

# **HOUSING REHABILITATION GUIDELINES**

## **2023 Federal Home Loan Bank (FHLBank) – Affordable Housing Project**

### **INTRODUCTION & PURPOSE**

Decent, safe, and sanitary housing is critical to the physical and emotional health of the residents of the City of Salina (the “City”). The Salina Neighborhood Repair & Rehabilitation Program (NRRP) or “the Program,” is funded by various sources like Federal Home Loan Bank (FHLBank). The Program is administered by the Community & Development Services Department – Community Relations Division of the City. The purpose of the Program is to provide financial assistance for the rehabilitation of housing for low-to-moderate income individuals and to complete repairs needed to ensure the homes meet local building codes, which helps to preserve the City’s existing affordable housing stock.

### **SECTION 1: OVERVIEW**

**1.1** The FHLBank Cooperative is a collective membership organization comprised of several banks. One of the annual legal requirements for this collective is to dedicate a specified percentage of its funds to non-members in the form of “grant opportunities” through initiatives like its Affordable Housing Program (AHP). In 2023, the City of Salina was awarded a four-year AHP Grant (the “Grant”) in the amount of \$999,999 for the purpose of rehabilitating homes in a targeted neighborhood as set forth in Section 2.1. The terms of this Grant allow for the provision of housing rehabilitation funds for low-to-moderate income homeowners for up to \$20,500 per house *generally*, exceptions to be determined by the City on a case-by-case basis depending on the availability of funding.

**1.2** This document sets forth requirements specific to the FHLBank 2023 Grant as part of the City’s Neighborhood Repair & Rehabilitation Program (NRRP) overall and serves as the controlling document.

**1.3** Applicants will be screened and processed in accordance with eligibility criteria as set forth in this document (the “Guidelines”) and any of the City of Salina’s applicable NRRP policies and procedures. As the 2023 Grant is only for owner-occupied residences, the use of the terms Homeowner(s) and Applicant(s) may be used in these Guidelines.

### **SECTION 2: TARGET AREA**

**2.1** In 2025 the grant area was expanded beyond Saline County’s U.S. Census Tract 3 to include Census Tracts 1.01, 1.02, and 2.

### **SECTION 3: APPLICATION SUBMISSIONS**

**3.1** Applications will be open and available to the community until the Grant Administrator believes enough applications been received to reach the grant’s capacity. Applications can be delivered to the City’s Community Relations Division located in room 101 at 300 W. Ash Street, Salina, KS or completed online at: <https://www.salina-ks.gov/homerehabgrants>. The City reserves the right to re-open applications as needed.

### **SECTION 4: SCOPE OF WORK FOR IMPROVEMENTS**

**4.1 Program is not intended to cover mere cosmetic remodeling.** The primary purpose of the NRRP is to improve the livability and structural integrity of homes to ensure they remain habitable and part of the City’s residential housing market. This includes ensuring that the homes are safe and compliant with all local, state and federal building codes and any other applicable regulations. Allowable housing rehabilitation activities include the repairs necessary to meet all the minimum requirements set forth in the City’s adopted building code as set forth in Chapters 8 & 14 of Salina City Code and any future amendments. For the purposes of administering the NRRP and this Grant award, these minimum requirements will also be referred to as “**Housing Quality Standards.**”

**4.2** Housing units accepted for rehabilitation must meet the definition of a “substandard unit” and be “suitable for rehabilitation.” Funding will be directed towards the primary dwelling and generally not used for improvements to accessory structures which include, but are not limited to: garden sheds, chicken coops, detached garages, and any other buildings not considered the primary dwelling. Any exceptions to this rule are subject to the discretion of the City who will need to also obtain prior approval from FHLBank.

**4.3 Substandard Unit** means a housing unit that does not adequately meet all Housing Quality Standards established for one of the following:

- Building Exteriors - foundation, roof, gutters, doors, windows, siding, and insulation
- Heating Systems
- Plumbing Systems
- Electrical Systems & Appliances
- Building Interiors- ceilings, walls, floors, doors, ventilation, smoke detectors
- Other – anything else related to City Code building requirements or the habitability of the home for the current occupants

**4.4 Suitable for Rehabilitation** means a substandard housing unit which is technically *and* financially feasible to restore it to a “standard condition” given the funding limits of the 2023 Grant. A housing unit is considered in “standard condition” if it meets minimum Housing Quality Standards.

**4.5 Emergency Repairs** may be addressed on a case-by-case basis at the discretion of the City. To be eligible for funding under the 2023 Grant, the emergency repairs must be verified by the City’s Housing Inspector and must pose an immediate threat to the home’s occupant(s) or structural integrity. To be eligible for funding, emergency repairs must be needed to bring the house into compliance with Housing Quality Standards.

**4.6 Accessibility** items may be considered eligible for funding on a case-by-case basis at the City’s discretion.

## **SECTION 5: APPLICATION ACCEPTANCE, PRIORITIZATION, & APPROVAL**

**5.1** Applications will be reviewed for eligibility on a first-come, first-ready basis. Applications will be received until the grant administrator determines the needed number of homes “qualified” have been met. Applicants will not be “qualified” until they have been verified to meet all eligibility requirements as set forth in Section 6, *and* all documentation and assessments has been accepted and approved by the Grant Administrator and the Grantor. The City reserves the right to resume accepting applications from the public as needed and until all funding is exhausted.

**5.2** The City must prioritize Applicants to meet obligations within the terms of its 2023 Grant Agreement with FHLBank. As such, the City reserves the right to place Applicants on waiting lists as needed until its service obligations are satisfied. One example of an obligation is that 50% of projects must be on larger homes (3 or more bedrooms). This means only certain number of homes can be accepted with fewer than 3 bedrooms. No other properties with less than 3 bedrooms could be approved even though they would otherwise appear qualified. Once the grant administrator determines that capacity appears to have been reached, applications will no longer be accepted. This can also be fluid as other Applicants ahead in line may be disqualified which then impacts the overall number and percentage of Applicants with required characteristics.

## **SECTION 6: SCOPE OF WORK, COST ESTIMATES, BID PROCUREMENT & PROJECT WORK**

**6.1** After an Applicant has been *preliminarily qualified* for assistance by the Grant Administrator and the housing inspection completed, a list of work specifications and cost estimates will be developed to determine the

feasibility of the project. Work specifications shall be consistent with Housing Quality Standards, Grant requirements and these Guidelines.

**6.2** If cost estimates for a project exceed the maximum limits for expenditure set forth in these Guidelines, the project may be deemed infeasible and rejected. The Grant Administrator will notify the Applicant as soon as possible of the inability to provide assistance. The City reserves the option to revise the scope of work and obtain new estimates or bids.

**6.3** If the project is deemed feasible, the City will solicit bids or cost estimates for the project work, pursuant to City's Purchasing Procedures. The City reserves the right to reject any and all bids, bidders, or cost estimates. The City reserves the right to divide a project into two or more construction phases and solicit bids or cost estimates for each phase from specialty contractors, like roofers, electricians, plumbers, HVAC technicians and/or any other specialists, in order to reduce overall costs of the project.

**6.4** Once an Applicant has been preliminarily qualified for the Program, the City will schedule the necessary inspections. If the results of the inspections indicate the Applicant and the property continue to fall within these Guidelines, the City will solicit bids or estimates from contractors for the project in accordance with its current Purchasing Procedures. If the City receives and awards an acceptable bid or cost estimate, a **Rehabilitation Agreement** will be executed with the City setting forth the responsibilities of both parties. Upon execution of the Rehabilitation Agreement, the Applicant will be regarded as having been approved for funding and become an approved Homeowner.

**6.5** Awards shall be made only to contractors licensed by the City of Salina who are in good standing. Bids or cost estimates will be reviewed by the Grant Administrator and a recommendation for award of the project will be processed as per the City's Purchasing Procedures. If an insufficient number of bids or estimates are received, or all are unacceptable, the City may, at its option, re-bid the project, obtain more estimates, or terminate the project.

**6.6** If the City makes an award, it will execute a contract with the successful contractor(s) for the project work for the benefit of the Homeowner. Homeowners and Contractors *shall not make* any other agreements outside of the contract with the City, and the City will not be bound by any such agreement. Any agreements entered contrary to these Guidelines will subject the project to cancellation at the City's discretion.

**6.7** Homeowner acknowledges the potential for additional unforeseen costs necessitating change orders for the project. If these costs exceed the funding limitations, Homeowner will agree to a modified scope of work for the project to keep construction costs within funding limits and to cover any additional costs in accordance with the procedures set forth these Guidelines.

**6.8** Before payment is remitted to any Contractor, the City shall inspect construction work to ensure the project has been completed in a manner satisfactory to the City and consistent with the requirements of the Grant and these Guidelines. Homeowner, Contractor, and the City shall sign a **Certificate of Completion** as evidence of final approval of the project work.

**6.9** Neither the City nor the Contractor will be responsible for removal or re-installation of any noncritical cables or wires such as telephone, T.V., internet, or data wires or cables. Homeowner will be responsible for the removal and re-installation of any and all non-critical cables and wires, including, if necessary, making arrangements with the applicable service provider.

**6.10** Delays due to various issues may occur, and it is unknown how long a project may take. All project completion times are dependent on the project needs and the availability of contractors, supplies, and workers. The City must also work within the deadlines of its 2023 Grant award.

## **SECTION 7: ELIGIBILITY REQUIREMENTS**

**7.1** Property must be located in the area as set forth in Section 2 of these Guidelines.

**7.2** Property must be the primary residence of the Applicant. These funds are intended to assist individuals actually occupying the housing unit (Homeowners). If there are individuals *not occupying the home* who are listed on the deed or acting as co-borrowers or co-signers on the mortgage, *approval of the application is unlikely* and will only be granted upon the City obtaining prior approval from FHLBank.

**7.3** All property taxes and utilities must be current for the property. In addition, Homeowners must not have any bankruptcy proceedings or lender foreclosures and must not be delinquent on any state or federal income taxes. Homeowners must be current on mortgage payments to be considered. Applications will not be accepted for consideration until all delinquencies are resolved.

**7.4** Property must not have any open insurance claims or active contractual agreements for work on the home initiated or in progress prior to applying. These would need to be resolved before application approval.

**7.5** Property must appear upon initial review of the Housing Inspector to require repairs under the maximum allowed by the Grant or the City may determine it to be a walk-away. According to the funder, the home must also need a minimum of \$3500 worth of work.

**7.6** Mobile homes and manufactured homes (as defined in K.S.A. §58-4202) are not eligible for the Program. Only real property will be considered.

**7.7** Property cannot be in the floodplain.

**7.8** Property subject to a contract for deed will be deemed ineligible.

**7.9** Property held in a life estate will be deemed ineligible.

**7.10** The property and the Homeowner must not have any chronic City Code violations.

**7.11** To maximize effectiveness of all funding, Homeowners may be required to apply for additional funding outside of the City of Salina's NRRP to address some of the needed repairs identified during the City's pre-inspection. If it is determined a Homeowner is likely to qualify for other eligible funds/programs, the Grant Administrator will provide assistance and guidance in completing any needed applications.

**7.12** The household income of the Applicant may not exceed 60% of AMI for Saline County. Only 20% of the applications approved can be at 60% AMI, and the remaining 80% must fall at or below 50% of AMI. The total household income must be used for this determination and include income for all individuals over age 18 living in the home. For this Grant, the City will use the income limits published by FHLBank annually. The most current income limits are included in *Attachment A* to these Guidelines.

## **SECTION 8: VERIFICATION OF INCOME ELIGIBILITY**

**8.1** The Grant Administrator will verify that an Applicant meets the household income limitations as set forth in Section 7.12 *prior to* a Housing Inspector being sent to conduct the initial inspection. Income verification documents must be completed fully and accurately, or the application will be denied.

**8.2** Adjusted gross income from the latest year IRS 1040 will be used for income verification. The *most recent* income tax returns will need to be provided for anyone in the household over 18 years of age who is not attending school full-time. **The most recent tax return must be used - NO EXCEPTIONS.**

## **SECTION 9: LIMITATIONS & INELIGIBLE ACTIVITIES**

**9.1 Work Needed Exceeds Funding Limitations:** If the Housing Inspector determines a home cannot be rehabilitated within the Grant monetary limits and/or all bids or cost estimates on a home project exceed the maximum allowed, the Application will be closed. The City retains discretion to make the final determination as to whether the needed work can be performed within the funding limitations.

**9.2 Property Held in Trusts/Businesses:** An Applicant meeting all other eligible criteria, but who resides in a property with a title held in trust or by another registered business entity (corporation, LLC, etc.) will be considered and treated like a rental and ineligible for 2023 Grant funds.

**9.2 Ineligible Activities: Grant** funds are not intended to be used for work that is considered simple remodeling. They are not meant for performing work that is only cosmetic and does not contribute to the purpose of maintaining the structural integrity of the home or bringing the home into compliance with Housing Quality Standards. The City reserves final discretion over what types of contract improvements are deemed ineligible.

**9.3 Lifetime Limit:** Homeowners are limited to no more than two awards from this Program (including this one) over the course of their lives.

## **SECTION 10: “WALK AWAY” POLICY**

**10.1 Pre-Inspection Estimates:** If the pre-inspection and cost estimates for bringing a home up to Housing Quality Standards indicate that the cost of rehabilitation will exceed the maximum allowable amount, the Applicant/Homeowner will be notified. The application will be considered a “walk away” unless the City can modify the scope of work to fall within the funding limits.

**10.2 Cost Estimates:** If the City determines that its initial cost estimate appears to be within the maximum allowable, the property will be included in the next bidding process *or* will move forward with obtaining estimates from Contractors.

**10.3 Failure to Respond/Communicate:** The City will deny an application, close the file and “walk away” from the property if an Applicant/Homeowner fails to respond or communicate with the Grant Administrator within 15 days of a notification of any provision of these Guidelines. ***Maintaining timely communication with the Grant Administrator is a primary responsibility of all Applicants/Homeowners in this Program. Failure to adhere to this responsibility can result in termination.***

**10.4 Health & Safety Reasons:** The City will deny an application, close the file and “walk away” from the property if during the process it becomes too dangerous for City staff or Contractor(s) to proceed. These conditions can include but are not limited to threats of violence; unsanitary conditions in the home beyond what is safe to proceed including hoarding/cluttered homes; existence of pollutants that would be aggravated by rehabilitation efforts; and/or a home already condemned or scheduled for demolition. In cases involving potential environmental hazards (like mold and lead-based paint), it will be within the City’s discretion as to whether or not to proceed. A determination will be issued on a case-by-case basis after taking into consideration factors like, but not limited to: mitigation costs; overall project costs; availability of qualified mitigation experts; and overall health risks to contractors or employees.

**10.5 Application Re-Submissions:** Applicants may re-apply with proof of resolving all issues with their prior applications that resulted in a “walk-away.” Re-submissions will, however, be subjected to the first-come-first-ready rule. All re-submissions will be assigned new application numbers and given new filing dates. Applicants who have fallen within the “walk-away” rule will be unable to use the filing date from their original applications. All re-submissions are subject to funding availability.

## **SECTION 11: ROLES AND RESPONSIBILITIES**

### **11.1 Applicants accepted into the program as approved Homeowners, must agree to the following:**

1. Allow the rehabilitation work to be performed in accordance with local, state and federal regulations and abide by all the rules and regulations set forth in these Guidelines.
2. Abide by the City’s current Purchasing Procedures in effect at the time of program acceptance, and the Housing Quality Standards as defined in Section 4.1.
3. Remove all obstacles from inside and outside of the house. This may include, but is not limited to, the following: any stored items in work areas; any weeds or saplings that obscure the foundation; items stacked in or around the house; and any debris a Contractor or the City requires to be removed from the premises.
4. Allow access to the dwelling for additional inspections, pre-bid conference inspections, rehabilitation work, ongoing inspections of work, monitoring visits, and any other purposes deemed necessary for grant performance.
5. Provide electricity and water at the jobsite (residence) to the Contractor at no cost.
6. Sign a waiver of liability for the property identified in the application.
7. Provide proof of property insurance and keep the dwelling insured during the construction process and until project closure.
8. Attend the final inspection and sign the final inspection certificate once the work completed is satisfactory. Any questions or comments on any of the rehabilitation work should be noted at this time, and resolution agreed upon prior to finalizing and signing the certificate of completion.
9. Make the home available for FHLBank monitoring visits upon request.
10. Provide timely responses to the Grant Administrator as requested.
11. Agree to provide a waiver of liability to the City and Contractor from any and all claims arising from the presence on the property.

**11.2 Housing Inspectors** shall be experienced and knowledgeable in *at least*: housing construction; the City’s building codes; electrical; plumbing; and cost estimating. They shall be responsible for the following:

1. Making sure the Housing Quality Standards and all local, state and federal building codes and regulations are met by the Contractor(s).
2. Performing all inspections based on the standards set by the City.
3. Providing the Grant Administrator with work write-ups that will bring each home up to approved Housing Quality Standards.
4. Performing other duties as agreed upon with the City.

**11.3 Contractors** shall be registered, in good standing, and legally able to perform work in Salina. At a minimum, they shall be responsible for the following:

1. Maintaining current registrations and remaining in good status standing for all needed licenses.
2. Performing the services agreed to in the scope of work in a manner that complies with the Housing Quality Standards in addition to any other applicable local, state, and federal laws and regulations.
3. Complying with the City of Salina’s Purchasing Procedures.
4. Providing worker’s compensation insurance and complying with all state and federal wage and hour compensation laws.
5. Warranting the quality of workmanship for one year from the time of project completion.

**11.4 Grant Administrator** shall be the designated City employee within the Community & Development Services Department – Community Relations Division responsible for ensuring compliance with all rules and regulations of the funder and the Program. The Grant Administrator shall be responsible for the following:

1. Reviewing and maintaining records of all applications and documents related to Applicant eligibility.
2. Keeping open communications with Applicants, Contractors, Housing Inspectors and City staff.
3. Handling all grant administration and submitting reports timely to FHLBank.

## **SECTION 12: APPLICANT/HOMEOWNER GRIEVANCE PROCESS**

**12.1** All grievances, complaints, and concerns of any Applicant/Homeowner relating to the Grant Administrator, City Staff, Housing Inspector, or a Contractor regarding project workmanship, bid procedures, the process of awarding contracts, and all other matters related to the Program, the Grant, and these Guidelines shall follow the procedures set forth in this section.

**12.2** All grievances, complaints, and concerns must be in writing and submitted through the City’s online system at <https://www.salina-ks.gov/homerehabgrants> or by filing a paper form obtained from the Salina Community Relations Division located in Room 101 at the 300 W. Ash, Salina, Kansas. Only written grievances signed by the grievant shall be considered or addressed.

**12.3** Grievances shall be directed to the Grant Administrator who will be responsible for maintaining the record.

**12.4** If the controversy is regarding workmanship, client treatment or other personnel misunderstandings, the Grant Administrator will contact the Housing Inspector and Contractor to meet on-site to address the grievant’s concerns. A written resolution will be given to the grievant and a copy of the resolution will be maintained by the Community & Development Services - Community Relations Division. The grievant has the right to **appeal within 10 days** of the decision following the process set forth in **Section 12.6**.

**12.5** For all other grievances, the Grant Administrator shall interview parties and gather information to address the concerns and provide written findings/resolutions within 15 days. A copy of the findings shall be maintained by the Community & Development Services - Community Relations Division. The grievant has the right to **appeal within 10 days** of the decision using the process set forth in **Section 12.6**.

**12.6 Appeals Process:** Appeals must be made **within 10 days** by providing a written notice setting forth the reasons for the appeal to the Salina Community & Development Services - Community Relations Division. The Grant Administrator will present the notice and all of the evidence in the case to the City Manager or the City Manager’s designee. The panel shall review the evidence and issue a **written decision within 15 days**. This shall be the final administrative appeal.

## **SECTION 13: CONFLICT OF INTEREST POLICY**

**13.1** The City will follow its conflict-of-interest policy contained in City Resolution 17-7463. Persons covered under this policy include City employees, elected or appointed officials.

# ATTACHMENT A



## 2025 Affordable Housing Program Income Limits Kansas

County	1-4 Person 50%	5-8 Person 50%
Saline County	\$45,950.00	\$60,700.00