Morristown City Council
Agenda Item Summary

Date: July 7, 2026

Agenda Item: Approve the Revised CDBG-Funded Emergency Home Repair Program Policy & Procedures Manual

Prepared By: Lisa Baker, Grants Coordinator

Subject: Emergency Home Repair Program Revised Policy & Procedures Manual

Background: Emergency home repair has been part of the CDBG "Annual Action Plan" and budget for many years. Starting July 2026 TCAC will manage this program on behalf of the City. With the change in program management, we have revised the policy and procedures manual.

Financial Impact: Emergency home repairs are paid for with CDBG funds along with all administration costs. **This year we are proposing to increase the funding limit from $7,500 to $10,000 per project.** We anticipate doing at least 10 projects during Fiscal Year 2027.

Action options/Recommendations:

Staff recommends approval.

Attachment: Copy of New Policy & Procedures Manual

CITY OF MORRISTOWN CDBG – FUNDED EMERGENCY HOME REPAIR PROGRAM

2026-2027

POLICY-PROCEDURES MANUAL

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I. INTRODUCTION

The City of Morristown Emergency Home Repair (MTEHR) Program addresses the needs of low to moderate income, elderly/disabled, and other at-risk eligible applicants for sustainable housing that is safe, secure, decent, and affordable. This project serves owner-occupied single-family residences that are located within the city limits of Morristown. Each dwelling will have the potential to receive up to **$10,000** annually in the form of a grant for a One-System emergency Home Repair, with the option to exceed the cost limit, frequency, and the number of system repairs with the City of Morristown's Community Development Department prior approval.

This project will adhere to the low/moderate (80% or below) HUD Area Median Income Limit for Morristown.

Note: Jobs beyond the emergency home repair scope of work will be referred to the City of Morristown HOME project or the City of Morristown Community Development.

Tennessee's Community Assistance Corporation (TCAC) provides these services to eligible applicants through an agreement with the City of Morristown's Community Development Department. Funding is provided through a Community Development Block Grant (CDBG).

II. OUTREACH/REFERRAL

Outreach is the first contact we have with a potential Emergency Home Repair Program applicant. This can be direct contact with a "walk in", a phone call to our office, or an indirect contact resulting from agency fliers, news releases, or media coverage.

TCAC maintains a web site that explains the City of Morristown Emergency Home Repair Program. A City of Morristown Emergency Home Repair Program Brochure is also available. Brochures may be provided to agency clients through the TCAC office, local government entities, and community organizations.

III. WAITING LIST

The demand for home repair services continues to exceed available funding. At this time, TCAC is working from a waiting list. Applicants are taken on a modified first come first served basis based on the original date placed on the waiting list.

Potential applicants are given 10 days to respond to the requests for an appointment for these services. If a potential applicant does not respond, TCAC moves to the next potential applicant.

The ability to prioritize new and existing applicants to receive MTEHR funds is given to TCAC based on the exceptions below:

- Applicants are eligible for funds provided by the Morristown HOME Program.
- Other leveraging and/or matching funds as approved by TCAC.

If special circumstances that involve joint funds do not occur, we will proceed to the names on the waiting list.

IV. GENERAL ELIGIBILITY REQUIREMENTS

Excluded Dwellings:

No MTEHR applicant application will be taken on the following dwellings:

- The dwelling is currently listed for sale or under a sale contract, through either a real estate agent or privately.
- The property has been foreclosed.

- The property has been designed for acquisition or clearance by a Federal, State, or local program.
- The household has been evicted
- Unoccupied, other than a temporary absence. Temporary absence is defined as: unoccupied no more than 3 months in duration, with expectation of return and utilities must still be on unless disconnected due to an emergency. Temporary absence due to disaster recovery will be evaluated on a case by case basis. Option to exceed 3-month limit will require prior approval from the funding source.

General Eligibility Requirements:

- 80% or below the HUD Area Median Income Limit
- Subject Dwelling located within Morristown City Limits
- Owner Occupied: applicant must be an owner of record and occupant of subject property
- Subject Dwelling is the applicant's primary residence
- Single Family Site Built or Manufactured (Mobile) Homes
- Condos, townhouses, and duplexes are acceptable as long as the repairs are not common interest of attached residences.
- Repairs must not be an eligible item for repair under homeowner's insurance policy

Ownership Requirements:

The name of the home owner should be consistent on all documentation. If there is an error or misspelling in primary documentation, ownership can be approved based on supporting documentation and/or self-certification.

- Owner occupied
  - Recognizes Life Estate as owner occupied
  - Recognizes Reverse Mortgage as owner occupied
  - Recognizes Land Contract/Contact for Deed as owner occupied
  - **Recognizes Succession as ownership on a case-by-case basis, at the discretion of the Morristown Community Development and Housing Department

- Ownership Documentation: Documentation must contain information identifying subject properties as well as ownership. Examples of acceptable documentation may include but are not limited to:
  - Warranty/Quit Claim Deed in name of applicant.
  - Will giving ownership to applicant
  - Land contract or contract for deed
  - **Deed of Trust on a case-by-case basis, at the discretion of the Morristown Community Development and Housing Department
  - Manufactured (mobile) home title in name of applicant.

    If a title cannot be produced, the applicant must submit other supporting documents proving a good faith effort attempt was made to acquire the manufactured (mobile) home title. This supporting documentation may be accepted as ownership documentation with funding source approval.

- Manufactured (mobile) Homes
  - Applicant owned manufactured (mobile) home on owned or leased lot/land. No work to be performed on land if manufactured (mobile) home on rental lot; i.e.: septic system. Does not have to be on permanent foundation.

Real Estate Property Taxes:

City of Morristown and Hamblen County Real Estate Property Taxes must not be over one (1) year in arrears. Documentation must identify the subject property and Property Taxes are not over one year in arrears. This may be third-party identification.

A print-out of the applicant's real estate property tax information from the City of Morristown City Taxes and Hamblen-TN.mygovonline.com website will suffice as documentation of payment of real estate property taxes. TCAC may use a receipt from Property Tax Trustee as proof of payment; must identify the subject property and dollar amount paid.

An exception will be made for property taxes over one (1) year in arrears that are a part of written or verbal payment plan or an approved active bankruptcy plan. As part of the application, TCAC will require one of the following:

1. Payment Plan:
    a. Copy of executed payment plan, or;
    b. Verbal verification may be used providing the following is documented through a memo to the file. This memo must include these items at a minimum:
        i. Date and Time of Contact
        ii. Who You Spoke and Their Title
        iii. Telephone Number
        iv. The Information Conveyed
        v. Signature and Date of The Verifier

2. Approved Active Bankruptcy Plan:
    a. Executed court documents providing the terms of the bankruptcy to include but not limited to date payments are to begin, monthly dollar amount to be paid on the property tax and total property tax debt applicant will be required to pay for the duration of the bankruptcy;

Property taxes not protected in the bankruptcy must adhere to the above property tax requirement.

V. ASSISTANCE LEVEL & FREQUENCY

Assistance Level:

Each eligible household will have the potential to receive up to $10,000, annually, in the form of a grant for a One-System emergency Home Repair, with the option to exceed the cost limit, frequency, and the number of system repairs with the City of Morristown's Community Development (Grants) Department prior approval.

Frequency of Assistance:

Assistance: One (1) time per year with the option to waive if the dwelling has another emergency repair within the same year with the City of Morristown's Community Development (Grants) Department prior approval. The one (1) year begins the date the client signs the final acceptance of the work completed.

VI. CLIENT INTAKE

As often as possible, applications will be taken by appointment for a "face to face" interview in Morristown at 100 W. 1st North Street, Morristown, Tennessee on scheduled weekdays from 9:30 a.m. to 3:00 p.m. or at the TCAC office located at 740 East Main Street, Morristown on Monday through Thursday from 8:30 a.m. to 3:30 p.m. Extended hours may be made available on an as needed basis. The Director of the program may approve home visits by staff to take applications as exceptions on a case-by-case basis, such as in cases of a homebound elderly or disabled client.

Mail-in applications are not encouraged but will be accepted. TCAC prefers a face-to-face interview, which allows us to assess the household's needs, apply our services, and refer to other entities for needed services not offered by our department.

The TCAC office is accessible per Americans with Disability Act requirements. If a client has a speech or hearing impairment, or is non-English speaking, and does not have an interpreter with them, TCAC has a contract with the Language Line at 1-866-874-3972. Staff will use these services as needed.

TCAC reserves the right to stop taking applications if the numbers of applications taken are more than what can be done in a program year.

VII. APPLICATION INTAKE PROCESS

The potential applicant will complete the City of Morristown Emergency Home Repair Program application. During the initial application process, they will be required to submit income, owner occupancy documentation, proof they have met the real estate property tax requirement, completed Eligibility Release form, signed Homeowner Authorized Agent Certification, signed Confirmation of Receipt of Lead Pamphlet form, and a signed Customer Grievance Procedures form and any other documentation required to determine their eligibility as outlined in this manual. The applicant completes the information based on the household situation at time of application.

The potential applicant will be asked to submit, photo ID of everyone age 18 and older, proof of social security number of household members, and complete a Characteristics form. Household will not be denied if photo identification cards and social security cards or the Characteristics form are not submitted unless needed to prove eligibility. All applications will be logged on a spreadsheet

Due to applicant confidentiality, no applicant specific information will be given over the telephone except for general information (i.e.: you will receive your notification in the mail). No information shall be shared among other service entities unless the "Release of Information" form has been signed by the applicant.

Applicants will be approved/served on a first complete, first serve basis.

VIII. INCOME ELIGIBILITY REQUIREMENTS

The applicant must be determined eligible prior to any funds being expended. TCAC shall be responsible for verifying and documenting compliance with income and occupancy requirements. Income of all household members, unless specified otherwise, must be included in the determination of "annual income".

Determining Household Size:

For the purpose of the MTEHR Program, a household is defined as all persons who occupy a housing unit with the exceptions as follows:

- Foster children
- Live-in aides: Live-in Aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: as defined in 24 CFR 5.403:
    1. Is determined to be essential to the care and well-being of the persons
    2. Is not obligated for the support of the persons
    3. Would not be living in the unit except to provide the necessary supportive services
- Family of live-in aides
- Unborn children
- Children being pursued for legal custody or adoption who are not currently living with the household

NOTE: A child who is subject to a shared-custody agreement in which the child resides with the household at least 50 percent of the time can be counted.

Since the above persons are not considered part of the household, their income will not be used in the calculation of the household income for eligibility determination.

Definition of Annual Income:

Annual Income means all amounts, monetary or not, for which:

- Go to, or on behalf of, the household head or spouse (even if temporarily absent) or to any other household member
- Are anticipated to be received from a source outside the household during the 12-month period following admission or annual reexamination effective date
- Which are not specifically excluded in paragraph (c) of this section
- Annual income also means amounts derived (during the 12-month period) from assets to which any member of the household member has access
    - Annualization of Income: If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), and it is believed that past income is the best available indicator of expected future income, TCAC may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

Anticipating/Projecting Income:

For the purpose of determining eligibility for MTEHR Program, the household's Annual Gross Income (before any deductions are taken with the exception of self-employment) will be projected. In order to accomplish this, "snapshot" of the household's current circumstances will be used to project future income.

It is assumed that a household's current circumstances will continue for the next 12 months, unless there is verifiable evidence to the contrary. (Documentation for fixed income sources, pensions, retirements, etc., may be dated within the current year of the application date unless it is known the income change or there is an upcoming change in that year.)

- **EXAMPLE: If a head of household is currently working for $15.00 per hour, 40 hours per week, TCAC should assume that this person would continue to do so for the next year. Thus, estimated earnings for this person would be $15.00 per hour multiplied by 40 hours by 52 weeks ($15.00 X 40 X 52), or $31,200 per year.**

This method will be used even when it is not clear that the type of income currently received will continue in the coming year. (I.e., unemployment because it is not known whether or when the person will find employment, the current circumstances will be used to anticipate annual (gross).

- **EXAMPLE: Assume a household member has been receiving unemployment benefits of $100 per month for 16 weeks at the time their income is being determined. It is unlikely that the person will continue on unemployment for another 52 weeks. However, because it is not known whether or when the person will find employment, then current circumstances will be used to anticipate annual (gross) income. Income for this person would therefore be $100 per week x 52 weeks, or $5,200.**

The exception to this rule is when documentation is available or provided that shows current circumstances are about to change.

- **EXAMPLE: An employer might report that an employee currently makes $7.50 an hour, but a negotiated union contract will increase this amount to $8.25 an hour eight weeks from the date of assistance. In such cases, income can be calculated based on the information provided. In this example, this household member's income would be:**

$7.50/hour x 40 hours/week x 8 weeks	**= $2,400**
$8.25/hour x 40 hours/week x 44 weeks	**= $14,520**
$2,400 + $14,520	**= $16,920**

Whose Income to Count

Special consideration is given to income earned by the following groups of people.

- Minors: Earned income of minors, (age 17 and under) is not counted when calculating a household's income. However, unearned income attributable to a minor (e.g., child support, TANF payments and other benefits paid on behalf of a minor) is included.

- Live-In Aides or their Family Members: If a household includes a paid live-in aide (whether paid by the family/household or a social service program), the income of the live-in aide, regardless of the source, is not counted. Except under unusual circumstances, a related person does not qualify as a live-in aide.

- Temporarily Absent Household Members: The income of temporarily absent household members is counted regardless of the amount the absent member contributes to the household.
  - **EXAMPLE: A construction worker employed at a temporary job on the other side of the state earns $600 per week. He keeps $200 per week for expenses and sends $400 per week home to his household. The entire amount ($600 per week) is counted in the household's income.**

- Permanently Absent Household Members: If a household member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either:
  - Attributable to that person as household income
  - Specifying that the person is no longer a member of the household

  - Adult Students Living Away from Home: If the adult student is counted as a member of the household in determining the household size (to compare against the HUD income limits), the first $480 of the student's income must be counted in the household's income. Note, however, that the $480 limit does not apply to a student who is the head of household or spouse (their full income must be counted).

Verifying Income:

Household income will be determined by examining source documentation which provides evidence of annual income such as unemployment compensation statements, interest/bank statements, employer statements, etc.

The following income verification document review hierarchy should be followed in all cases:

A. Third Party Documentation Provided by Client
B. Third Party (online or hard copy)
C. Verbal Third Party (documented by the grantee)
D. Alternate to Third party Verification

A. Third Party Documentation Provided by Client: Household Income must be confirmed and documented by a third-party. A third-party means a party that is not the program applicant/client nor the specific agency providing the program. A third-party may be (though this not an inclusive list):

  - An employer/previous employer (statement of earnings, verification of employment or a pension letter or statement from an employer/previous employer),
  - State government (unemployment benefits letter, child support letter, divorce decree, etc.),

- Federal government (Social Security or VA Award Letter, etc. or IRS form for people who are/were self-employed, those who receive rental income, etc.),
- Bank/credit union (Direct Deposits, assets, etc.) and/or government systems that can legally share that information.

Third Party Documentation Provided by Client may not provide sufficient information. In this case, a conversation with the third-party source will be performed to accurately project annual income. In this instance a memo to file will be required. This memo must include these items at a minimum:

- Date and time of contact
- Who you spoke with and their title
- Telephone number
- The information conveyed
- Signature and date of the verifier

B. Third Party Verification on Line or Hard Copy: Contacting an outside entity to obtain either written or verbal documentation about the income of household member will be the primary procedure for documentation of household income. This will provide independent verification of information and will show if any changes to current circumstances are anticipated.

Examples of third parties that may be appropriate for these purposes include but not limited to:

- Employers
- Banks
- The U.S. Social Security Administration
- Public Assistance Agencies (i.e., VA, Unemployment, SNAP, TANF)
- Section 8 Enterprise Income Verification (EIV)
- ACCENT (DHS Income Database System)
- The Work Number or equivalent third-party employment/salary entity

C. Verbal Third Party Documented by the Grantee: If written response (B) can't be obtained, verbal verification will be used providing the following is documented through a memo to the file. This memo must include these items at a minimum:

- Date and time of contact
- Who you spoke with and their Title
- Telephone number
- The information conveyed
- Signature and date of the Verifier

A release of information from the household will be obtained before third-party verification (B, C) is requested.

D. Alternate to Third-Party Verification: In instances when the third-party verification is unavailable in a timely manner, a fee for providing the information would be assessed, or the third party is unwilling to provide the information the following may be accepted:

- Pay Stubs: An employed applicant's pay stubs, at least the last eight (8) consecutive pay stubs prior to date of the application or during the 60-day processing time frame. Note for monthly pay schedules: we will only collect three (3) consecutive pay stubs prior to date of application or during the 60-day processing time frame.
- Bank Statements
- Savings Passbook

Self-Employment Income:

Tax Returns for Self-Employed individuals: Copies of all pages of the Tax Returns for the last 2 consecutive years from the year of the application will be accepted for self-employment income. This is to include documentation the return was received by the IRS. If a copy of a tax return is not available, the applicant will be instructed to Request Tax Account Transcript from the IRS. Copies of documents provided by program applicants should be retained in project files. If household does not file Tax Returns, TCAC will use alternate documentation such as ledgers, bank statements, etc.

> **NOTE: If suitable alternative documentation is not available, the costs associated with third party verifications are considered eligible expenses. City of Morristown Emergency Home Repair applicants shall not be required to pay for verifications as a condition of receiving assistance.**

ASSESSING INCOME:

Annual gross income will be calculated based on how often the pay is received (i.e., weekly, bi-weekly, bi-monthly, monthly). Annual salary is counted as annual income regardless of the payment schedule.

- **EXAMPLE: If a teacher's annual salary is $30,000, this is the amount used to calculate annual (gross) income regardless of whether the teacher is paid over a 9- or 12-month period.**

Variations in pay:

If the wage recipient’s hours worked fluctuate within their work week and average of these hours will be used to calculate the income eligibility.

- **EXAMPLE: Documentation displays the wage earner works between 10-15 hours a week, the average of the hours worked will be used to calculate income eligibility.**

The full 12-month period will be verified for annual income that is less stable or does not conform to a 12-month schedule (seasonal labors, construction workers etc.).

All earned income will be accounted for whether hourly or salary. In addition to the base salary, this will include annual cost of living adjustments (COLAs), bonuses, raises, and overtime pay.

If Employer reports “Unknown” for future increases and TCAC observes a consistency of COLA’s and/or raises, TCAC will request the last three (3) increases. TCAC will average the last 3 increases and calculate in the projected twelve (12) month pay.

Overtime Pay: If Employer reports “Unknown” for future overtime pay and employer has reported overtime for the employee, TCAC will average the amount of overtime pay earned by the applicant. This amount will be added to the total amount of projected earned income over the following 12-month period.

Check Stubs: If the wage recipient has other earned income beyond their base salary within their work week an average of the gross income earned will be used to calculate the income eligibility providing no raise was received during the 8 consecutive pay stubs or projected to be received in the next twelve (12) months.

Part 5 Inclusions:

This table presents the Part 5 income inclusions as stated in the Code of Federal Regulations 24 CFR 5.609 paragraph (b). Annual income includes, but is not limited to:

1. Wages, Salaries, and Tips, Etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income/Self-Employment Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the household.
3. Interest, Dividends, and Other Net Income of any kind from Real or Personal Property	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b) (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the household. Where the household has net household assets in excess of $5,000, annual income shall include the greater of the actual income derived from all net household assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Social Security, Annuities, Insurance Policies, Retirement Funds, Pensions, and Disability or Death Benefits and Other Similar Types of Periodic Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section).
5. Unemployment & Disability Compensation, Worker's Compensation, and Severance Pay Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c) (3) of this section).
6. Welfare Assistance (TANF)	*Welfare assistance payments.* (i.) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:
	A. Qualify as assistance under the TANF program definition at 45 CFR 260.31; and
	A. Are not otherwise excluded under paragraph (c) of this section.
	() If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

	A. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
	B. The maximum amount that the welfare assistance agency could in fact allow the household for shelter and utilities. If the household's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
7. Alimony and Child Support Payment, Regular Contributions or Gifts, Periodic & Determinable Allowance/Monies	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces	All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in paragraph (c) (7) of this section).
9. Not Applicable- Section 8 Programs Only	**For section 8 programs only and as provided in 24 CFR 5.612**, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, “financial assistance” does not include loan proceeds for the purpose of determining income.

Part 5 Exclusions:

This table presents the Part 5 income exclusions as stated in the Code of Federal Regulations 24 CFR 5.609 paragraph (c). Annual income does not include the following:

1. Children Under the Age of 18	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant household, who are unable to live alone).
3. Lump Sum Inheritance and Insurance Income	Lump-sum additions to household assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section).
4.Medical Expense Reimbursements	Amounts received by the household that are specifically for, or in reimbursement of, the cost of medical expenses for any household member.
5. Income of Live-In Aide	Income of a live-in aide, as defined in §5.403.
6. Student Financial Assistance	Subject to paragraph (b) (9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution.

7. Armed Forces Hostile Fire Pay	The special pay to a household member serving in the Armed Forces who is exposed to hostile fire.
8. Self-Sufficiency Program Income	Self-Sufficiency Income
	HUD Training (a) Amounts received under training programs funded by HUD.
	Pass Benefits (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
	Reimbursement for Expenses (c) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program.
	Resident Service Stipend (d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed $200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.
	Training Programs (e) Incremental earnings and benefits resulting to any household member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a household member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the household member participates in the employment training program.
9. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
10. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
11. Income/Full Time Student 18 or Older	Earnings in excess of $480 for each full-time student 18 years old or older (excluding the head of household and spouse).
12. Adoption Assistance	Adoption assistance payments in excess of $480 per adopted child.
	[Reserved]
13. Deferred Payments	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts or any deferred Department of Veteran Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts
14. Property Tax Refunds/Rebates	Amounts received by the household in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.
15. Home Care Assistance Payments for Developmental Disabled	Amounts paid by a State agency to a household with a member who has a developmental disability and is living at home to offset the cost of services and

	equipment needed to keep the developmentally disabled household member at home.
16. Other Federal Exclusions	Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.
	Food Stamp Allotment: The value of the allotment made under the Food Stamp Act of 1977.
	Volunteer Payments: Payments received under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions).
	Alaska Native Claims Settlement Act: Payments received under the Alaskan Native Claims Settlement Act.
	Grand River Band of Ottawa Indians: Income derived from the disposition of funds to the Grand River Band of Ottawa Indians.
	Sub-Marginal Land: Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes
	Energy Assistance: Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program
	Maine Indian Claims Settlement: Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
	Per Capita Shares: The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands
	Scholarships: Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work study program or under the Bureau of Indian Affairs student assistance programs
	Title V of Older Americans Act: Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program)
	Agent Orange Payments: Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
	Earned Income Tax Credit (EITC): Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments
	Child Care Act of 1990: The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990
	Job Training Partnership Act: Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, state job training programs and career intern programs, AmeriCorps)

	Payments by the Indian Claims Commission: Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation
	AmeriCorps Act of 1990: Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990
	38 U.S.C. 1805/Children of a Vietnam Veteran: Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran
	Victims of Crimes Act: Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act
	Workforce Investment Act of 1998: Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998

Assets:

In general terms, an asset is cash or no cash item that can be converted to cash.

Note: When assets are included in the calculation of Part 5 annual incomes, it is the income earned from the asset - not the value of the asset - that is counted. This income is counted even if the household elects not to receive it.

- **EXAMPLE: If an applicant elects to reinvest the interest or dividends from an asset, the interest or dividends are still counted as income.**

As with other forms of income, the income from assets that is included when determining annual income is the income that is anticipated to be received from the asset during the coming 12 months.

To avoid counting monthly income as an asset, we will use the average monthly balance over a six-month period as the cash value of the checking account.

For most assets, calculating cash value and the income from the assets is straightforward. However, special rules have been established to address the following two circumstances:

1. Situations in Which the Assets Produce Little or No Income
2. Assets that are Disposed of for Less than Fair Market Value

Assets with Little or No Income:

Rather than require the household to dispose of the property, the Part 5 rule requires that an "imputed" income be calculated based on the Rate of .19% applied to the cash value of all assets.

This rule only applies if the total cash value of all assets is more than $5,000. Below are examples:

NOTE: The Passbook rates below may not represent the current passbook rate. They are for examples only.

- **Examples:**

- **The Cayhill household has $6,000 (average balance over six months) in a non-interest-bearing checking account. TCAC would include in the annual income an amount based on the current Passbook Rate. The calculation would be: $6,000 x .0019 = $11.40.**
- **The Shaw household has $3,000 (average balance over six months) in a non-interest-bearing checking account and $5,500 in an interest-bearing savings account. The household reports and TCAC verify $150 interest on the savings account. TCAC would count the greater of the actual income from assets or the imputed income based on the Passbook Rate: Imputed income ($8,500 x .019) = $161.50 Actual income = $150 Included in "annual income" = $170**
- **The Smiths have $600 (average balance over six months) in a non-interest-bearing checking account. No income from assets would be counted because the household has no actual income from assets and the total amount of all assets is less than $5,000.**

Assets Sold Below Fair Market Value:

An applicant who disposes of assets for less than fair market value has, in essence, voluntarily reduced their ability to afford housing. Any asset disposed of for less than fair market value during the **two years preceding** the income determination will be counted as if the household still owned the asset.

Fair market value is the value of an asset on the open market in an "arm's length transaction".
Each applicant must certify whether an asset has been disposed of for less than fair market value during the two years preceding the income determination.

1. Assets disposed of for less than fair market value as a result of foreclosure or bankruptcies are not included in this calculation.
2. In the case of a disposal of assets as part of a separation or divorce settlement, the disposal of asset will not be considered to be less than fair market value if the applicant receives (or received) important consideration not measurable in dollar terms.

The amount to be included as an asset for purposes of calculating annual income is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposal of the asset.

- **EXAMPLES:**

1. **Mr. Jones cashed stock to give a granddaughter funds for college in August 2021. The stock had a market value of $4,500 and a broker fee of $500 was charged for the transaction:**

Market Value:	**$4,500**
Less: Broker's Fee:	**($500)**
Cash Value to be considered:	**$4,000**

The $4,000.00 in assets would be counted for any income determination conducted until August 2023 (looking forward two years from the time of disposal).

If Mr. Jones has no other assets, no income from assets would be included in annual income because the cash value of the assets is less than $5,000.00. If other assets brought the total assets to more than $5,000.00, however, an imputed income calculation would be required.

2. **Mrs. Dutch "sold" a piece of property to a household member for $30,000 on July 1, 2021. The property was valued at $75,000 and had no loans against it.**

Market Value:	**$75,000**
Less: Settlement Costs:	**($3,000)**
Less: Sales Price:	**($30,000)**
Cash Value to be considered:	**$42,000**

The $42,000 would be counted as an asset for any income determination conducted until July 1, 2023 (looking forward two years from the time of disposal). This amount would be combined with the cash value of other assets, if any, and an imputed income calculation would be required.

Computing the Value of Assets:

Assets have both a market value and a cash value. Only the cash value (rather than the market value) of an item is counted as an asset.

- **EXAMPLE: The market value of a share of stock is the price quoted on the stock exchange on a particular day. A property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.**

An asset's cash value, however is the market value less reasonable expenses required to convert the asset to cash, including:

- Penalties or fees for converting financial holdings, such as penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds to cash or broker fees for converting stocks to cash; and/or
- Costs for selling real property, such as settlement costs, real estate transaction fees, payment of mortgages/liens against the property and any legal fees associated with the sale of real property.

NOTE: If an asset is owned by more than one person, the asset will be prorated according to the applicant's percentage of ownership. If no percentage is specified or provided by state or local law, the asset will be prorated evenly among all owners. If an asset is not effectively owned by an individual, it should not be counted as an asset in the annual income.

Asset Inclusions:

This table presents the Part 5 asset inclusions as stated in the Code of Federal Regulations 24 CFR 5.

1. Savings Accounts, Checking Accounts, Safe Deposit Boxes, Homes, Etc.	Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance.
2.Revocable Trust	Cash value of revocable trusts available to the applicant.
3.Rental Property Or Other Capital Investments	Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Equity in the household's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4.Stock, Bonds Treasury Bills, Certificates Of Deposit, Mutual Funds, And Money Market Accounts	Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5.Individual Retirement, 401 (K) And KEOGH Accounts	Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
6.Retirement and Pension Funds	Retirement and pension funds.
7.Life Insurance Policies	Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8.Personal Property	Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.

9.Lump Sum or One-Time Payments	Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or Deeds of Trust	Mortgages or deeds of trust held by an applicant.

Asset Exclusions:

This table presents the Part 5 asset exclusions as stated in the Code of Federal Regulations 24 CFR 5.

1. Personal Property	Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars, and vehicles specially equipped for persons with disabilities.
2. Indian Trust Lands	Interest in Indian trust lands.
3. Assets not owned by a household member	Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Cooperative Equities	Equity in cooperatives in which the household lives.
5. Non-Accessible and Non-Income Producing Assets	Assets not accessible to and that provide no income for the applicant.
6. Non-Cash Value Insurance policies	Non-Cash Value insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business	Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

IX. APPLICANT ELIGIBILITY AND NOTIFICATION

If the applicant does not provide all necessary documentation to complete the application, they are given a Documentation Request form. This form instructs the applicant they have fourteen (14) calendar days to provide necessary information to determine basic eligibility. If needed, TCAC office will assist the applicant in obtaining the documentation. Requested documentation will be date stamped on date received.

Once all documentation is received, the application is reviewed for completeness. If the applicant does not provide the required documentation within the required time outlined above, the application may be denied.

The reviewed application is sent to TCAC Assistant Director Client Services and Administration, Director, or their designee for approval or denial. The applicant will be notified of eligibility status within sixty (60) days of application date. An extension may be necessary due to extenuating circumstances.

An ineligible application may be reversed to an eligible status if all required documentation is received within thirty (30) days of date of ineligible letter.

Application status is tracked by spreadsheets from point of intake to approval.

X. RECERTIFICATION

A household's income will be recertified only if more than 12 months have elapsed since the household's date of income determination (last date on the One CPD Income Eligibility Calculator Preparer line) and the home repairs to be completed are not under contract. If the household fails to recertify, their application will be terminated.

In times of emergency that causes delay outside of the applicant control, TCAC and the City of Morristown will consider a modified recertification process for households who certify their income has not increased beyond the limits of the program for their household size.

XI. HOME REPAIR PROJECT DESCRIPTION

Allowable Measures

TCAC will perform emergency repairs for sites that have been inspected by the grant program staff or their designated representative and classified as having conditions that present a threat to the health and/or safety of those dwelling at the site. Examples of health and safety repairs are listed below:

1. Repair or replacement of an electrical system
2. Repair or replacement of a sewer/septic system
3. Repair or replacement inoperable or damaged plumbing fixtures
4. Repair or replacement of a roof system including any flashing, damaged sheathing, rafters, gutters, or downspouts
5. Repair or replacement of a heating and/or cooling system
6. Repair or replacement of a floor system including underlayment, subflooring, and floor covering
7. Repair or replacement of foundation wall or crawl space piers
8. Repair or replacement of steps, porches, landings, handrails, and guardrails
9. Repair or replacement of windows or doors
10. Accessibility items such as entrance modifications, grab bars, toilets, and walk-in showers
11. Life Safety devises such as fire alarms, carbon monoxide, or house numbers
12. Remediations of Lead Hazards
13. Remediation of pest or rodent infestations
14. Any condition as determined by grant program staff, city inspections personnel, or designated representative for either party which renders a structure or property conditions unsafe to the occupant or to protect the property from structural damage.

Funding Limits:

The purpose of the Emergency Home Repair Program is to remove conditions that constitute an imminent threat to the health and/or safety of the residents of substandard housing structures. It is not the intent of this program to rehabilitate structures to the City's Minimum Housing Code. If there are remaining items that cannot be addressed through the MTEHR program, applicants should be referred the Morristown HOME Program or the City of Morristown Community Development.

The contracted services for projects are capped at $10,000 annually per household in the form of a grant for a one-system home repair, with the option to exceed the cost limit and the number of system repairs with the City of Morristown's Community Development (Grants) Department's prior approval.

For projects utilizing $5,000 or more in MTEHR funding, TCAC will utilize HUD provided "Lead-Safe Housing Rule Checklist for General Compliance Documentation" to document compliance with HUD lead paint regulations.

XII. INSPECTION AND WORK SCOPE DEVELOPMENT

Pre-Inspection:

Applicants will be contacted by construction for an inspection in the date order in which they were approved. Applicants will be called to schedule a time for a whole house inspection.

During the inspection, TCAC staff will review all areas of the home and make note of any health and safety or energy efficiency deficiencies in the home. The inspector will use a standard template to record the conditions of items including but not limited to the plumbing, electricity, smoke alarms, heating and air, floors, sewer, ADA accessibility, kitchen, bathrooms, roof, insulation, windows, water heaters, gaping holes in walls, and whether the doors are secure in the home. All deficiencies should be noted, even if they will not be addressed through the MTEHR program.

Pictures should be taken during the inspection that show the condition of every room, the crawl space/basement, roofing system, heating, cooling, and plumbing systems. Additional pictures should be taken of any noted deficiencies. Inspectors will review the clarity of pictures to ensure high quality photos are available for each project.

Inspectors will speak with the applicant about the home conditions. The applicant's assessment of their home's needs will be noted during the work scope development, however, the most severe health and safety issues that can be addressed within the grant budget should be addressed first.

Work Scope Development:

TCAC Staff will use the inspection notes, photos, and applicant's assessment of their home's needs to develop and prioritize the scope of work. TCAC staff must estimate the cost of the repairs to ensure the maximum allowable cost is not exceeded. TCAC staff should review the TCAC Project Cost Library, THDA Weatherization Library, current material pricing, and/or historical project costs when estimating the cost of repairs. If the cost of repairs is anticipated to exceed the funding of the project, TCAC staff should follow up with the applicant to inform what items will be prioritized and provide appropriate referrals for repairs that will not be completed through the grant program.

TCAC staff will prepare a "Work Order" with project specifications and measure details. In each file there should be a "Priced Copy" which details the internal cost estimate for the project and a "Bid Copy" which is used during the applicant agreement and procurement process.

Lead Based Paint:

TCAC shall be responsible for compliance with the requirements related to lead based paint identification and mitigation as established in HUD's 24 CFR Parts 35 and 570.608.

In the City of Morristown Emergency Home Repair Program, TCAC will refer to the following exemption(s):

35.115 Exemptions.

> (8) Any rehabilitation that does not disturb a painted surface.
>
> (9) For emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety, or to protect property from further structural damage (such as when a property has been damaged by a natural disaster, fire, or structural collapse), occupants shall be protected from exposure to lead in dust and debris generated by such emergency actions to the extent practicable, and the requirements of subparts B through R of this part shall not apply. This exemption applies only to repairs necessary to respond to the emergency. The requirements of subparts B through R of this part shall apply to any work undertaken subsequent to, or above and beyond, such emergency actions.

Targeted Lead-Based Paint Inspections will be completed on all non-exempt projects utilizing over $5,000 of contracted services CDBG funding. For projects utilizing over $5,000 of contracted services CDBG funding, TCAC will utilize HUD provided "Lead-Safe Housing Rule Checklist for General Compliance Documentation" to document compliance with HUD lead paint regulations.

TCAC or approved contractors shall utilize safe work practices and protect occupants from exposure to the extent practicable, as necessary, for work that disturbs paint, and will provide applicants assisted by this project with the required notification of lead-based paint hazards.

Painting Policy:

TCAC does not paint interior or exterior surfaces of a home for cosmetic purposes. However, TCAC will paint any surface that was disturbed during the course of the work that was installed by TCAC. Paint should match the existing paint of adjoining surfaces as close as possible, but may not be exact. Paint may be required to protect newly installed surfaces such as sheetrock, fascia board, or siding.

XIII. ENVIRONMENTAL REVIEW

TCAC staff will provide the City of Morristown's Community Development Department with the address and scope of work prior to work being done. The City of Morristown will be responsible for performing site-specific environmental screening for each housing site assisted through this project. Screening will be completed prior to committing emergency home repair funds for a specific site, and both screening and mitigation of environmental conditions will be performed in accordance with 24 CFR Part 58 and the format and parameters established by the City.

The City of Morristown will notify TCAC via email once the environmental review is completed. A copy of the Environmental Review request and a copy of the notice that the review was completed by the City will be retained in the Construction File for each project.

XIV. PROCUREMENT PROCESS

City of Morristown Term Bid:

To become TCAC Term Bid Contractors, Contractors must go through the competitive sealed bid process through City of Morristown Procurement Division.

TCAC contacts City of Morristown Procurement to put out a bid for contractors. The City of Morristown and TCAC prepare, and review bid specifications and qualifications to ensure all program requirements are addressed such as insurance, licensing, and certifications. The City of Morristown Procurement announces the bid and the deadline for sealed bid submissions and advertises the open bid.

All contractors are given equal opportunity to review the bid specifications and qualifications to determine if they want to participate. Contractors must register as a vendor with the City of Morristown prior to the scheduled bid opening in order to participate. All bid packets are submitted in a sealed envelope to City of Morristown Procurement.

After the deadline has passed and sealed bids are opened by the City of Morristown, TCAC will review contractor submissions to ensure the contractor meets all bid specifications and qualifications. The City of Morristown awards term contracts to the most responsive and responsible vendor(s). Multiple contractors may be awarded if they meet the bid specifications and qualifications. Term contracts may be renewed yearly for up to five years.

TCAC reserves the right to separately bid any project through City of Morristown Procurement when it is in the best interest of the program or is required by the program Funder. TCAC submits requisition requests to City of Morristown Procurement, and the City of Morristown completes the procurement process as specified in City of Morristown Procurement Code.

TCAC Contractor Requirements:

To be considered in good standing with TCAC, Contractors must:

- Maintain the appropriate State of Tennessee License.
- Maintain all insurance requirements per the term bid and funding source specifications.
- Maintain all required certifications and registrations as required in the term bid and funding source specifications.

- Complete all contracts within the project completion timeframe.
- Perform high quality work as specified in the work orders and as expected by TCAC and the funding sources.

Project Completion Timeframe: Contractors have a designated timeframe to complete each individual project. The timeframe begins on the date the contract is signed by the contractor and TCAC. If there are circumstances beyond the Contractor's control which delay the completion of the project, the Contractor should submit a Contract Extension Request to TCAC prior to the contract deadline. TCAC will review the contractor submissions and may extend the contract deadline.

Poor quality of work or repeated failed inspections could result in the suspension of a contractor as a TCAC Contractor. The decision to suspend a contractor will be reviewed by the Construction Manager, TCAC Director, and funding sources as appropriate.

TCAC will monitor contractor capacity, average project turn-around, number of incomplete projects, and contractor performance. TCAC reserves the right to limit the number of contracts a Contractor may be awarded based on these factors.

In the event a Contractor is no longer considered to be in good standing with TCAC, the Contractor will be notified in writing of the deficiency. TCAC will outline the deficiencies and how the contractor can remedy the deficiencies. TCAC may provide or recommend training for quality of work-related deficiencies.

Contractors may notify TCAC in writing if they wish to be excluded from any bid notifications. Email notification is acceptable. Contractors should specify the timeframe they wish to be excluded. If no timeframe is specified, the exclusion will be considered indefinite until TCAC is notified otherwise. TCAC will not include these contractors in the bid specification process outlined below

Bid Individual Projects:

Term bid contractors will have the opportunity to bid on all approved jobs for which they are qualified. All Contractors who are in good standing with TCAC have the opportunity to price the individual projects.

TCAC shall notify all Term Bid Contractors in good standing when projects are available to bid. TCAC staff will send an email to eligible contractors with a copy of the work order. Paper copies of the work orders and pre-assessment photos of the project site are available upon request. Contractors are instructed to complete the work order bid based on the quoted labor rates and material mark up from their term bid contracts. TCAC will review the bid total and will not require itemized charges. After the bid is announced, TCAC staff will be able to answer any questions or provide any clarifications to potential bidders.

TCAC staff will specify in the email notification the deadline when projects must be returned. Generally, 5 business days will be allowed from time bid is sent out to deadline of submission. Emergency or other circumstances may require a shorter time frame. Bids may be returned in paper or electronic form. Paper bids must be returned to TCAC Office in a sealed envelope. Electronic bids must be emailed to a designated TCAC email. All bids must be received prior to the deadline. Bids received after the exact time set for opening of bids are late and shall not be considered.

Once jobs are posted and before bids are awarded, any questions pertaining to the jobs must be emailed to a designated TCAC email address. All questions and replies will be circulated to all potential bidders. TCAC staff will not address any questions by any other means between job posting and awarding of the bid.

Contractors may correct errors prior to submission by clearly marking out and initialing any changes.

The integrity of this competitive bid system depends on the submission of bids without the knowledge of competing bids. Therefore, the bidding procedure must maintain the security and secrecy of all bids until the bid opening. All bid responses will remain sealed and will not be shared with TCAC staff or Contractors until the bid opening. TCAC Staff found to be out of compliance with the confidentiality of the bid process will be subject to suspension or termination of employment.

Bid Opening:

The bid opening will take place in the TCAC Office after the deadline for the return of bids has passed. All individuals present should sign in. A minimum of two TCAC staff members must be present to open and record submitted bids. Contractors are allowed to be present when bids are open but are not required to attend to be awarded bids. Bid tabulations will be made available upon request to any contractor who submitted a bid.

At the bid opening, two designated TCAC Staff members will unseal and open paper bids, and they will open and print electronic bids. It is the duty of the Designated TCAC Staff members to ensure that bids are not changed in any way. Each bid received will be recorded on a bid tabulation sheet by price.

Negotiations:

TCAC will contact and begin negotiations (if necessary) with the lowest qualified bidder who is in good standing. Bids will be negotiated prior to award to ensure the contract price does not exceed program limitations:

- Less than or equal to TCAC's internal estimate +10%, OR
- SIR of 1.0 or greater

If needed, the contractor with the lowest bid will be sent a negotiation sheet specifying the reduction in cost required to award the project. Contractors may accept or decline the negotiations. In the event a Contractor declines to negotiate the cost, TCAC will contact the next lowest bidder and being the negotiation process again. TCAC reserves the right to review and modify the internal estimate or to request a Funder review bids with pricing above specified program limits.

TCAC reserves the right to separately bid any project to a term bid or other qualified contractor when it is in the program's best interest. Qualified contractors who are not Term Bid Contractors through TCAC will be allowed to participate up to the thresholds specified in TCAC Procurement Code.

Contractors who make an error in the submission of the bid have the option to honor the price as quoted, or to withdraw their bid. If required by the Funder, TCAC will notify the funding source of the bid miscalculation and receive approval before awarding the contract to provide services. In circumstances with a single responsive bidder, TCAC Director reserves the right to review bid errors on a case-by-case basis.

The awarded contractor will be notified when a contract is ready to be signed. The completion timeframe starts 3 days after the contractor is notified of the award. Contractors who do not return their signed contractors in that timeframe will be considered out of compliance.

Document Retention:

All Bid opening documents will be saved in a digital file and hard copies will accompany in all corresponding construction files, including: Bid notifications, Bids received by Email, Bids submitted in paper form, Bid opening sign-in sheet, and Bid tabulation sheets.

XV. CONTRACT WORK

Notice to Proceed:

A Notice to Proceed (contract) will be drafted for each project which details the Contractor awarded the project, project address, applicant name, summary of the scope of work, timeframe, and other project specifications. The Notice to Proceed will be signed by the Tennessee Community Assistance Corporation Executive Director (or designated representative) and the awarded Contractor (or designated representative).

Work Completion Time Frames:

The work is considered to be complete when all measures included on the work order have been completed by the Contractor and have passed TCAC Inspection. It is the expectation that projects should be completed within 30-days of the date the Notice to Proceed was signed by both TCAC and the Contractor. In the event that a project cannot be completed in that time frame, the Contractor should submit a Time Extension Request detailing the cause of delay. Failure to submit an extension request could prevent a contractor's eligibility to be awarded other projects.

Code & Permit Compliance

Qualified licensed contractors with contractual agreements with TCAC should complete all work in accordance with codes as adopted by the City of Morristown.

All appropriate permits and applicable inspections are required for each project. The contractor is responsible for submitting work order paperwork to the City to ensure all required permits are issued. Once the work is completed, it is the responsibility of the contractor to schedule inspections with the applicant and the City. Closed permits will be retained in the file.

Change Orders:

On occasion, additional or expanded work necessary to address health and safety issues is not discovered until the original work has begun on the home. In these situations, a change order may be necessary. There may also be occasions where an awarded measure cannot be performed.

All change orders must be requested by the contractor and approved by TCAC prior to the work being performed. TCAC staff will carefully review every change order request including pictures and inspections reports. Site Visits will be required when pictures or inspection reports are unavailable or insufficient. No change order can be approved until supporting documentation is submitted and reviewed by TCAC Director (or designated representative).

Contractors should submit a cost estimate for an additional labor and materials required. As a part of the change order review process, TCAC staff will review the cost estimate for reasonableness and will negotiate with the contractor if necessary.

XVI. WORK COMPLETION AND INSPECTION

Final Inspections:

After all measures have been completed by the awarded contractor, the contractor should submit an invoice and all warranty paperwork to TCAC staff. This submission will trigger TCAC staff to contact the applicant to schedule a final inspection of the completed measures. Applicants have 10 days from the first contact attempt to schedule and complete the inspection of the work performed.

TCAC staff will inspect the work for compliance with the specifications detailed in the Work Order and any change orders and verifying the quality of the project. TCAC staff will complete a "Contractor Pass/Fail Post Audit" form for each inspection noting either that the project passed inspection or detailing that the reasons why the project failed inspection.

Pictures should be taken during the inspection clearly documents all work performed. Additional pictures should be taken of any noted deficiencies. Inspectors will review the clarity of pictures to ensure high quality photos are available for each project.

TCAC staff will provide the applicant all warranty documentation. After the work passes the TCAC Inspection, applicants must also accept the completed work and sign the TCAC form certifying all listed repairs were completed in a satisfactory manner on their home.

Failed Inspections:

Each failed inspection may result in a $200.00 penalty. This is to encourage contractors to complete each project correctly and to the high standard expected by TCAC and the City of Morristown. Penalties assessed against the contractor will be deducted from the final invoice prior to payment and the file will be documented to reflect the adjustment. All projects that failed the TCAC inspection must be re-inspected.

It is the contractor's responsibility to complete all items listed on the failed inspection report. Once these items have been completed, the contractor should email TCAC staff to notify the project is ready for re-inspection. TCAC will contact the applicant and perform another assessment.

XVII. CONTRACTOR PAYMENT PROCEDURES

After the project has been completed and inspected by TCAC Staff, a full review of the file is completed by TCAC Program Support Department. Program support will review the work order, change orders, and submitted invoice to ensure the invoice is an accurate reflection of all work completed. Program Support will contact the contractor via email requesting any invoice corrections or additional documentation needed such as the City Inspection Report, additional warranties, disposal certificates, and/or needed signatures.

A Sales Receipt is filled out with the name and address of vendor, date, invoice number, client address, and amount of invoice. The Sales Receipt includes release of lien statement. TCAC staff makes direct payment to contractor using the Procurement Card. The Contractor must sign the Sales Receipt and provide transaction receipt.

A copy of the Sales Receipt and invoice is kept in the client's file and the vendor file. The original Sales Receipt and Invoice are reviewed by TCAC Finance, then shipped to Hamblen County Finance for review and final approval. After review and approval, original payment information is returned to TCAC.

Check Payments:

As soon as all required documentation has been submitted by the contractor and all required inspections have been completed and passed, a project is eligible for payment. TCAC staff will draft a Check Request which should include the date, name and address of the contractor, invoice number fund account number(s), amount of the invoice, client name, address, and a description of the work completed. This information is entered on the Check Request Log Spreadsheet. The Director review the Check Request when it is completed. His signature on the form will give his approval for payment. If the Check request does not meet approval, corrections must be made. After approval, the check request is copied and shipped to TCAC Finance for a secondary review.

XVIII. DEFERRAL/TERMINATION POLICY

Dwelling conditions or other circumstances identified during the initial inspection may prohibit home repair from proceeding. In these circumstances, the unit will be deferred or terminated. The decision to defer or terminate home repair services to an eligible low-income household is difficult but necessary in some cases. Many problems encountered in low-income housing are beyond the scope of the emergency home repair program. When a project is deferred, work must be postponed until certain problems can be resolved or alternative sources of assistance can be identified and secured. A job that was deferred could be completed at a later date if the deferral conditions identified are remedied within the allowable timeframe. In some circumstances, a home may be beyond repair, or conditions may never be remedied. This home would result in termination of the application. Specific steps, as outlined below, must be followed for each situation.

Deferral:

Existing conditions under which a dwelling unit should be deferred include, but are not limited to, the following:

- Any existing condition that could endanger the health and/or safety of the work crew or subcontractor and cannot be safely abated
- Toxic substances are discovered which cannot be addressed by home repair. In this case, TCAC staff should report the problems to the applicant and indicate that activity must cease until the identified condition has been corrected. This may include the existence of lead-based paint or asbestos containing materials that would have to be disturbed during the installation process.
- Home is unavailable or inaccessible.

- Pets have not been secured or the home is not free from pet waste.
- The dwelling is currently being remodeled or if there are open permits on file with the City/ County Permit Office.
- If an applicant demonstrates abusive, obscene, or harassing behavior toward TCAC, a contractor acting on behalf of TCAC, or City of Morristown employees, the work may be suspended until such a time that services may be delivered in a manner consistent with the values, intent, and goals of the organization. Applicant will be notified in writing as to the reason for the disruption of services and the circumstances as to how the services may be continued.

When a deferral is necessary, the following actions will occur:

- A Notice of Deferral must be sent to the applicant. This notice should clearly state the conditions which must be corrected before home repair work can proceed, and define the time period by which the corrections must be completed.
- The deferral notice must contain notification of the right to appeal the decision, and how those rights may be initiated.
- Applicants will be given 120 calendar days from the date of their written notice to correct the necessary conditions.
- Applicants should be informed immediately both verbally and in writing of any serious imminent hazards.
- Applicants should be informed of any no-cost or low-cost immediate measures that should be taken to mitigate the hazard.
- TCAC shall work with the applicant to assist in identifying and accessing available resources that can help to address the situation that required deferral
- Applicants must notify TCAC once the existing conditions have been remedied.

If the deferral conditions have been remedied within the 120-day timeframe, TCAC will return the application status to “active” and place the applicant back on the list for services. If more than 12-months have elapsed since the date of application, the household income must be recertified. Another pre- audit may be necessary before the job can be bid out.

Termination or Discontinuation:

In some situations, the issue cannot be resolved even if the job is deferred. In these situations, the emergency home repair case should be terminated. If a case is terminated, the applicant has the right to reapply as outlined in this program manual. Regardless of applicant households’ income eligibility, no emergency home repair funds may be used to repair a dwelling unit:

- When building structure, mechanical systems, wiring, or plumbing systems are in such a state of disrepair and conditions needed for safe habitation of the dwelling cannot be resolved within the scope of the program.
- The dwelling is currently listed for sale or under a sale contract, through either a real estate agent or privately.
- Unlawful activities are occurring in the dwelling that could endanger the customers or the crews or there is any illegal, aggressive, or abusive behavior.
- The home is condemned or in the process of being condemned, unless these conditions can be corrected within the scope and funding limitations of the program.
- The property has been foreclosed.
- The property has been designed for acquisition or clearance by a Federal, State, or local program.
- Applicant is deceased, and there is not an owner of record remaining in the home.
- The household has been evicted.
- There is not a reasonable expectation that the conditions that prevent home repair activities can be alleviated within a reasonable period of time.

- Unoccupied, other than a temporary absence. Temporary absence is defined as: unoccupied no more than 3 months in duration, with expectation of return and utilities must still be on unless disconnected due to an emergency. Temporary absence due to disaster recovery will be evaluated on a case by case basis. Option to exceed 3-month limit will require prior approval from the funding source.
- The applicant does not correct deferral conditions within the allowable timeframe.

When ***termination*** is necessary, the following actions will occur:

- A termination notice will be sent to the applicant that gives the reason for the termination.
- The termination notice will contain notification of appeal rights and how those rights may be initiated.
- If the current address of the applicant is unknown, mail the notice to the last known address.
- In the event of death, send the notice to the next of kin if known. Otherwise, mail the notice to the address of the deceased.

Additional Resources:

TCAC should aggressively pursue alternative funding to reduce the occurrences of deferral. If available, TCAC will provide, to the applicant, contact information of other community organizations.

City of Morristown Emergency Home Repair projects beyond the emergency home repair scope of work will be referred to the Morristown HOME Program or the City of Morristown Community Grants Department.

XIX. RECORD KEEPING AND DOCUMENT RETENTION

An Application File, containing application and income documentation, is prepared for each eligible applicant. The application file is filed alphabetically by last name and maintained by TCAC. Upon application approval, a "Data Sheet" is prepared and emailed to the TCAC Program Support Department and TCAC Construction Department.

Program Support creates a Construction File and a Working File. The Construction File contains all original project specific documentation. The construction file is filed alphabetically by last name and maintained by the Program Support Department.

The working file contains copies of work order and change orders and is taken by TCAC staff to any site visit or inspection. The construction files are maintained by the Construction department with help of the Program Support department. The contents of the working file should be added to the Construction file once the project passes the final TCAC inspection.

The Program Support Department will review the construction file to ensure all permits, warranties, and other construction documentation are in the construction file prior to issuing final payment to the contractor.

The Application File and Construction File are stored together alphabetically by last name once the project is completed. Contents of each file is detailed in the appendix. Ineligible files are maintained separately in alphabetical by last name. Digital and physical records will be retained for 5 years

XX. CLIENT SATISFACTION/GRIEVANCE PROCEDURES

Client Satisfaction Survey:

TCAC adheres to a proactive client services process. TCAC staff call each applicant upon repair completions. Staff requests feedback, in the form of a survey about the work performed, the courtesy of staff and contractors, and level of service received. By addressing feedback and concerns at the same time the applicants are able to talk freely about the level of service and satisfaction with the work. Concerns reported during the survey are reported to the construction department and/or the contractor so that the concern can be addressed.

Grievance Procedures:

TCAC is a public agency serving the poor and disadvantaged people of our community through the operation of federal, state, and locally funded programs. TCAC's goal is to provide as many effective programs and as much assistance as possible to the disadvantaged of our community. A dedicated staff strives to plan and implement programs aimed at meeting the short-term and emergency needs of the poor as well as developing their eventual self-sufficiency and economic independence.

Any client who feels he/she has been discriminated against, treated unfairly, or who disagrees with the application of a policy to him/her as a program participant, may file a grievance. Complaints and grievances shall be given prompt and fair consideration according to the procedures outlined below. No adverse action will be taken against any individual for participating in the grievance procedure, either as a complainant, a representative, or a witness.

Unless another procedure is set forth for a specific program, the following mechanism shall be used for the processing of client complaints, and grievances:

Any client having a complaint or grievance shall first inform the staff person serving him/her and their program director. The program director will meet with the client on an informal basis, review the complaint, and attempt to adjust the matter satisfactorily. Program director for housing rehab services is:

Shari Mefford, Director
Rehab Housing Services
Phone: 423-586-7636

It is against the law for this recipient of federal financial assistance to discriminate on the following basis: against any individual in the United States, on the basis of race, color, religion, sex, nation al origin, age, disability, political affiliation, or belief.

Any client who feels he/she has been discriminated against and whose complaint has not been resolved at the program level should contact the TCAC Executive Director:

Mailing Address: 740 East Main Street, Morristown, TN 37814
Telephone: 423-586-7636

Any customer who feels he/she has been discriminated against and whose complaint has not been resolved at the program level should contact the Grant Coordinator:

City of Morristown, 100 West 1st North Street Morristown, TN 37816
Mailing Address: P. O. Box 1499, Morristown, TN 37816
Telephone: 423-585-4615

Code of Conduct:

TCAC and any contractor acting on behalf of TCAC will seek to conduct themselves in a professional manner in the delivery of services in a manner consistent with the values, intent, and goals of the organization.

If a client demonstrates abusive, obscene, or harassing behavior toward TCAC, a contractor acting on behalf of TCAC, or City of Morristown employees, the work may be suspended until such a time that services may be delivered in a manner consistent with the values, intent, and goals of the organization. Client will be notified in writing as to the reason for the disruption of services and the circumstances as to how the services may be continued.

If stated behavior continues, TCAC maintains the right to cancel the contract with client and the client may not be allowed to participate in future program services.

Applicant Refusal:

Inspections must be completed by TCAC staff and City of Morristown's codes department. Failure of an applicant to respond to contact attempts or refusal to schedule in the specified timeframe may result in the warranty for the project being voided and could affect an applicant's eligibility for other TCAC. Applicants are made aware of the requirements in the Applicant Agreement signed prior to their project work starting.

All contact attempts, meetings, and correspondence should be thoroughly documented.

Contractors who are unable to contact applicants after the work has been completed to schedule the required permit inspections should submit to TCAC all contact attempts including phone calls, emails, text messages, letters, and/or notes left on the work site.

If the applicant refuses to sign final paperwork after work has been completed, arbitration of the adequacy of the work to fulfill the requirements of the project specifications will be conducted by TCAC. Review of the TCAC finding will be completed by representatives from the respective funding source. If the inspections are not completed within 10 business days, or if after the arbitration process the applicant refuses to sign final paperwork, TCAC will consider the work complete. The work will be given a passing evaluation. The warranty for the work will be void. A lien may be placed on the property by the respective funding source, and the applicant may no longer be eligible to apply for services through TCAC.

XXI. REPORTING PROCEDURES

Program Support Reviews the construction file checklist to verify all documentation has been submitted and is in order. Folders are kept on file with TCAC. Original reports and invoices are submitted to the City of Morristown Community Development and Copies are kept on file with TCAC.

Invoice:

TCAC will request reimbursement for eligible project expenditures. The reimbursement rate will be the contracted job cost plus a project management cost per job completed, as agreed upon in the project MOU. If additional services are requested by Morristown that are not included in the scope of services, TCAC will charge an additional hourly rate for the completion of those services, as agreed upon in the project MOU.

Each request for reimbursement will include copies of receipts, invoices, and other supporting documentation of the costs incurred. TCAC compiles an itemized list of all charges which includes the budget line item category, vendor name, payment date, and amount. The total of each budget line item is entered into the Invoice template. The original signed invoice and copies of all supporting documents are submitted monthly to the City of Morristown.

Individual Direct Cost Summary:

A Direct Cost report is completed for every project. These are filled out with the applicant's name, address, summary of repairs completed, direct time and, leverage or match resources, and the date work was completed. This form is reviewed and signed by the Director and Assistant Director Client Services and Administration. A copy is added to the Construction File. Submitted annually.

Household Job Cost/Demographics Report:

Information is pulled from the Individual Direct Cost Summary and summarized on this report. Report should include applicant name, address, contracted services cost, job completion date, and repair type for each project. Submitted annually.

This report also displays the individual household demographics. It includes household income, income level, racial identity (as defined by HUD), ethnicity, and household size. Additionally, it provides special population information including female head of household, and if there is an elderly or disabled household member. Submitted annually.

CAPER Report

This report provides a summary of Accomplishments, Income and Demographic information for the reporting period. Submitted Annually.

XXII. FILE DOCUMENTATION REQUIREMENTS

Application File:

Each application file may contain the following, as appropriate:

- Approval/Denial Letter
- Application Approval Page
- Preliminary Interview Form
- Application Form
- Release of Information/Homeowner Authorization Agent Certification Form
- HOME/CDBG Eligibility Release Form
- Confirmation of Receipt of Lead Pamphlet Form
- Customer grievance Procedures
- Household Characteristics Form (Optional)
- Social Security Cards/Photo ID
- One CPD
- Calculating Part 5 Annual Income Form(s)
- Income Documentation
- Proof of Home Ownership
- Documentation Request Form(s)

Construction File:

Each construction file may contain the following, as appropriate:

- TCAC Construction Staff Daily Time Sheets
- TCAC Construction Staff Mileage Sheets
- Existing Conditions Inspection Report
- Pre-Inspection Photos (digitally recorded)
- Site Specific Environmental Review Request
- Picture of the House
- Environmental Review Approval
- Work Order (Priced Estimate and Blank Copy)
- Applicant Agreement
- Subcontractor Notice to Proceed
- Subcontractor Bid Work Order
- Contractor Pass/Fail
- Final Inspection/Applicant Sign off
- Invoice
- Change Order
- Contractor Warranty
- Permit or Permit Determination Form
- Waste Disposal Receipt
- Proof of Payment (Check Request or Sales Receipt)
- Release of Lien
- Final Inspection Photos (digitally recorded)
- Client Satisfaction Survey
- Individual Direct Cost Summary

APPENDIX A: CLIENT SERVICES FORMS

- Approval Letter
- Denial/Termination Letter
- Application Checklist
- Application
- Preliminary Interview
- Release of Information/ Homeowner Authorized Agent Certification
- Home/CDBG Eligibility Release form
- Confirmation of Receipt of Lead Pamphlet
- Grievance Procedure Form
- Household Characteristic Form
- Calculating Part 5 Annual Income Form
- One CPD
- Verification of Income Form
    - Child Support
    - Employment
    - Unemployment Benefits
    - Income from Business
    - Rental Income
    - Recurring Cash Contributions
    - Third Party Verification (Social Security, Retirement, etc…)
- Statement of Support
- Zero Income Verification Statement
- Asset on Deposit
- Affidavit Form
- Note to File Form
- Case Management Form
- Documentation Request Form

APPENDIX B: CONSTRUCTION SERVICES FORMS

- TCAC Construction Staff Daily Time Sheet
- TCAC Construction Staff Mileage Sheet
- Existing Conditions Inspection Report
- Site Specific Environmental Review Request
- Work Order (Priced Estimate and Blank Copy)
- Applicant Agreement
- Subcontractor Notice to Proceed
- Contractor Pass/Fail
- Final Inspection/Applicant Sign off
- Change Order
- Proof of Payment (Check Request or Sales Receipt)
- Release of Lien
- Client Satisfaction Survey

APPENDIX C: REPORTING FORMS

- Individual Direct Cost Summary
- Household Job Cost/Demographics Report
- CAPER Report