recent repair completion)

Any exceptions require prior approval of HCR.

### **3.c. Funding Commitment & Environmental Review**

Project activities are subject to the requirements of the State Environmental Quality Review Act (SEQR) at 6 NYCRR Part 617. The LPA will be required to submit forms and a written scope of work to commit grant funds for a property and receive site-specific environmental review approval from HCR. Rehab activities may not begin prior to site-specific environmental approval from HCR, as this serves as both the preliminary commitment of funds for a project site, and approval to proceed with project activities.

### **3.d. Contractor Procurement**

LPAs are responsible for the solicitation and selection of Contractors. The LPA, on behalf of the homeowner, shall facilitate:

- Compiling lists of eligible contractors, i.e. verifying insurance and relevant experience.
- Developing a detailed scope of work, technical specifications, and in-house cost estimate
- Soliciting, receiving, and comparing bids
- Resolving disputes between the contractor and homeowner
- Helping participants access contractor list (if applicable)
- Processing contractor invoices and making payments to contractors
- Any other administrative tasks that may arise during the term of assistance to that household.

The LPA must establish a clear and consistent process to procure contractors for the term of the Grant Agreement by (1) choosing to solicit bids by project, using an Approved Contractors List, (2) developing a rotating Contractor Bid List System, or (3) using some combination thereof. If using multiple procurement processes, the process must be applied consistently, the process and rationale for when each procurement process applied must be detailed in writing and applied consistently over the term of the grant.

- **Bids by Project:** LPA solicits bids on a project-by-project basis and selects the lowest reasonable bid received. With this approach, LPA should develop a list of Contractors that

through a Request for Qualifications process (RFQ) with verified insurance and experience.

- **Rotating Contractor Bid List System:** LPA establishes an Approved Contractors List and pre-approves works scope items based on standard pricing. LPA assigns projects to approved Contractors on a rotating basis based on scope of work.

In all cases, the procurement process must be free of collusion or intimidation and the LPA must exercise appropriate oversight over the entire process to ensure that it is fair, efficient, and free of actual and perceived conflicts of interest.

Specific contractor procurement guidelines include:

- To obtain bids by project, the LPA must issue a request for contractor bids for each project. A clear, written, scope of work for the project must be the basis for the bids or proposals.
- The LPA may choose to develop an Approved Contractor List and/or Rotating Contractor Bid List system to procure contractors for a two-year period rather than procuring contractors for each project.
- A Rotating Contractor Bid List system must be approved by HCR prior to implementation. Additional contractors can be added to the list at any time, subject to LPA approval.
- For an Approved Contractor List or Rotating Contractor Bid List System, a Request for Qualifications (RFQ) process shall be undertaken by LPA. Any contractor list (Approved Contractor List or Rotating Bid List) maintained by LPA must remain open for additional contractors, subject to LPA approval.
- The LPA must collect and maintain all documentation needed from the contractor to verify they are insured, and meet local requirements, codes, rules and/or regulations for contractors. Proof of insurance must include general liability coverage in a minimum amount of one million dollars and workers' compensation coverage. The LPA, State of New York and the Housing Trust Fund Corporation must be listed as additional insured.
- If pre-1978 property with a scope that includes paint disturbance, the work must be conducted by an EPA RRP Certified Renovator. Determination of applicability should be documented. Certificates should be retained in program files.
- Proposals must be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. At a minimum, three bids must be received for each project to establish the reasonableness of costs.
- The LPA may establish bid selection criteria that consider cost and other factors. These criteria must be included in a written contractor selection procedure prior to initiating the bid solicitation process.
- The LPA must complete an internal cost estimate for each work scope for reasonableness comparison. Compare all proposals to internal cost estimates.
- A written agreement or contract must be executed with the selected contractor and

homeowner to describe the cost, agreed upon scope of work, time frames for start and completion, payment terms, change order policy, and required insurance coverage.

- In no event may a homeowner, his/her business or business of a family member or business partner be selected to participate as their own contractor.

Additional procedures and guidance for contractor procurement and establishing a Contractor List system are provided in the T-HIP LPA Manual.

### **3.e. EEO & MWBE Requirements and Procedures**

The Housing Trust Fund Corporation (HTFC) is required to implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 (“MWBE Regulations”), and New York State Veterans’ Services Law Article 3 and 9 NYCRR Section 252 (“SDVOB Regulations”) for all State contracts as defined therein, with a value (1) in excess of \$25,000 for labor, services, equipment, materials, or any combination of the foregoing or (2) in excess of \$100,000 for real property renovations and construction.

The LPA must follow the procedures noted below to comply.

- Prepare and submit a Contractor Bid Solicitation Plan. This Plan will outline the goals (percentages are included in the existing grant agreement Schedule C) and how the LPA intends to conduct marketing and outreach and make good faith efforts to include MWBE and SDVOBs in contracting opportunities. Costs for activities that cannot be bid out (internal admin) should be removed before preparing the calculations in this document.
- As activities proceed, the awarded organization will prepare a Bid Solicitation Log to document all of the contractors or vendors included in each outreach and bidding process. The awarded organization must also document its bid review and selection decisions.
- If an MWBE firm is contracted for a project, utilization information (FID and payment amount) and affirmation of payment to contractor will be reported when the LPA provides completion reports to HTFC. The Project Detail Sheet includes a drop-down box to note MWBE/SDVOB firms.

If the LPA is unable to reach the goals, a request for waiver must be submitted. The written request should be accompanied by a Certification of Good Faith Efforts form and supporting documentation to demonstrate its efforts. The documentation should demonstrate that the awarded organization followed the plan presented in the Bid Solicitation Plan and include documentation of each of the steps outlined above.

## **4. Financial Management**

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#### **4.a. Financial Policies**

The LPA should have a written policy on internal controls and use this policy to determine the process for review and approval of requests for disbursement of T-HIP funds. The Authorized Signature Form must be completed to designate the representative(s) authorized to sign disbursement requests and must reflect the LPA's written policy on internal controls.

#### **4.b. Disbursement Procedures**

The LPA may make disbursement requests prior to executing contractor agreements or incurring project costs. Such "Advance Funds" requested by LPA are subject to cap limitations established by HTFC.

The LPA will be required to provide proof of payment of Advance Funds when payment(s) to contractors are made. Subsequent Advance Funds disbursement will be contingent upon timely submission of proof of payment.

The LPA may also submit disbursement requests on a reimbursable basis with proof of payment.

To receive disbursement, the LPA will submit a Disbursement Request. Each Disbursement Request must include the Requisition Form signed by an Authorized Signatory on file with HTFC.

The LPA may request Program Delivery Funds, if awarded and budgeted, through submission of a detailed invoice to HTFC in an amount not to exceed 12% of disbursed project funds at the time of invoice.

### **5. Construction Monitoring & Quality Control**

#### **5.a. Construction Monitoring**

The LPA must establish a standard practice for monitoring contractors (including documented periodic inspections) for progress, quality of workmanship, code compliance, adherence to approved scope of work, program rules, environmental compliance, and consistency with the approved construction timeline. Inspection reports must be consistently documented in the LPAs project files. All requests for progress payments, if allowable, must include photographs of the completed work.

#### **5.b. Final Inspection**

A final inspection is required prior to the release of final payment to the contractor ensure the entire scope of work has been satisfactorily completed according to the Participant Agreement and Contractor Agreement.

The LPA must develop and consistently apply a process to obtain participant sign off on completed work. The LPA must retain documentation in the project files supporting the release of final payment.



### **5.c. Dispute Resolution**

Primary responsibility for resolving homeowner/participant and contractor disputes rests with the LPA. The Dispute Resolution Plan must establish a standard practice to administratively resolve disputes related to the Participant Agreement, contract, or written agreement with the contractor. Examples of common issues which may be amenable to conflict resolution include project timeline, quality of work, scope of work, inability, or failure of parties to uphold obligations, final homeowner/participant completion sign off, or contractor payment.

In the event there is a dispute between a homeowner/participant and contractor, whenever feasible the LPA should require notice in writing. The LPA must exercise best efforts to resolve the dispute as soon as possible. This may include conducting an inspection to evaluate claims and meeting with the parties in attempt to reach a satisfactory result through negotiation. All efforts must be documented in project files, and whenever possible include photos.

If the Dispute Resolution Plan is applied and documented, but efforts fail, then the LPA shall notify HCR and provide a recommended course of action for consideration.

## **6. Ongoing Maintenance**

### **6.a. Obligations**

The LPA, for a period of up to ten (10) years from the date of the final inspection (“Regulatory Period”) shall take all necessary steps to ensure that owners of properties improved under the Program continue to reside in the properties as their primary residence and maintain the structures in good, habitable condition.

The length of the Regulatory Period shall be established based on the Participant award amount in accordance with the following schedule:

- Participant award less than or equal to \$5,000: Two (2) Year Regulatory Period
- Participant award \$5,001 to \$10,000: Five (5) Year Regulatory Period
- Participant award \$10,000 to \$40,000: Ten (10) Years

During the Regulatory Period, the homeowner/participant must obtain consent from the LPA should the assisted property or the assisted unit therein be sold, moved, leased, demolished, or materially altered. If there is more than one Owner each will be held separately liable, and will include their heirs, administrators, successors and permitted assignees.

In the event of non-compliance, or if the property is transferred, or its title or deed assigned during the Regulatory Period, including in the event of death of the homeowner/participant, the amount of grant funds may be subject to repayment in full for the first two years for awards less than or equal to \$5,000 and for the first five years for awards greater than \$5,000. For awards over \$10,000, a simple annual declining value will apply beginning after Year 5.

The LPA must clearly describe these obligations to the participating homeowner prior to beginning the project, including requirements in the Participant Agreement and then monitor compliance for

each property for the duration of the Regulatory Period.

Modifications to the repayment may be considered in certain circumstances if a reasonable need or hardship is documented, including, but not limited to, the event that sale proceeds from the property are not sufficient to cover participant's necessary expenses. Any modification must be approved by HCR.

### **6.b. Declaration of Interest**

The LPA shall require every property owner/participant to execute a Declaration of Interest ("Declaration") in the form provided by the Corporation, to be filed in the County Clerk's Office for the county in which the assisted property is located. If there are more than one property owner, all property owners must sign the Declaration. If a Declaration may not be filed with the County Clerk's office due to local policies, an HCR approved method must be used to secure the public funds and ensure compliance. HCR retains the right to require an updated Declaration if more than one hundred and twenty (120) days has elapsed between the signing and completion of the project.