

STATE OF ALABAMA)
MONTGOMERY, ALABAMA)

(AMENDMENT NO. 1 to
AGREEMENT NO.
DTR-PS-12-001

AMENDMENT

THIS AMENDMENT to Agreement No.DTR-PS-12-001 is effective as of the 1st day of February, 2013, between the Community Action Partnership of North Alabama, Inc., herein and in the original Agreement referred to as the "Grantee" and the Alabama Department of Economic and Community Affairs (herein called ADECA).

The parties hereto do mutually agree to amend Agreement No. DTR-PS-12-003 commencing on August 8, 2012 to expand the scope of services whereby the Grantee shall serve as the Housing Program Administrator to manage, supervise and administer the rehabilitation, rebuild and replacement of housing units to be undertaken under the 2011 tornado disaster recovery program for households that were initially qualified by the Grantee as an intake agency, approved by the Grantee's Housing Committee and reviewed and approved by ADECA. The expanded scope will be in addition to and separate from the Grantee's original services as an intake agency and will carry separate compensation.

Under the expanded scope, ADECA from time to time, will provide Grantee housing assistance cases for execution. Grantee will undertake all necessary activities related to each specific case, such as work write-ups, bid awards, inspections, payments and coordination in accordance with the Grantee's housing policies and procedures incorporated in Attachment 2, ADECA's Single-Family Housing Assistance Policies and Procedures, and in compliance with state and federal laws. ADECA, from time to time, may promulgate additional policies and procedures to ensure housing activities are carried out effectively and efficiently in a timely manner.

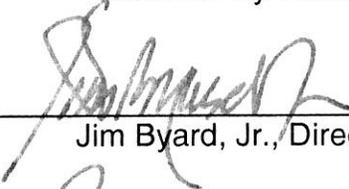
ADECA agrees to pay to the Grantee a sum not to exceed the total of \$1,000,000.00 for rehabilitation, rebuild and replacement of housing units for qualified homeowners on a cost incurred basis as well as a lump sum fee for administrative and management services associated with each case. The lump sum fee will be calculated at the rate of ten percent of the estimated budgeted CDBG assistance for each case, not to exceed \$2,500.

The termination date of August 7, 2013 in the original Agreement is hereby rescinded. All other provisions of the original Agreement shall remain in full force and effect.

ADECA

Community Action Partnership of
North Alabama, Inc.

Alabama Department of Economic and
Community Affairs



Jim Byard, Jr., Director

Feb 6, 2013
(Date)

ATTEST:



(Name)

DPM

(Title)

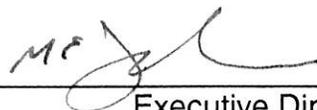
2-6-13

(Date)

APPROVED AS TO FORM BY
LEGAL:



Edward E. Davis
ADECA Legal Section



Executive Director

FEB 11, 2013

(Date)

ATTEST:



(Name)

CEO

(Title)

2/11/13

(Date)



ATTACHMENT 2



COMMUNITY DEVELOPMENT BLOCK GRANT

HOUSING ASSISTANCE PROGRAM ADMINISTRATION

POLICIES AND PROCEDURES

NeighborWorks®
CHARTERED MEMBER

The NeighborWorks logo consists of two house icons above the word "NeighborWorks" in a bold, sans-serif font, followed by a registered trademark symbol. Below this, the words "CHARTERED MEMBER" are written in a smaller, bold, all-caps font.

CDBG HOUSING ASSISTANCE

1. The Housing Program Administrator (HPA) is responsible for management, supervision, and administration of the rehabilitation/rebuild/replacement projects supported by the CDBG Housing Assistance Program administered by the Alabama Department of Economic and Community Affairs (ADECA).
2. CDBG Housing Assistance funds used for rehabilitation/rebuild/replacement projects will be used for purposes described in the CDBG POLICIES AND PROCEDURES DISASTER RECOVERY: TORNADOES OF APRIL 2011 SINGLE-FAMILY HOUSING ASSISTANCE.
3. Rehab/Rebuild/Replacement work should not be started until the Housing Program Administrator has:

A completed application on file from the head of the household or other authorized representative.

An authorization to proceed from ADECA.

Informed client of the grievance policy.

Conducted an inspection of the dwelling to assess the rehab/rebuild/replacement needs of the dwelling and determine the most cost-effective measures for the dwelling type.

Obtained written permission from the homeowner to work on the dwelling.
(Homeowner Consent Form)

Coordinated with all parties, if the unit involves sources in addition to CDBG dollars, to establish specific responsibilities before rehabilitation or construction activities begin.

Informed the ADECA Project Manager of the project costs and assured by ADECA that CDBG funds are approved and reserved for the project.

REHABILITATION/REBUILD/REPLACEMENT

1. Rehabilitation/Rebuild Projects

The HPA will prepare a work write-up and cost estimate for all rehabilitation/rebuild projects according to the objectives of the CDBG POLICIES AND PROCEDURES DISASTER RECOVERY: TORNADOES OF APRIL 2011 SINGLE-FAMILY HOUSING ASSISTANCE.

Work write-up and cost estimates will ensure that at a minimum all CDBG work meets the 2009 International Building Code as adopted by the State of Alabama. Work will be limited to disaster-related damage and health and safety issues. Work write-up and cost estimates will take into consideration the needs of handicapped occupants, flood plain related elevation, sewer/septic system, and demolition and clearance. Changes to the work write-

up will only be made by necessity to address structural or construction issues that are unknown at the time of the write-up. Changes to the work write-up will be initiated by the vendor/contractor, submitted to and approved by the HPA, and submitted to and approved by ADECA before additional work can be performed.

The HPA will solicit quotes from at least three vendors for labor and/or material on all rehabilitation/rebuild projects. Pre-approved quotes can be used for incidental purchases. Because of the large geographic service area, multiple vendors may be selected.

HPA will select a contractor and/or coordinate with long-term recovery groups for rehabilitation/rebuild work, provide necessary oversight and conduct periodic documented inspections to ensure work conforms to work write-up and the 2009 International Building Code as adopted by the State of Alabama to produce high-quality, durable, energy-efficient, and mold-resistant housing. The HPA will ensure compliance with HUD lead rules for housing units built prior to 1978. Where Federal funds total \$25,000 or more for hard costs of single-family housing rehabilitation, lead abatement will be conducted as necessary.

2. Replacement (manufactured home unit)

The HPA will prepare a work write-up and cost estimate for all replacement projects.

Work write-up and cost estimates will ensure that at a minimum all CDBG work meets the 2009 International Building Code as adopted by the State of Alabama. Work write-up and cost estimates will take into consideration the needs of handicapped occupants, flood plain related elevation, sewer/septic system, and demolition and clearance. Changes to the work write-up will only be made by necessity to address structural or construction issues that are unknown at the time of the write-up. Changes to the work write-up will be initiated by the vendor/contractor, submitted to and approved by the HPA, and submitted to and approved by ADECA before additional work can be performed.

Replacement estimates will include removal of the damaged unit, pad and site prep, and full lock & key installation (including but not limited to high-wind anchors and tie-downs, water, sewer, power, propane or natural gas, under-pinning, porches, landings, and ramps).

The HPA will solicit quotes from at least three vendors for all replacement projects. Pre-approved quotes can be used for incidental purchases. Because of the large geographic service area, multiple vendors may be selected.

The HPA will select the vendor for the replacement project, provide necessary oversight and conduct periodic documented inspections to ensure work conforms to work write-up and the 2009 International Building Code as adopted by the State of Alabama to produce high-quality, durable, energy-efficient, and mold-resistant housing.

HOMEOWNER CONSENT

Written permission of the homeowner must be obtained before beginning any work on a dwelling. The homeowner must also be notified that they have three days to revoke their

consent to proceed with the project. Use the Homeowner Consent and Right of Rescission Form for this purpose.

The Homeowner Consent Form is designed to provide a written agreement between the HPA and the homeowner. This agreement must be signed by all involved parties prior to the start of the project. The form is to be maintained in the client's file for future reference.

TEMPORARY HOUSING AND STORAGE

The HPA may need to provide a homeowner a temporary place to live or temporary storage for home contents while the Rehabilitation/Rebuild/Replacement project is underway. In these cases and if the homeowner is unable to obtain temporary living arrangements and/or storage for contents, the HPA may provide assistance but any expense associated with temporary housing and/or storage plus the amount for CDBG housing assistance shall not exceed the CDBG Housing Assistance cap of \$25,000 or amount approved by ADECA.

SPECIAL REQUIREMENTS

1. Handicap

All housing replacement or rehabilitation will expressly address needs of handicapped persons who dwell in the structures.

2. Elevation

Any housing unit may be required to be elevated or otherwise brought into compliance with elevation requirements of the National Flood Insurance Program and FEMA as part of the overall rehabilitation. Upon final approval of the application and the determination that a house must be elevated the HPA will contact the Architect or Engineer to conduct all necessary soil investigations, survey work and design/other tasks that may be necessary.

3. On-Site Sewage Treatment and Disposal

On-site sewage treatment system must be approved by the County Public Health Department.

4. Demolition and Clearance

Demolition and clearance will be determined based on site-specific conditions.

SUPERVISION AND INSPECTION OF WORK

HPA is responsible for supervising all rehabilitation/rebuild/replacement and repair work, as well as coordination with other long-term recovery groups associated with the CDBG Housing Assistance project. The HPA will provide periodic documented inspections throughout the course of the project. After all CDBG Housing Assistance work has been completed, a final inspection must be done by a disinterested third party, such as local building and code enforcement officials. If there are no such officials serving the area where CDBG Housing

Assistance activities will be undertaken, or if the HPA would also normally make such inspections, the HPA will use a qualified inspector.

CONTRACTOR REQUIREMENTS

1. Minimum Qualifications

All private construction contractors must be licensed by the State of Alabama; a member of the Home Builders Licensure Board; must be familiar with and able to implement the current 2009 International Building Code as adopted by the State of Alabama.

For private construction contractors working with CDBG Housing Assistance rehabilitation homes built prior to 1978, the contractor must have completed the Lead Safe Work Practices for Renovators and Remediators (offered by the University of Alabama) or equivalent coursework related to construction practices involving lead. Further, if the projected "hard costs" of rehabilitation will be \$25,000 or greater, then the contractor must also be a certified lead abatement contractor, as required by the State of Alabama (in accordance with the Alabama Lead Reduction Act of 1997 and regulations of the State Board of Health Bureau of Environmental Services Chapter 420-3-27) and must be familiar with and able to implement and comply with 24 CFR Part 35 et al.

In order for a contractor to be able to abate asbestos-containing materials in eligible dwellings, certain requirements are mandatory for participation. These contractors must be certified by the Alabama Department of Environmental Management and must be familiar with and able to remove asbestos in accordance with the National Emissions Standards for Hazardous Air Pollutants (NESHAP). Further, EPA guidelines for asbestos handling, removal, storage and transport under 40 CFR Part 61, Subpart M and 40 CFR Part 763 will apply for rehabilitation and/or demolition actions.

All private replacement manufactured home contractors must be licensed by the State of Alabama; must be familiar with and able to implement the current International Building.

2. Insurance

All private contractors must be required to furnish evidence of Comprehensive Public Liability Insurance of not less than \$500,000 in the event of bodily injury, including death and \$100,000 in the event of property damage arising out of work performed by the contractor. In addition, all private contractors will be required to submit evidence of "workman's compensation" coverage (if necessary), and will be required to maintain "builder's risk insurance" on all properties under construction. In the event of asbestos or lead abatement, the contractor must have liability insurance in an amount equal to \$1,000,000 in the event of bodily injury (including death) and \$250,000 in the event of property damage arising out of work performed. Insurance limits may be adjusted (as deemed necessary) by ADECA.

3. Warranty Period

All private contractors are required to provide a one year warranty to the homeowner for all material and services provided to this program unless otherwise stipulated. Warranties for home appliances and/or fixtures (e.g., stove, refrigerator, HVAC unit, water heater, bathroom fan/light fixtures, etc. ...) will be covered for workmanship only. Information on warranties for the appliance and/or fixture will be provided to the homeowner for all equipment installed so that the homeowner can contact the manufacturer if necessary during the specified warranty period.

INVESTIGATION OF FRAUD, ABUSE, AND MITIGATION

The HPA will make every effort to prevent fraud and program abuse, and will work very closely with representatives of the HUD Office of Inspector General (OIG), the FBI, Department of Justice, and U.S. Attorney's Office if necessary to monitor and investigate instances of fraud.

CONFLICT OF INTEREST

The HPA will ensure that a conflict of interest or potential conflict of interest does not exist among agency staff and the client. Any individual within the HPA who has direct involvement with the client must recuse themselves from participating in any action or decision making process. If an appearance of conflict exists, the HPA must secure an opinion from the Alabama Ethics Commission before proceeding.

GRIEVANCE PROCEDURE

Purpose:

The purpose of the grievance procedure is to provide a process for receiving, evaluating and resolving complaints and grievances related to determinations made which affect housing assistance grants. The grievance procedure is intended to assure that all applicants are treated equally, to allow the hearing and resolution of complaints in a fair and timely manner, and to determine the appropriate action(s) needed to assist the requester and to resolve the concern.

What is a grievance?

A grievance is defined as a complaint filed by an applicant (referred to as a "requester" herein) for housing assistance alleging that he/she has been treated unfairly related to grant assistance issues including eligibility, amount of assistance and scope of work.

Steps:

Any requester having a grievance must first file a complaint in writing with the Housing Program Administrator (HPA) on the Homeowner's Request for Grievance Review form (Addendum 5 of the CDBG POLICIES AND PROCEDURES DISASTER RECOVERY: TORNADOES OF APRIL 2011 SINGLE-FAMILY HOUSING ASSISTANCE).

The HPA will review the complaint and prepare an appropriate response or remedy. The HPA's decision will be communicated to the requester in writing with a copy to ADECA.

A requester who is not satisfied with the response from the HPA has an option to submit a written complaint to ADECA providing the specific reason for dissatisfaction with the response. After reviewing the complaint, ADECA will respond in writing to the requester. If no satisfaction is obtained by the requester from ADECA, the requester has the option to take their grievance to HUD.

Both the HPA and ADECA will respond to all grievances as soon as possible, but not later than 15 days from the receipt of the grievance unless a valid reason exists to delay the response.

Homeowner Consent and Right of Rescission Form

I, _____ certify that I am the owner for the home located at:

_____, Alabama _____

I do hereby authorize the Community Action Partnership of North Alabama and its partners to commence work on the above mentioned home. I understand that the measures listed on the attached Work Write Up will be conducted on my home, and there shall be no charge to me for either labor or materials unless otherwise agreed upon. What is entailed in performing the measures has been explained to me to my satisfaction and I release and pledge to hold harmless the Community Action Partnership of North Alabama, the Alabama Department of Economic and Community Affairs, other partners, staff and volunteer assistants from any liability whatsoever in the performance of these measures or eventually arising therefrom.

I also understand that I have three days to revoke my consent to this project.

Homeowner's Signature: _____ Date: _____

Coordinator's Signature: _____ Date: _____

(Attach ADECA Approved Work Write Up Below)

STATE OF ALABAMA

CDBG HOUSING ASSISTANCE

_____ COUNTY

DATE:

APPLICATION NO:

CLIENT'S NAME: _____

ADDRESS: _____

CONTRACTOR: _____

CONTRACTOR AUTHORIZATION TO PROCEED

1. The contractor listed above is hereby authorized to proceed, and hereby agrees to proceed, with CDBG Housing Assistance Project listed above, as described in the Work Write Up Sheet for this job.
2. Contractor agrees to commence work within three weeks from the date of the execution of Attachment A and to complete work within four weeks from date of execution of Attachment A, or dates agreed upon between the Contractor and the Housing Program Administrator.
3. For the consideration named herein, Contractor agrees to furnish all labor, equipment and materials to do all the work listed in his Work Write Up Sheet dated _____.

For the amount herein stated:

Materials \$ _____ **Labor \$** _____ **Total \$** _____

Attachment A executed the _____ day of _____, 20__.

HOUSING PROGRAM ADMINSTRATOR

CONTRACTOR