

City Council Regular Meeting Agenda
City Council Chambers
November 4, 2013

Page

5:00 p.m. Personnel Committee Meeting

1. 5:30 p.m. Call the Meeting to Order at City Hall (Mayor)
2. Persons with Unscheduled Business to Come Before the City Council (Mayor)
3. Review the Consent Agenda: (Mayor) *Canary*

a. Minutes:

- | | | |
|-----|------------|-----------------------------|
| 2-4 | ▪ 10.21.13 | City Council Meeting |
| 5-6 | ▪ 9.16.13 | Planning Commission Meeting |
| 7 | ▪ 9.20.13 | EDA Meeting |
| 8-9 | ▪ 10.17.13 | Safety Committee Meeting |

b. Applications:

- | | |
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| 10-11 | ▪ Benson Ducks Unlimited Gambling Permit 11.23.13 |
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▪ Vacancies on Boards & Commissions:

- Park Board – 2
- Benson Area Tourism Board – 1
- Airport – 1
- Planning Commission - 1

c. Correspondence

- | | |
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| 12 | ▪ Swift County Commissioners & Local Administrators Meeting |
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d. Overnight Travel:

- CGMC Fall Conference, Alexandria, MN, Nov. 14-15 - Mayor

- | | |
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| 13-74 | 4. Small Cities Development Program Policies and Procedures |
| 13-52 | a. Residential Owner Rehab |
| 53-74 | b. Residential Rental Rehab |

5. Lidar Presentation – MN Office of Traffic Safety – Tom Kummrow

- | | |
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| 75 | 6. Consider Resolution for Water & Sewer Service Assessments |
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| 76 | 7. Consider Resolution for Current Services Assessments |
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8. GPS Equipment

9. Airport Grassland Proposal

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| 77-78 | 10. Update on FEMA Damage and Mitigation Grant |
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11. Adjourn: Mayor

DRAFT

**MINUTES - BENSON CITY COUNCIL - REGULAR MEETING
OCTOBER 21, 2013**

The meeting was called to order at 5:30 p.m. by the Mayor. Members present: Mike Fugleberg, Ben Hess, Gary Landmark, Paul Kittelson & Sue Fitz. Members Absent: None. Also present: City Manager Rob Wolfington, Director of Finance Glen Pederson, Jack Evenson, Stephanie Heinzig and Mark Anderson.

It was moved by Landmark, seconded by Hess and carried unanimously to approve the following minutes on the consent agenda:

- October 7, 2013 City Council Meeting

The Mayor acknowledged openings on the Park Board, Airport Commission, Planning Commission and Benson Area Tourism Board.

The Mayor acknowledged a letter from Bob Buckner referencing trouble with his sanitary sewer. Wolfington asked the Council to carry this forward to an item to follow on the agenda.

It was moved by Fitz, seconded by Hess and carried unanimously to waive the Armory use fee for the Prom Afterbash event on April 26, 2014.

Next the Mayor opened the Public Hearing to review and adopt the updated Swift County All-Hazard Mitigation Plan. Wolfington explained the plan is being amended to include underground burial of all power lines to protect life and property in the case of violent storms and flooding. Wolfington explained this is something we can apply for through FEMA and will be asking for one million dollars to complete this task. The Mayor asked for public comment. Mark Anderson agreed it was a good idea to ask for the one million dollars. Being there were no more comments, it was moved by Hess, seconded by Landmark and carried unanimously to adopt the updated Swift County All Hazards Mitigation Plan to include burying electric services. The Mayor closed the Public Hearing at 5:35 p.m.

Wolfington stated the representative to conduct the Lidar radar demonstration was unable to make it to the meeting tonight. The Mayor tabled this to a later meeting.

Next was the sewer project on 15th St. S. that was bid out earlier this year. Wolfington reminded the Council of the bids taken for two water main projects and a sewer main project bid out earlier this year. The bids all came back much higher than expected, and Council action was to reject the bid and rebid these projects out in January of 2014. Wolfington referenced the letter from Bob Buckner, and presented a map of 4 homes that have sewer service through their back yards that was engineered in the 1950's or 1960's. The sewer to these homes were not run to 15th St. S., therefore the sewer was built through the back yards. Mr. Bucker has had sewer problems over the last few years. None of the other homeowners have had any problems. The pipe is an old orangeburg pipe, and is starting to fail. Wolfington presented the earlier bid to repair this sewer main, that came in at \$48,445.50, which was estimated to be twice what it should have come it at. Jetting this service could further deteriorate the pipe. Estimated cost for each homeowner to hook into a new system would run around \$8,000 each. After discussion, it was the consensus of the Council to rebid the project in January 2014.

The City Council acknowledged a letter from the Minnesota Pollution Control Agency (MPCA) notifying the City is in compliance with the carbon monoxide performance test conducted on the 5 Caterpillar power plant generators on June 25 & 26, 2013.

Benson High School submitted a request for a contribution to the BHS Renaissance Program, which rewards students with high academics, as well as exemplary social skills. It was moved by

Fugleberg, seconded by Hess and carried unanimously to contribute \$200.00 from the Liquor Fund and \$250.00 from the Electric Fund to the BHS Renaissance Program.

It was moved by Landmark, seconded by Fitz and carried unanimously an invoice from Carr's Tree Service for stump work from the June 2013 storm in the amount of \$25,650.00.

Next the Council acknowledged Change Order No. 1 from Rice Lake Boring, Inc. This is a deduction of \$2,650.00 from the contract for fees the City paid into the railroad to repair the storm sewer running under the railroad tracks.

It was moved by Fitz, seconded by Fugleberg and carried unanimously to approve Change Order #1 and Pay Request #1 in the amount of \$156,425.30 from Rice Lake Boring, Inc. for the storm sewer repair under the railroad tracks.

Stantec presented a pay request for engineering and inspection services for the storm sewer repair under the railroad tracks on west highway 9. It was moved by Landmark, seconded by Hess and carried unanimously to pay Stantec in the amount of \$12,448.29.

It was moved by Landmark, seconded by Hess and carried unanimously to authorize staff to pay the final pay request from Everstrong Construction for the new airport hangar when it comes in.

Pederson approached the Council and reviewed an update to the City's Section 125 Plan. After discussion it was moved by Fitz, seconded by Fugleberg and carried unanimously to approve and authorize the City Manager to sign the City of Benson's employee Section 125 Plan.

Next Pederson presented an analysis of the City water rates. Water fees and usages were reviewed to show a deficit in the budget, due in part to reduced water usage, bond payments and the construction of a new water plant. Pederson also presented a proposed minimal water service charge and rate increase over the next two years.

Pederson also reviewed a proposed rate increase in the sanitary sewer rates, stating expenses have escalated in the past several years which will necessitate a rate increase. After discussion, it was moved by Hess, seconded by Landmark and carried unanimously to amend the water and sewer rates as follows:

Water			
Residential	Current	2014	2015
Service charge	17.50 per mo.	\$19.00	\$19.00
Consumption			
0-3 Units	\$1.45 per 100 cu. ft.	\$1.50	\$1.55
4-7 Units	\$1.70 per 100 cu. ft.	\$1.75	\$1.80
Over 7 Units	\$2.00 per 100 cu. ft.	\$2.10	\$2.15
Commercial	Current	2014	2015
Service Charges			
5/8 - 1" Meter	\$22.50 per mo.	\$24.00	\$24.00
1 1/4 - 2" Meter	\$34.50 per mo.	\$36.00	\$36.00
Larger than 2"	\$67.50 per mo.	\$69.00	\$69.00
Consumption	\$1.70 per 100 cu. ft.	\$1.75	\$1.80

Sewer			
	Current	2014	2015
Unit Rate	\$4.90	\$5.90	\$6.10
Minimum Charge	\$24.50	\$24.50	\$25.00

It was moved by Landmark, seconded by Fitz and carried unanimously to approve the bills and warrants in the amount of \$322,073.23.

There being no other business, a motion was made by Hess, seconded by Fugleberg and carried unanimously to adjourn the meeting at 6:07 p.m.

Mayor

City Clerk



**MINUTES – BENSON PLANNING COMMISSION – REGULAR MEETING
SEPTEMBER 16, 2013 AT 12:00 NOON**

Members Present: Ron Laycock, Delbert Gonnerman, Karen Evenson, Mark Schreck and Sue Fitz

Members Absent: Kathy Polzin

Also Present: Rob Wolfington, Mike Jacobson, Ben Wilcox, Glacial Plains Representative Tim Molden

The meeting came to order at 12:03 p.m.

It was moved by Fitz, seconded by Gonnerman and carried unanimously to approve the August 5, 2013 minutes.

Conditional Use Permit – 720 Atlantic Ave.

There was a conditional use permit application from Glacial Plains Coop to build an unattended diesel fueling station at 720 Atlantic Ave. Wolfington said the application came in on August 20, 2013. He said this is a permitted use at the location, with conditions set by the City. The property is zoned General Business. There has been no written correspondence for or against the project. Tim Molden said the tanks will be underground, and will hold less than the maximum permitted. There is an electronic monitoring system to detect any spills. There will be two fuel islands with a card swipe system. There will be a canopy with lights only under the canopy. The surface will be all concrete and drainage will be toward the highway. Any signage will be directly on the canopy. Wolfington drew out a map of the area with egress, and existing utilities. There was a question if there would be some type of screening for the property owners.

Homeowner next to the project, Barb Amundson questioned how close to the property line the tanks will be buried. Molden stated 34', there will be no structures and grass will be planted. There will be 4 pumps operational 24 hours a day, 7 days a week. Amundson asked about an environmental impact study and what is the fire code next to a home. She felt in an industrial zone it is 100' from a residence. She handed out information to the Commission, and went on to say she feels this will be a health hazard, safety hazard and ruin her property value. She went on to read information on health & environmental impacts of diesel fuel and fumes. Mrs. Amundson stated she felt Glacial Plains had other options where to place the fueling station instead of right next to her home.

Wolfington said the application must be acted upon within 60 days, or the application is automatically granted. He stated there was a lot of information that needs to be reviewed. The Commission discussed needing more time to evaluate the permit and its possible impact. It was moved by Gonnerman, seconded by Schreck and carried unanimously to meet again on September 30, 2013 at noon to discuss further the Conditional Use Application.

BNSF

Wolfington said we have the land purchased from the railroad where the old Standard Lumber building is, on west highway 9. He said we have been waiting for the railroad to come back with the paperwork. Demolition of the building is done, but there was some buried garbage that is being analyzed by an environmental company. We have done a phase I environmental study before demolition, which came back clean.

The creamery parking area is near completion. The Zetetic Study Club donated trees for that area.

Training Opportunity

Wolfington said there is a class in Little Falls on October 16, 2013 for floodplain issues. If anyone would like to attend, they should contact Rob or Val by the end of the week.

Expansion of Utilities East of Town

DeGraff has been directed by the Pollution Control Agency to address their wastewater situation there. Two options is to construct a pond system, or to hook into the City of Benson's wastewater system. The options are being evaluated.

Don Lenz's new company Great Imports is looking at buying a piece of property across from Zielsdorf Auction to build a new building. Lenz asked the Council at their last meeting if they would consider running sewer and water to the property. Wolfington said after review, they would have to look into annexing several properties in the area, and each property would be assessed for the project. There was discussion by the Commission.

Tabletop Discussion

Wolfington said there have been several fabric hoop structures going up in people's yards. The Council has decided to give people until April to remove them, as they are in violation of the ordinance. We will send a letter to property owners. Wolfington said the Planning Commission could suggest changing the ordinance to permit the structures or recommend the City enforce the ordinance. After discussion, it was moved by Gonnerman to send a letter to property owners with temporary fabric structures enforcing the ordinance, seconded by Fitz and carried unanimously.

Adjournment

Since there was no other business, the meeting it was moved by Fitz, seconded by Gonnerman to adjourn the meeting at 1:10 p.m.



EDA Meeting September 20, 2013

Members Present: Leroy Noreen, Mike Fugleberg, Paul Estenson, Pat Hawley, Jon Buyck, Paul Kittelson & Rob Wolfington
Members Absent: Rick Horecka
Also Present: Belinda Sanders

Chairman Estenson called the meeting to order at 12:07 p.m.

It was moved by Fugleberg, seconded by Hawley and carried unanimously to approve the August 15, 2013 EDA minutes.

International Biomass Conference Update

Wolfington briefed the EDA Board on the conference. It is in March. The State of Minnesota is going to have a booth next to ours. The Tourism Board is going to upgrade the booth. The conference is in Orlando, Florida.

Utility Expansions East of Benson

Wolfington said Don Lenz approached the City Council at the last meeting to consider extending sewer and water to a piece of property outside the City limits to a piece of property across from Zielsdorf Auction on County Road 37. The City of Benson currently serves electricity to this area. His new company, Great Imports, would like to build a 30,000 square foot building to conduct textile work. He is asking for sewer and water extension to the building. He is required to have a sprinkler system in the building. The Council asked staff to research the feasibility. Wolfington showed the Committee a map of the area, and said it could work if Torning Township would allow us to annex several properties in the area. Also a variable is if the landowners would want to be annexed into the City and if they would want city water and sewer. Wolfington has met with the Torning Township Chairman, who will bring the topic to his board for review. It will cost quite a bit in engineering, and Lenz would like this done by spring, which may not be feasible this late in the season. There was discussion by the board about economic impact.

DeGraff, Minnesota has been required to look into addressing the septic systems in their town by the Minnesota Pollution Control Agency. One possible scenario would be for DeGraff to hook into our system. DeGraff has explored some federal grants that are available. They are still exploring the best option for their city.

There being no other business, Kittelson made a motion, seconded by Noreen and carried unanimously to adjourn the meeting at 12:32 p.m.

Safety Committee Meeting
Thursday, October 17, 2013
9 AM

Members Present: John Goulet Rob Wolfington, Mike Hoffman for Wade Ascherman, Eric Stephen, Gary Searcy and Val Alsaker

Members Absent: Tim O'Conner, Elliot Nelson, Wade Ascherman and Ian Hodge

Old Business

1. Checklists were turned in from the Line Garage which stated they purchased a new rope for the digger truck. The Power Plant noted new signs on the entrance doors which stated employees only. Water department needs a holder for their MSDS book. Transit and wastewater had no noted issues.

New Business

1. Val mentioned the Health Fair is coming up soon. Blood draws for the health fair will be on October 23, 2013 starting at 8am. The Health Fair will be on October 30, 2013. She also asked anyone who wants to sign up needs to do so by Friday. Rob talked about an email he received for a possible grant to promote wellness at the City. He and Val will review the information.
2. Val talked to vendor Onsite Medical that proposed they could do the City's audios in a truck in 30 minutes at a cost of \$25.00. After discussion it was decided to keep the business local and stay with ACMC.
3. There were several incidents that were reviewed by the Safety Committee:
 - A Parks worker drove too close to a parked car and scraped the car.
 - A Street worker slipped and fell on mud at a water main break.
 - A street worker had a tire blow on the skid loader near his ear which caused ringing in his ear for a while.
 - A bus driver had a handicapped rider hit her repeatedly in the head and shoulder when getting on the bus.
 - A police officer was helping push a stalled car when his foot became caught under the door, twisting his ankle to which he fell on the ground.

Other Business

1. Val talked about the top 10 OSHA violations for 2012. They are:

Fall Protection	Hazard Communication
Scaffolding – General Requirements	Respiratory Protection
Ladders	Machine Guarding – General Requirements
Powered Industrial trucks	Electrical – Wiring Methods
Lockout-Tagout	Electrical – General Requirements

2. There was a death in Glenwood recently at a manufacturing facility where a luggage carrier they manufacture for the airlines fell on the employee killing him.

There being no other business, the meeting was adjourned at 9:14 am.

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:
 - conducts lawful gambling on five or fewer days, and
 - awards less than \$50,000 in prizes during a calendar year.
 If total prize value for the year will be \$1,500 or less, contact the licensing specialist assigned to your county.

Application fee (non refundable)
 If application is postmarked or received 30 days or more before the event **\$50**; otherwise **\$100**.

ORGANIZATION INFORMATION

Organization name *Benson Ducks Unlimited* Previous gambling permit number

Minnesota tax ID number, if any Federal employer ID number (FEIN), if any

Type of nonprofit organization. Check one.
 Fraternal Religious Veterans Other nonprofit organization

Mailing address *513 North Hwy 29* City *Benson* State *MN* Zip code *56215* County *Swift*

Name of chief executive officer [CEO] *Andy* Daytime phone number *320-843-3699* E-mail address *andyabnere.willmar.com*

NONPROFIT STATUS

Attach a copy of ONE of the following for proof of nonprofit status.
 Nonprofit Articles of Incorporation OR a current Certificate of Good Standing.
 Don't have a copy? This certificate must be obtained each year from:
 Secretary of State, Business Services Div., 60 Empire Drive, Suite 100, St. Paul, MN 55103
 Phone: 651-296-2803
 IRS income tax exemption [501(c)] letter in your organization's name.
 Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.
 IRS - Affiliate of national, statewide, or international parent nonprofit organization [charter]
 If your organization falls under a parent organization, attach copies of both of the following:
 a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and
 b. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted. For raffles, list the site where the drawing will take place.
Benson Bowler

Address [do not use PO box] *2205 MN Ave.* City or township *Benson* Zip code *56215* County *Swift*

Date[s] of activity. For raffles, indicate the date of the drawing.
Nov 23rd

Check each type of gambling activity that your organization will conduct.
 Bingo* Raffle Paddlewheels* Pull-tabs* Tipboards*

*Gambling equipment for bingo paper, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT

**CITY APPROVAL
for a gambling premises
located within city limits**

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days [60 days for a 1st class city].
- The application is denied.

Print city name _____

Signature of city personnel _____

Title _____ Date _____

Local unit of government must sign

**COUNTY APPROVAL
for a gambling premises
located in a township**

- The application is acknowledged with no waiting period.
- The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days.
- The application is denied.

Print county name _____

Signature of county personnel _____

Title _____ Date _____

TOWNSHIP. If required by the county.

On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits.

[A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.166.]

Print township name _____

Signature of township officer _____

Title _____ Date _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief executive officer's signature Andy Abner (Ducks unknited) Date 10/28/13

Print name Andy Abner

REQUIREMENTS

Complete a separate application for:

- all gambling conducted on two or more consecutive days, or
 - all gambling conducted on one day.
- Only one application is required if one or more raffle drawings are conducted on the same day

Send application with:

- a copy of your proof of nonprofit status, and
- application fee (non refundable). Make check payable to "State of Minnesota."

To: Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Financial report and recordkeeping required

A financial report form and instructions will be sent with your permit, or use the online fill-in form available at www.gcb.state.mn.us.

Within 30 days of the event date, complete and return the financial report form to the Gambling Control Board.

Questions?

Call the Licensing Section of the Gambling Control Board at 651-639-4000.

This form will be made available in alternative format (i.e. large print, Braille) upon request.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board.

All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney

General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; Individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.



SWIFT COUNTY ADMINISTRATION

Historic Courthouse
301 14th Street N
P.O. Box 288
Benson, MN 56215

cc next mtg

October 29, 2013

Paul Kittelson, Mayor
City of Benson
508 18th St No
Benson, MN 56215

Dear Mayor Kittelson:

The Swift County Board of Commissioners is inviting you to an open meeting with other Mayors and Administrators/Clerks of Swift County on Monday, November 18th from 5 PM to 6:30 PM in the Swift County LEC Conference Room. The purpose is simply to bring everyone together and have a conversation and discuss common topics and we hope to make this a periodic event. Dinner will be provided.

If you are able to attend please RSVP with Mike Pogge-Weaver at 320-314-8399 or via email at mike.poggeweaver@co.swift.mn.us by November 12th. If you have a topic you would like on the agenda please send those items to Mike.

Thank you and we look forward to seeing you on the 18th!

Sincerely,

Mike Pogge-Weaver
County Administrator

cc: ✓ Rob Wolfington, City Manager

*see you on the
18th Rob
Travels
Mike*

CITY OF BENSON
SMALL CITIES DEVELOPMENT PROGRAM
RESIDENTIAL OWNER REHABILITATION AND RELOCATION PROJECT
- PROCEDURAL GUIDELINES -

PROGRAM OBJECTIVES

1. **FEDERAL OBJECTIVE (OWNER OCCUPIED):** The primary objective is to provide financial assistance to low to moderate-income individuals who are residing in substandard housing.
2. **SECONDARY IMPACTS:** Secondary impact is to encourage the improvement of the general appearance and value of the housing stock while making a visible and substantial improvement upon the quality of life and appearance of the community.

PROGRAM ADMINISTRATION

1. **GENERAL ADMINISTRATOR:** The City of Benson is contracting with Upper Minnesota Valley Regional Development Commission; UMVRDC is responsible for all phases of the administration of this Small Cities Development Program. UMVRDC will be the Fiscal Agent and will be responsible for all financial and progress reports. UMVRDC will have principle responsibility for completion of the Environmental Assessment and the development/submission of all required policies and procedures prior to commencement of program delivery.
2. **FIELD ADMINISTRATOR:** The UMVRDC is contracting with Swift County Housing and Redevelopment Authority, (Swift County HRA) for housing rehabilitation field administration services. Swift County HRA is responsible for program delivery including; marketing, determination of household eligibility, application completion and approval, assist with packaging of project financing, housing inspections and suitability of housing rehabilitation, work write-ups, contract awards, interim inspections, change orders, final inspections, contractor payments and project close-outs. Swift County HRA will provide the UMVRDC with regular financial and progress reports.
3. **FEDERAL COMPLIANCE:** The City of Benson, UMVRDC and Swift County HRA will share responsibility to comply with Federal Regulations regarding the implementation and administration of this Small Cities Development Project.

HOUSEHOLD ELIGIBILITY

1. **INCOME ELIGIBILITY:** The housing rehabilitation program is designed to be of 100% benefit to households of low to moderate incomes. This will be achieved by following the gross income limits as set by the Department of Housing and Urban Development for the Section 8 Existing Housing Program. The income limits as adjusted for family sizes are listed below. These limits shall be adjusted periodically upon HUD notification of income revisions.

HUD Section 8 Income Guidelines Effective February, 2013

HOUSEHOLD SIZE	HOUSEHOLD INCOME
1	\$34,550
2	\$39,500
3	\$44,450
4	\$49,350
5	\$53,300
6	\$57,250
7	\$61,200
8	\$65,150

2. GROSS ANNUAL INCOME: Income for the purposes of this program shall be defined as gross annual income. Income includes, but is not limited to the following sources:

- a. Salary, commissions, bonuses and tips;
- b. Interest and dividends;
- c. Annuities, and pensions;
- d. Rental property income (gross rents received subtracting interest, insurance, taxes, maintenance, and utilities);
- c. Estate or trust income;
- f. Gross annual income from self employment shall be deemed to be the net profit from said self employment, as declared by the applicant in Schedule C, D, or E, Part III, as appropriate, of the United States Internal Revenue Service form 1040, or any other such schedule as may be hereafter promulgated;
- g. Any public assistance including but not limited to GA, AFDC, SSI and Unemployment Compensation for all household residents;
- h. Social Security, including survivor benefits;
- i. Child support payments;
- j. Workers Compensation;
- k. Business income for self employed individuals;
- l. Interest income from lump sum insurance payments or judgments for health, accident, worker's compensation and personal or property losses.

3. EXCLUDED INCOME: Temporary, non-recurring or sporadic income shall not be considered as part of a household's annual income. That income will be as defined below:

- a. One Time or sporadic gifts.
- b. Income from children under 18 years of age.
- c. Payments for foster children.
- d. Medical expense reimbursements.
- e. Educational scholarships used for tuition, fees, or books.
- f. Insurance lump sum payments or judgments for health, accident, worker's compensation and personal or property losses. Any interest income derived from such sources will be viewed as annual income.
- g. Hazard duty pay to a household member in the Armed Forces.
- h. A capital gain.
- i. Reimbursements for expenses.

4. INCOME VERIFICATION: All income shall be verified in writing by a third party. The following verification examples listed below are considered acceptable.

- a. An income verification sheet, which is signed by a third party at the source of income;

- b. The previous two years tax returns shall be placed in the file for all applicants, if self employed. Tax returns will be used to calculate income for those applicants who are self employed or have variable incomes. All schedules and attachments are necessary;
- c. Signed third party verifications from banks, savings and loans, insurance companies, and etc.;
- d. Such other written/printed verifications as deemed appropriate by Swift County HRA.

Income verification information that is more than one year old will not be considered current or valid and must be reverified.

- 5. **ASSETS:** There will be no asset limitation associated with SCDP loans.
- 6. **DATA PRIVACY:** The applicant's name, address and the amount of assistance received are considered public data under the Minnesota Data Practices Act. Other information provided to the housing rehabilitation program about the applicant and the applicant's household is considered private data.

Private data will be used only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the Minnesota Dept. of Employment and Economic Development, the U.S. Dept. of Housing and Urban Development or other local, state and federal agencies providing funding assistance for your loan.
- Members of the local governing board for the purpose of addressing/resolving applicant complaints (as addressed in the project's policy and procedural manual).
- Those persons who are authorized by the applicant to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

Private data cannot be released to anyone else or used in any other way unless the applicant gives permission by completing a consent form that will be provided. Data must be released if required by court order, and, in addition, your private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.

- 7. **EVIDENCE OF FRAUD:** Any administering party participating in the Program shall refer evidence of fraud, misrepresentation, collusion or other misconduct on the part of the applicant or contractors in connection with the operation of the Program to the State of Minnesota Attorney General for investigation and possible legal action.

CONFLICT OF INTEREST

- 1. **GENERAL CONDITIONS:** Elected officials, employees of Small Community Development Program grant recipients and contractors are all responsible for administering the program and insuring the program's integrity. Following sound business practices, prescribed standards of conduct will protect not only grant funds but also those who administer the programs.

Federal Regulations, 24 CFR, Part 570.489(h), Uniform Administration Requirements and Minnesota Statutes 412.311 and 471.87-471.89 address conflict of interest. Under federal regulations, recipients may not:

- Obtain personal or financial interest or benefits, including money, favors, gratuities, entertainment or anything of value that may be interpreted as conflict of interest.
- Obtain a direct or indirect interest in any contract, subcontract or agreement for any activity. This prohibition extends to contracts in which recipients' spouse, minor child, dependent or business associate may have personal or financial interest.
- Persons prohibited from obtaining a direct or indirect interest in a contract, subcontract or agreement, include: elected, employed, appointed or contracted individuals; or their firms, of State, County, City or Township; or Grant Administrator.

If there appears to be a potential conflict of interest and the Grantee wishes to request an exception, the Grantee must provide the Department of Employment and Economic Development:

- a. A description of the nature of the conflict;
- b. A description of how the public disclosure was made;
- c. Evidence that there has been a public disclosure of the conflict (example, copy of council minutes);
- d. An opinion of the attorney for the Grantee stating that the interest for which an exception is sought would not violate State or local law.

Any correspondence and support documentation must be retained by the Grantee in a separate file. SCDP staff will review this information and make a determination on whether the situation would warrant granting an exception to the federal conflict of interest provisions. SCDP will issue a written decision.

2. **DETERMINATION OF CONFLICT OF INTEREST:** When questions arise or a situation is unclear an initial Opinion of Conflict of Interest shall be sought from the City Attorney. That Attorney's Opinion will outline areas that the situation is within or outside applicable Federal Regulations 24 CFR 570, Uniform Administration Requirements and State Statutes 412.311 or 471-87 through 471.89. The Attorney's Opinion shall be forwarded to DEED Staff, and at DEED's discretion, shall be forwarded to the Minnesota Attorney General for the State's Legal Opinion.

ELIGIBLE PROPERTIES

1. **SUBSTANDARD RESIDENTIAL PROPERTY:** Residential dwelling must be determined to meet the following classifications in order to be eligible for assistance under this SCDP Housing Rehabilitation Program.
 - a. The residential unit does not meet HUD's Section 8 Housing Quality Standards.
 - b. The residential unit does not meet applicable Fire Code, Occupancy Codes, National Electrical Code, Uniform Mechanical and Plumbing Codes.
 - c. The residential unit contains health and safety hazards such as lead based paint, friable asbestos, contaminated water supply, raw sewage, etc.
 - d. The residential unit lacks safe, reliable water supply or sanitary wastewater disposal.
 - e. The residential unit does not meet Minnesota Energy Efficiency Standards.
 - f. The residential unit fails to provide suitable shelter in some other obvious and apparent manner.

2. **SUBSTANDARD UNIT IDENTIFICATION:** Local criteria have been established for the purpose of the identification of substandard and ranking of residential units based on the number and severity of deficiencies as defined at the time of the housing inspection. Each home will be classified based on the following criteria:

- * Standard Condition: Less than 10 years old or more than 10 years old with no major noticeable defects.
- * Substandard Condition: Major defects, not energy efficient, structural defects, bad electrical systems, rot present, roofing and window replacement necessary.
- * Beyond repair: Unit shows sever deterioration in all major structural failure. Building is either abandoned or may pose a threat to its occupants. Not cost effective to repair.

3. **PRIORITY FOR REHABILITATION:** There is a waiting list of properties derived from the grant application that will be served first. Applications will be sent to these properties on the waiting list, and priority order will be first come first served as these applications are returned. After all people on the waiting list are given an opportunity to apply for SCDP funds, applications may be made available to others in the target area.

4. **SUITABILITY FOR REHABILITATION:** Residential dwellings must be determined as suitable candidates for rehabilitation in order to receive SCDP funds. That determination shall be based on a number of factors including structural viability/housing deficiencies, market-housing design viability, historic significance, zoning, location, cost of rehabilitation and post market value, housing replacement costs and other socioeconomic factors.

- a. **Structural Viability:** Will be determined by the number and severity of structural and house system deficiencies existing in the rehabilitation candidate. Funding from SCDP and Leverage sources must be available to address all existing structural deficiencies.
- b. **Residential Design/Local Market Value:** The residential unit design must allow for residential reuse of the unit after the current owner has moved on. The residential design must be such that the unit will have an after rehabilitation market value or a layout that allows for modifications to the unit within its after rehabilitation market value that exceeds the cost of rehabilitation.
- c. **Historic Significance:** Residential units that possess historic significance will be reviewed outside of normal market value economic considerations.
- d. **Zoning/Property Location:** Residential units located within industrial or commercial zones may be declared as not suitable for rehabilitation.
- e. **After Rehabilitation Market Value:** If the type and number of housing repairs needed to bring the home into compliance with the adopted housing standards exceeds the after rehabilitation market value of the unit, the unit may be declared as not suitable for rehabilitation. Denial of assistance due to this factor shall be based on the after rehabilitation market value as established through an appraisal. After Rehabilitation Market Value is defined as:

Current EMV + 50% of the Cost of Rehabilitation Repairs

- f. **Housing Replacement Costs/Socioeconomic Factors:** When a residential unit has been determined to be unsuitable for rehabilitation due to economic or market factors other factors **must** be considered in approving assistance to the household. These factors include:
 - 1) Lack of Housing Alternatives
 - 2) Cost of Relocation
 - 3) Expense of Housing Alternatives

- 4) Abnormal Low Market Values due to depressed market
- 5) Physical condition and age of resident

5. **DECLARATION OF UNSUITABLE FOR REHABILITATION:** When a residential unit has been determined as not suitable for rehabilitation the governing body, the City of Benson, shall review information provided by Swift County HRA that shall consist of the following:

- a) Inspection Report
- b) Estimated Cost of Repairs
- c) Zoning/Location
- d) After Rehabilitation Appraisal
- e) Historic Review (SHPO)
- f) Socioeconomic Factors

Swift County HRA will also provide the City of Benson with the analysis made based on Section 3f: Lack of Housing Alternatives; Cost of Relocation; Expense of Housing Alternatives, Abnormal Low Market Value in a Depressed Market; and Physical Condition/Age of Resident. The Governing Body shall then make a determination to declare the residential unit as unsuitable for rehabilitation or decide that other factors warrant the rehabilitation of the unit, in which case the project proceeds.

6. **ELIGIBLE STRUCTURES:** The property must be a residential structure of no more than two units. The following structures will be eligible to receive assistance through this housing rehabilitation program:

- a. Owner occupied Single-family detached homes
- b. Owner occupied Duplex homes.
- c. Owner occupied mobile homes. Mobile homes must be mechanically affixed to permanent foundation on a Frost Footing.

7. **TARGET AREA:** The target area is located in the southwest part of Benson where the train tracks and main thoroughfares make natural boundaries for the proposed program. Pacific Avenue including homes adjacent to the railroad tracks makes up the northern boundary, Minnesota Ave makes up the southern boundary, 21st Street makes up the western boundary, and 15th St, McKinney Ave and Church Street at their connections make up the eastern boundary.

8. **OWNERSHIP REQUIREMENTS:** The following requirements must be met relating to ownership and the execution of the repayment agreement.

- a. **Fee Simple Absolute:** All owners named by deed, and if applicable their spouses, must execute the repayment agreement prior to the commencement of work.
- b. **Contract for Deed:** All Contract for Deed Vendors, and if applicable their spouses, must execute the repayment agreement, including all Contract for Deed Vendees, and if applicable their spouses, must execute the repayment agreement prior to the commencement of work.
- c. **Life Estate:** All Life Estate Tenants, and if applicable their spouses, must execute the repayment agreement, including 2/3 majority of all the remaindermen, and if applicable their spouses, must execute the repayment agreement prior to the commencement of work.
- d. **Other Estates:** Other ownership relationships will be determined on a case-by-case basis.

9. **OCCUPANCY STANDARDS:** The property to be rehabilitated shall be the principal place of residence of the applicant. Failure to meet occupancy standards will result in denial of application or repayment of the unforgiven portion of the SCDP loan.

10. **HOMEOWNER'S INSURANCE:** The applicant must carry current homeowner's insurance both at the time of the application and through the completion of rehabilitation with a minimum of hazard insurance coverage. Where the applicant does not have said insurance at the time of application, the applicant will be issued a Temporary Denial and the application will be placed on hold until insurance can be secured.
11. **TAX DELINQUENCY:** Applicants receiving rehabilitation assistance must be current with property tax payments. Verification must be provided in the file. Where property taxes are not current, at the time of application, the applicant will be issued a temporary denial and the application will be placed on hold until property taxes are paid current. No SCDP funds will be held for the applicant while property taxes are delinquent.
12. **DEFAULT AND BANKRUPTCY:** Applicants shall not be eligible to receive SCDP funding if the property to be rehabilitated is in default under its home mortgage, contract for deed or comparable obligation. An applicant will be ineligible to receive assistance through this rehabilitation program if the applicant is currently involved in bankruptcy proceedings.
13. **FLOOD PLAIN:** The Benson Target Area does not encompass any area located within a flood plain.

PROJECT FUNDING

1. **OWNER OCCUPIED PROGRAM DESIGN:** The SCDP project shall have a funding based on income. The following table details funding level and loan type:

HUD Section 8 Income Guidelines Effective February, 2013

HOUSEHOLD SIZE	HOUSEHOLD INCOME
1	\$34,550
2	\$39,500
3	\$44,450
4	\$49,350
5	\$53,300
6	\$57,250
7	\$61,200
8	\$65,150

Very Low Income Applicants cannot be excluded from participation in the Housing Rehabilitation Program due to the lack of leverage funds.

2. **MAXIMUM FINANCING:** The maximum SCDP loan amount extended to any applicant shall **not exceed \$18,750** for single family or duplex residential or owner occupied dwelling units. The maximum SCDP loan amount may be exceeded for completion of rehabilitation repairs related to health and safety. If the total cost of repairs exceeds the maximum SCDP loan limits, the applicant will be responsible to secure additional financing beyond the required matching leverage amount for the applicant's income. Swift County HRA will assist the applicant to secure leverage funding. If the applicant is unable to secure the necessary funding, then the scope of the project will be reduced in a manner that is consist with the funding priorities and adopted Housing Standards. Project funding maximum loans by loan category are as follows:

3. **OWNER OCCUPIED DUPLEX HOUSING:** Where SCDP loans are granted for rehabilitation of owner occupied duplex homes, funds may only be used for 1) rehabilitation of the structural components of the home and 2) the internal components of the owner occupied portion of the duplex. Funds may not be used for the rehabilitation of the internal components of the non-owner occupied unit within the duplex.

OWNER OCCUPIED COMMERCIAL HOUSING UNIT: Where SCDP loans are granted for rehabilitation of owner occupied commercial housing unit, funds may only be used for 1) rehabilitation of the structural components of the housing unit and 2) the internal components of the owner occupied portion of the commercial building. Funds may not be used for the rehabilitation on the internal components of the non-owner occupied unit within the commercial property.

4. **FINANCING DEFINITIONS:** The Benson Small Cities Development Program (SCDP) Housing Rehabilitation Program will have different financing categories based on applicant income. The financing will consist of:

- a. **Deferred Loans:** A 0% deferred loan will be defined as a loan without interest or periodic payments which must be repaid in the event the improved property is sold, transferred, conveyed or ceases to be the borrower's principal place of residence. The loan is forgiven over a period of seven (7) years with one-seventh (1/7) of the total loan forgiven per year.
- b. **Leverage funds:** Shall be any funds used to provide for rehabilitation activities performed at an eligible applicant's dwelling unit other than the funds provided by the Small Cities Development Program. Leverage sources will be determined by income, homeowner debt and debt carrying capacity, homeowner credit worthiness and property eligibility. Leverage will be based on household income and funding source limitations.

Leverage Fund Sources: The following fund sources will be accessed based on applicant income eligibility:

- a. **Very Low Income:** Deferred loans and grants. These will be provided by the following programs and sources: Minnesota Housing Finance Agency's, Rehabilitation Loan Program (RLP), D.O.E. Weatherization, Energy Assistance Repair Program, Farmers Home Administration's 504 Rural Housing Grant Program, and where applicable, client contributions or other available financing sources.
- b. **Lower Income:** Subsidized and unsubsidized loans. These loans will be provided by the following programs and sources: Minnesota Housing Finance Agency's Home Loan Program (HLP), Farmer's Home Administration's 504 Rural Housing Loan Program; Local Bank Loans, and where applicable, client contributions and other available financing sources.

5. **OTHER LEVERAGE SOURCES:** Leverage may be provided from sources other than private, public or non-profit Lenders as follows:

- a. **Liquid Assets:** In some cases homeowners may wish to use liquid assets for leverage funds. When this occurs, homeowners will be required to turn the funds over to Swift County HRA before any proceed to work is sent to a contractor. These funds will be deposited in an escrow account and will be released only after the homeowner has signed a completion certificate.
- b. **Sweat Equity:** Property owners may also wish to contribute labor towards the completion of the project. To do this, they must exhibit adequate skill and the physical ability to perform the work required. The Field Administrator will determine their ability. Work agreements will be signed by the property owner with strict completion dates to insure timely project completion. The equity

contributed toward the project will be pro-rated on a credit rate based on the following formula:

Cost of materials/\$20.00 X 10 = Sweat Equity

Example: cost of materials=\$8,000 [\$8,000/\$20 = 400] [400 X 10 =\$4,000]
Sweat Equity = \$4,000

- c. Prior Improvements:** Under certain conditions, the cost of prior improvements made to the applicant's home may be counted as a source of leverage. The Housing Inspector will make this determination based on the following criteria:
1. The improvement made is determined to be an eligible improvement under the Small Cities Development Program and is deemed to be a necessary improvement by the housing inspector;
 2. Improvements made can be verified by paid receipts;
 3. The improvements were made within a one-year time period of the date of Environmental Clearance and Release of Funds granted by the Department of Employment and Economic Development to the City of Benson for the Small Cities Program.
- d. Leverage Fund Policy:** Proceeds will be held in escrow accounts from all sources, except where prohibited by other lending sources, until the improvement has been completed to the satisfaction of the applicant and the project manager. The escrow will be held in a special account labeled as "leverage funds" and cannot be released until the applicant has signed a completion certificate, indicating that they are releasing the funds to the contractor.

ELIGIBLE IMPROVEMENTS

1. **GENERAL CONDITIONS:** It is the goal of this housing rehabilitation program to rehabilitate substandard housing to the HUD Housing Quality Standards and the Minnesota Energy Efficiency Standards, and where applicable to the Benson Building Code. It will be the primary focus of this rehabilitation program to eliminate health, safety, energy and structural deficiencies in the dwelling units within the residential areas of Benson. In all cases those types of housing deficiencies will be addressed before any other improvement can be considered. There will be no work funded through the Small Cities Development Program for strictly cosmetic purpose.
2. **ELIGIBLE IMPROVEMENTS:** Only permanent improvements can be funded through the Small Cities Development Program. Permanent improvements shall be those that include conversions, alternations, renovations, or repairs upon and in connection with existing dwelling units, which correct defects and deficiencies in those units, which affect the safety, habitability, structural integrity or energy efficiency of the property. Upon completion the property must meet or exceed HUD's Housing Quality Standards and must meet the following general requirements:
 - a. The structure shall be livable, safe, structurally sound and habitable;
 - b. All improvements shall meet all governing applicable codes and shall not be governed solely by the Benson Rehabilitation Standards. However, existing situations may be "grand fathered in" if the code violation is not one that is associated with any health, safety, energy or structural violations.
3. **PRIORITY IMPROVEMENTS:** Shall be defined as improvements that are mandatory and must be completed before other types of repairs are considered. Applicants who own

properties with priority improvements will be given priority over other applicants. Those repairs include, but are not limited to the following:

- a. Fire Code, National Electrical Code, Uniform Plumbing Code and Mechanical Code violations affecting health and safety.
 - b. Elimination of Lead Based Paint and Asbestos.
 - c. Repairs affecting the structural integrity of the building.
 - d. Modifications to make the home accessible to handicapped members of the household (Section 504). Handicaps must be medically documented.
 - e. Those structures where overcrowding exists shall be prioritized. The building design and the number and sex of the occupants shall determine overcrowding.
 - f. Violations of HUD's Housing Quality Standards.
 - g. Violations of the Minnesota Energy and Efficiency Standards.
 - h. SHPO mandated repairs are priority. If the Minnesota Historical Society has determined the structure historically significant, the Minnesota Historical Society must review plans for exterior improvements to the structure.
4. **FUNDING PROHIBITIONS:** Improvements that are largely cosmetic or do not improve housing systems are generally ineligible. Specifically, the following activities are ineligible:
- a. Household appliances, saunas, whirlpool baths, decorative cabinetry, detached garages, decks, patios, landscaping (unless it undertaken due to repairs resulting from eligible activities), wood burning heating systems, fireplaces, fencing, water softener, window air conditioners, or central air. (Central air conditioning may be allowable with documented medical justification).
 - b. Small Cities Development funds shall not be used in whole or in part to finance or to satisfy an existing debt.
 - c. Small Cities Development Program funds shall not be used for the payment, in whole or partly for the satisfaction of assessments for public improvements. However SCDP funds can be used to fund improvements that may be a portion of city improvements as long as those improvements are located on or under an eligible applicant's property. Such improvements must be documented as to location of improvement and reason for assessment.
 - d. Additions are generally ineligible unless the work is being undertaken to address over crowding or accessibility issues. Documentation of such conditions is required in the file.
5. **WAIVER OF PROGRAM REQUIREMENTS:** Swift County HRA, as the field administrator may request a waiver of program requirements on behalf of an applicant that meets basic SCDP Program eligibility.

Waivers may be requested to address the following housing deficiencies:

- a. Repairs that address code violations that effect health and safety.
- b. Repairs that effect the elimination of Lead based Paint and Asbestos.
- c. Repairs affecting structural integrity.
- d. Modifications to make the home handicapped accessible in cases where a medically documented need exists.
- d. Modifications to address over crowding conditions.
- e. SHPO mandated repairs.

Waivers may be requested that involve the following program areas:

- a. Maximum loan amount may be increased.
- b. Minimum matching requirements may be waived provided that the household debt capacity exceeds 25% debt to income for housing debt-housing housing

repairs plus housing mortgage related debt (PITI principal, interest, insurance, and taxes). Or there is inadequate housing equity to meet industry standards. Waivers shall not be considered for consumer installment related debt.

In order to request a waiver of Program Requirements, Swift County HRA shall present a request containing the following documentation to the approving entity:

- a. Identification of necessary repairs and modifications.
- b. Identification of financial, repair cost, or debt carry issues that make the waiver necessary.
- c. Income/ownership eligibility status applicant.
- d. Submitted bid amounts and selection of approved bid.
- e. Proposed financing package.

A determination shall be made by the approving entity. Swift County HRA shall inform the applicant of the approving entity's decision.

LEAD BASED PAINT

1. **GENERAL CONDITIONS:** The elimination of lead based paint is a priority of this Small Cities Development Program. The following procedures shall apply to the housing rehabilitation activities:

- a. All housing units built prior to 1978 will include a lead risk assessment.
- b. The Risk Assessment Report will be part of the rehabilitation project file.
- c. All applicants shall receive, review and sign, "Protect Your Family from Lead in Your Home". Rehabilitation files must indicate that owner have received a copy of the brochure. This document shall be part of the applicant file.
- d. Homeowners must receive the HUD Notice "Summary Risk Assessment Notice" and the file must show receipt of the Notice.
- e. Work write ups/specifications will incorporate the required lead hazard reduction options from the Risk Assessment Report and include language on required lead safe work practices, site preparation, prohibited practices and clearance.
- f. Owner-Contractor language will include prohibition of use of lead based paint, requirement for trained workers/supervisors and conducting work in accordance with lead safe work practices.
- g. Licensed workers and supervisor must carry out lead hazard reduction work.
- h. A clearance examination where lead hazard reduction was carried out. Trained Sampling Technicians will conduct clearance examinations. Copy of the clearance report will be kept in the project file and provided to homeowner/house occupants.

RELOCATION PROCEDURES

In the case of extensive lead hazard abatement, the applicant will be advised that the work will proceed only with temporary relocation of the applicant and all residents in the dwelling. It will be the responsibility of the applicant to voluntarily relocate during the abatement work and the applicant will assume all costs associated with the relocation.

HISTORICAL SOCIETY REVIEW

1. **SHPO REVIEW:** All properties erected 50 years or older will be reviewed by the Minnesota Historical Society to determine if the structure is historically significant **before** bids are let and any rehabilitation occurs. The file must contain documentation of approval from SHPO to proceed with rehabilitation.

2. **HISTORIC PROCEDURE:** After the Housing Inspector has completed the initial property inspection; the following will be submitted to the Minnesota Historical Society Officer (SHPO).

- a. A summary of the work to be done at the property;
- b. Photographs of the structure;
- c. Property description;
- d. Any other information request by the SHPO.

Prior to the issuance of the "Proceed to Work", a response from SHPO must be in the file indicating approval of proposed work and/or required amendments to the proposed work. Any changes in the scope of the project required by the SHPO must be initiated.

MARKETING

1. **GENERAL MARKETING:** Swift County HRA, on behalf of the City of Benson, will conduct outreach in the target area and may solicit applications for the program in the following ways:

- a. Notifying all applicants on the Benson Waiting List for compilation of an Applicant List.
- b. Conduct community meeting(s) to inform Benson residents of the availability of and application process for the Program.
- c. Issue press releases advertising community meetings and/or information on SCDP grant application both to local newspapers and to local radio stations.
- d. Make direct mailing of program information to the homeowners in the community if necessary to generate additional applicants.
- e. Develop brochures and send them out in the billing statements of our local utility vendors.
- f. Develop posters and post them in prominent areas in the communities as well as distributing brochures at commodity distribution sites, where applicable.

2. **FAIR HOUSING/AFFIRMATIVE ACTION:** It is the policy of the City of Benson to work affirmatively to ensure that all persons regardless of race, creed, national origin, sex, marital status, age, handicap or reliance on public assistance shall be treated equally and fairly for purposes of this SCDP Housing Rehabilitation Program.

- a. Program promotion conducted by Swift County HRA and/or the City of Benson shall be inclusive and will exercise care to avoid promotion methods that exclude eligible applicants.
- b. Swift County HRA will provide all applicants with printed information on Fair Housing at the time of application.
- c. Affirmative promotion shall actively pursue methods of reaching potential applicants that are difficult to reach.
 - 1) Spanish Language flyers, applications, etc. will be provided.
 - 2) Spanish translation will be provided for applicants in all phases of the rehabilitation process if needed/requested by the applicant.

APPLICATION AND APPLICANT SELECTION PROCEDURES

1. **APPLICATION PROCEDURES:** Applicants will be selected for participation of the Small Cities Development Program based upon 1) completion and acceptance of their application in accordance with program guidelines and 2) the class designation or health/safety repair priority determined by an inspection.

There is a waiting list of properties derived from the grant application that will be served first. Applications will be sent to these properties on the waiting list, and priority order will be first come first served as these application are returned. After all people on the waiting list are given an opportunity to apply for SCDP funds, applications may be made available to others in the target area.

2. **HOUSING INSPECTION:** Once an applicant has been determined eligible for a SCDP loan, a Housing Inspector will conduct an inspection of the property. The Inspector will determine what work is necessary to bring the property into compliance with the Housing Standards. The Inspector will determine the priority level of the necessary repairs. The Inspector will then prepare a Scope of Work (work write-up), which will rectify any violations to the Housing Standards, local codes and other eligible repairs. The Scope of Work shall be considered a binding contract between the applicant and the contractor performing work at the applicant's property.

A cost estimate needs to be completed.

- a. Owners need to know how much the job will cost and make decisions about what they can afford.
 - b. Program administrators need to know if a project is feasible given available resources.
 - c. Owners need to understand the relationship between deficiencies they have identified and deficiencies that the program can correct with SCDP funds.
3. **SCOPE OF WORK:** Shall contain the following project and contractual documents:

- a. Instructions to the bidder;
- b. Bid Proposal;
- c. Program Warranties;
- d. General Conditions;
- e. Special Conditions;
- f. Specifications categorized by trade;
- g. Diagrams and Layouts.
- h. Cost Estimate (file and owner review only)
- i. Work Write Up
- j. List of Eligible Improvements (file only)
- k. Rehabilitation Standards Compliance Certification (file only)
- l. Owner Completion Certificate (payments only)
- m. Contractor Owner Warranty
- n. Required lead hazard reduction options identified in Risk Assessment, if applicable

CONTRACTING PROCEDURES

1. **PARTICIPATING CONTRACTORS:** All contractors participating in the Small Cities Development Program must have a Contractor's Application on file at the Swift County HRA office. The application must contain proof of insurance coverage via a Certification of Insurance Coverage. The contractors will be responsible for securing insurance of the amounts specified on the application form. Where a contractor is not licensed, the contractor must have on file with Swift County HRA a "Licensing Exemption Form".
2. **BID SOLICITATION:** The Contract is between the applicant and the contractor. The applicant will be provided a list of contractors recognized by Swift County HRA by virtue of the contractor's filed application at Swift County HRA. However, an applicant is free to solicit bids from any contractor they wish. In order for a contractor who is not on file at the Swift County HRA office to be awarded a bid, the contractor must furnish Swift County HRA with a Certificate of Insurance and must complete a Contractor Application.

Upon doing so the contractor may be awarded the bid. All houses built before 1978 must have a risk assessment with paint inspections performed by a certified lead risk assessor. Lead hazards reduction work must be carried out by a licensed lead contractor.

3. **BIDDING:** Contractors will be allowed to bid on any and all rehabilitation projects, but **ONLY** Contractors licensed for Lead Hazard Reduction will be allowed to bid and do the work on any part of the project that contains lead. No single contractor will be allowed to work on more than three rehabilitation projects at one time.
4. **BID AWARDS:** The Contract shall be awarded to the lowest base bid, unless one of the following circumstances occurs:
 - a. The contractor has failed to follow the procedures as outlined in the Instructions to the Bidders, see Scope of Work;
 - b. The contractor fails to bid according to the specifications and it proves impossible to compare that contractor's bid with the other contractors;
 - c. The bid is determined to be unrealistically low by the Inspector and the contractor agrees to withdraw the bid;
 - d. The homeowner does not want the low contractor to perform the work and agrees to pay the difference between the lowest bid and the preferred contractor's bid.
 - e. All bids in a trade category are determined to be unrealistically high or non-competitive, in which case all bids in the questionable trade category will be thrown out and different contractors solicited for bids.
 - f. If one bid, bid is compared to cost estimate.
5. **PROJECT PACKAGING:** Upon acceptance of the bid by the homeowner and the Inspector, the Inspector will package the project according to the eligibility of the homeowner to the various leverage sources and the Small Cities Development Program. The package is then reviewed by the Housing Coordinator to ensure completeness and accuracy.
6. **PROJECT APPROVAL PROCEDURE:** The Inspector will then present the project package to the Upper Minnesota Valley Regional Development Commission Board for review and approval. The following information shall be provided to the UMRDC Board on the project approval form.
 - a. Location of Home to be rehabilitated;
 - b. Income/ownership eligibility status of applicant;
 - c. Proposed rehabilitation to be completed;
 - d. Proposed Financing Package;
 - e. Miscellaneous information pertinent to the approval and completion of the project.

The UMRDC Board will approve or deny the proposed work to be completed and the amount of the SCDP loan. Upon approval by the UMRDC Board, the Repayment Agreement is drawn up by SWIFT COUNTY HRA and returned to the Inspector for closing with the Applicant.

7. **CONTRACTOR NOTIFICATION:** Upon closing the Inspector issues a **Notice to Proceed** to the accepted contractors. That notice will allow the contractor 90 days in which to complete the awarded contract. Ninety days will be the allotted amount of time except under the following conditions.
 - a. The work is weather dependent and weather conditions have not allowed the completion of the work;
 - b. The Notice to Proceed is issued too late in the building season to allow weather dependent work to be completed on time;

- c. The homeowner preferred contractor is too heavily committed to perform the work within the allotted time and informs the homeowner and the Inspector that he is too heavily committed and a work schedule is established and is acceptable to the homeowner, the Inspector and the contractor;
 - d. Unforeseen difficulties develop with the approved work and force a delay.
8. **CONTRACTOR CONTRACT:** Each selected contractor will enter into a contract with the Home Owner. The contract will outline the terms for completion of the rehabilitation on the home and will include the following:
- * Project Start Date
 - * Project Completion Date
 - * General Conditions
 - * Warranties
 - * Special Conditions
 - * Change Order Procedures
 - * Payment Terms
 - * Termination Procedures
9. **FAILURE TO START/COMPLETE PROJECT:** Upon receipt of the Proceed to Work a contractor will have 90 calendar days in which to complete the contracted work. Failure to begin work within the first 60 days can be grounds to terminate the contract.
- The 90-day time period shall **not** be exceeded except through the issuance of a change order. In the absence of a change order, a contractor who violates the time period shall be penalized 5% of the unpaid balance for each week that the contractor is in violation.
10. **INTERIM INSPECTIONS:** After work begins, interim inspections will be scheduled by the Inspector to monitor work progress and work quality. If a dispute arises between a homeowner and a contractor, the Inspector will attempt to find a means of resolving the conflict.
11. **PAYMENT PROCEDURES:** All contractors will agree to the payment schedule contained within the Contractor's Application, which is as follows:
- a. No pre-payments are allowable for any reason;
 - b. Lien Waivers are required for all sub-contractors before payment will be made;
 - c. Partial payments are not allowable for any work that is not completed. Payments are limited to a maximum of 85% of the total due on the completed portions of the project;
 - d. Any and all payments will be made only after the work is completed according to the specifications contained within the Scope of Work and when the work meets with the approval of both the Applicant and the Inspector. In order for the contractor to be paid, a signed Completion Certificate must be presented at the time of payment. Both the Applicant(s) and the Inspector must sign the Completion Certificate;
 - e. Fifteen percent (15%) must be withheld from each partial payment. Final payment for all work completed, including any withheld amounts, may be made after all work by a contractor is completed, the final inspection has been conducted and the inspector, homeowner and contractor have signed off on the work.
 - f. Payments will be made only upon presentation of the following documents to Swift County HRA, at which time a request for payment will be made to UMRVDC;
 - 1) Billing Statement
 - 2) Lien Waiver

- 3) Sworn Contractors Statement
- 4) Completion Certificate
- 5) Hazard Reduction Completion Notice (if applicable and only on final payment).

12. CHANGE ORDERS: Changes made to the contract require the signature of the homeowner, the contractor, the Inspector, and the Housing Coordinator on a Change Order. Change Orders will be allowed only for the following reasons;

- a. Changes made to the contract to rectify hidden deficiencies that are discovered once the work has begun;
- b. To change a specification due to unforeseen difficulties arising after work has begun;
- c. To address a deficiency that was inadvertently dropped from the project during project packaging.
- d. To approve changes in the contract time period.

13. TERMINATION OF CONTRACT: A contractor's contract can be terminated under the following procedures:

- a. Poor work performance on the job site and has demonstrated inability to rectify the poor workmanship. The cost of repairing poor workmanship and the higher costs of awarding the bid to the next lowest bidder shall be deducted from any amount owed to the initial contractor for work completed. In all cases a good faith effort will be made to allow the contractor the opportunity to rectify the problem before removal procedures are instituted. The Inspector shall institute the following procedures when negotiating a workmanship problem:
 - 1) Shall set up a meeting at the job site with the contractor and homeowner to attempt to come to a consensus;
 - 2) Shall contact the contractor the second time by certified mail notifying the contractor that the workmanship is still poor and specifying the areas that need to be addressed to satisfy the contract, giving the contractor a fifteen (15) day time limit in which to make the required repairs.
- b. Causing undue damages to a homeowner's property and the inability or unwillingness to correct the damages. The cost of repairing damages will be deducted from any money owed the contractor for work already completed. If the amount owed is insufficient to cover the costs of the damages, then Swift County HRA will assist the homeowner, if necessary, to reclaim damages by legal means.
- c. Where collusion or fraud has been determined to exist on the part of the contractor;
- d. Lack of sufficient insurance coverage;
- e. The inability of the contractor to perform the work within the allotted time;
- f. Irreconcilable and irresolvable differences between the contractor and the homeowner;
- g. The contractor requests to be removed from the contract. There will be no penalty associated with this request as long as the request is made within sixty days of receiving the Notice to Proceed;
- h. Contractors who are removed from a contract shall be removed from the Approved Contractors List and shall be prohibited from being awarded any contract with Swift County HRA.

LOAN PACKAGES

1. **LOAN FILES:** Swift County HRA, as the Field Administrator, shall maintain files on each applicant throughout the duration of the program. Each applicant's file shall include the following:
 - a. **Work Progression Chart:** This form allows easy monitoring of the file and enables those working with it to see at a glance; just what stage the project is at. This form will be attached to the inside cover of the file;
 - b. **SCDP Loan Application:** This form will provide information relative to family size and composition, employment information, household income and assets, applicant affordability, and monthly expenses. The form will also provide data on the property to be improved as well as other pertinent lending data as required by the MHFA CFUF program and Swift County HRA. Verification of all income/assets, as well as a copy of the applicant's most recent property tax statement shall be attached to the application. Proof of property ownership (Warranty Deed, Torrens, Recorded Contract for Deed, recorded Life Estate, etc.) and current homeowner's insurance must also accompany the application. The Lead Paint Warning and Data Privacy Statement will be included in the application. The Lead Paint Warning will be signed by the applicant attesting that they have read and understand the dangers associated with lead based paint.
 - c. **Third Party Income Verification:** This form provides third party verification of an applicant's income. A representative from the source of income shall sign these forms;
 - d. **Income Tax Statements:** Copies of the applicant's income tax returns for the two preceding years, including all Schedules;
 - e. **Property Inspection Form:** The Inspection Report shall be prepared by the Housing Inspector. The Inspection Report is designed to include a specific account of the condition of the property and all corrective actions necessary;
 - f. **SHPO Response:** A letter from SHPO indicates their approval or requirements for the project;
 - g. **Scope of Work:** The Scope of Work is the contract between the applicant and contractor and specifies the exact work, which will be performed at the eligible household's property;
 - h. **Repayment Agreement:** This form is the legal mechanism by which a Lien is placed against the improved property until the loan is repaid, with no interest, at the time of property ownership transfer;
 - i. **Other Pertinent Information:** Other information important to the approval and completion of the project;
 - j. **Close-Out Packet:** A letter is sent to the homeowner informing them of completion and contains copies of the Repayment Agreement and Completion Certificates.

LOAN REPAYMENT & PROGRAM INCOME

1. **LOAN REPAYMENT:** The City of Benson Small Cities Development Program consists of repayment terms for owner occupied projects. Deferred loan funds secured by repayment agreement will be repaid under the following terms:
 - a. **Owner Occupied Deferred Loans:** The loan term will be set for 7 years. The loan shall be forgiven over a period of seven (7) years with one-seventh (1/7) of the total loan forgiven per year. Any remaining principal is due in full should the property be sold, transferred or is not longer maintained as the applicant's principal place of residence. The City of Benson retains the right to modify any repayment requirements of the deferred loan on a case-by-case basis, i.e. death of owner with no estate funds left to pay, bankruptcy of owner.
2. **PROGRAM INCOME:** Program income is defined as any return or proceeds generated by the Small Cities Development Program funds. All program income received by the City of Benson will be directed to Swift County HRA. Swift County HRA will retain the

funds in a separate accounting code. Program income received during an open grant period will be used toward the rehabilitation of units within the target area consistent with these policies. Swift County HRA will report program income to DEED during the grant period.

At project closeout, Swift County HRA will report to the City of Benson current program income balances and will submit a report to DEED. Unless otherwise directed by the City of Benson at project closeout, Swift County HRA will turn over all program income to the City of Benson. The City will be responsible for reporting program income annually to DEED. The City will utilize any future program income for rehabilitation activities consistent with these policies.

LOAN SUBORDINATION PROCEDURE:

1. **AUTHORIZED LOAN SUBORDINATION:** The City of Benson will authorize the subordination of its SCDP project loan under the following circumstances:
 - a. The Borrower wishes to borrow funds for housing debt.
 - b. The Borrower wishes to refinance the home to improve terms and conditions.

2. **LOAN SUBORDINATION PROHIBITION:** The City of Benson specifically prohibits the subordination of its SCDP project loan under the following circumstances:
 - c. The Borrower wishes to utilize home equity to finance consolidation loans or other installment or credit card debt
 - d. The Borrower wishes to utilize home equity to purchase consumer products, vacations, college loans or medical emergencies.

APPEALS PROCEDURES

1. **APPLICANT DENIAL PROCEDURE:** If a property owner's application is denied for any reason, a letter of denial will be sent to the property owner within 10 working days. The denial letter will clearly outline the reason for denial and inform the applicant that an appeals procedure is available.

2. **APPLICANT APPEAL PROCEDURE:** If a property owner is dissatisfied with the level of assistance they have received, and where an applicant complaint cannot be resolved with the conduct of the administration, UMRDC will notify the applicant in writing that a written procedure for appeal is available. The appeals procedure is as follows:
 - a. The applicant who wishes to make an appeal must submit such an appeal **in writing** to the City of Benson. The appeal must specifically state the complaint and how the applicant wishes the complaint to be resolved. The applicant will need to notify the City in writing within 30 days of the date of their notification of denial of financing.
 - b. The complaint will be presented to the Benson City Council at a regularly scheduled meeting within 30 days of the receipt of the written complaint.
 - c. The Benson City Council will review the complaint and will make a determination concerning the complaint. Swift County HRA will notify the

applicant of the City Council's decision regarding the appeal. Notification will be in writing and must be made within 10 working days of the decision.

d. After an appeal action has been initiated, Swift County HRA will send the following information to the Minnesota Department of Employment and Economic Development, and the City of Benson.

- 1) A copy of the written complaint and request for satisfaction under the appeals process.
- 2) A copy of all correspondence between UMRDC and the appealing client concerning the appeal disposition.
- 3) The final appeal disposition.

AMENDMENTS, DIRECTIVES

These procedural guidelines may be amended or supplemented by Swift County HRA in coordination with the City of Benson. Amendments or changes must be approved by the Department of Employment and Economic Development.

ADOPTION

These procedural guidelines governing the administration of the Benson Residential Owner Rehabilitation and Relocation have been adopted by action of the Benson City Council on.

Date: _____

Attest: _____

Witnessed: _____

ATTACHMENT 1

CITY OF CITY OF BENSON HOUSING REHABILITATION STANDARDS Table of Contents

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CITY OF CITY OF BENSON HOUSING REHABILITATION STANDARDS

These standards include and exceed the standards as set forth by HUD's Section 8 Housing Quality Standards and the Minnesota Energy Efficiency and Rental Standards. As with codes, the Housing Rehabilitation Standards are a guide that pertains to many differing circumstances. In some cases existing conditions can be grandfathered in when it is not health or safety, Housing Quality Standard, or Minnesota Energy efficiency Standard violation.

HOUSING REHABILITATION STANDARDS

A. Site Requirements

1. Real Estate Integrity

- a. The property shall be free of hazards that may be injurious to the health of its inhabitants. These hazards may consist of any or others not listed of the following:
 - 1) Dilapidated adjoining buildings.
 - 2) Junk, garbage or other hazardous debris.
 - 3) Toxic chemicals or other pollution.
- b. All friable asbestos (asbestos that is likely to become air-borne) must be removed from a dwelling unit and disposed of as required and in the manner proscribed by the Environmental Protection Agency and the Pollution Control Agency.

2. Utility Supply

- a. Utility services shall be independent for each unit. Utilities such as water, sewer, gas, and electricity must pass from the utility supply directly to the dwelling and shall not pass over, under or through any other unit.
- b. Utility services may be supplied in common for living units under a single ownership (i.e., duplexes); however, separate metering and utility shut-offs for each unit shall be provided.
- c. Natural gas supplies shall be metered on the exterior and shall be provided with shut-off.
- d. Electrical supplies must be upgraded to 100 amp minimum when upgrading any electrical system. Electrical supplies shall be installed underground where feasible. Electrical supplies shall be upgraded when overhead lines have deteriorated insulation, are undersized for the required load, have low clearance, pass through another dwelling unit or are hazardous in any way.
- e. Private water supplies shall ensure the living unit with a sufficient supply of pure, potable water under adequate pressure.

- 1) All private wells shall be tested to ensure that the water quality meets or exceeds the chemical and bacteriological requirements of the Region 8 health authorities.
 - 2) The system should deliver a flow of 5 gpm over a four-hour period.
 - 3) Water that requires continuing treatment to be safe bacterially is not acceptable.
 - 4) A well located within a dwelling is unacceptable.
 - 5) A well shall not be located within 100 ft. of a septic drain field.
 - 6) Any abandoned wells must be permanently sealed.
- f. The living unit shall have a means of disposal of domestic wastes in a manner as not to create a nuisance, contaminate any water source or water supply, or in any way to endanger the public health.
- 1) An individual sewage disposal system shall consist of a house sewer, a septic tank and an acceptable absorption system. The system shall be designed to receive all sanitary sewage (bathrooms, kitchen, and laundry) from the dwelling, but not footing of roof drainage. It shall be provided with a vent system to prevent gases generated in the system from backing into the living unit.
 - 2) There shall be an adequate method of connecting an individual sewage system to a city waste disposal system.

B. Building Design

1. Kitchen

- a. Each dwelling unit shall be provided with the following requirements.
- 1) A floor space of not less than 50 sq. ft.
 - 2) A sink of approved non-absorbent material and supplies of adequate hot and cold water.
 - 3) Sufficient space for food and cooking equipment storage.
 - 4) Sufficient space for food preparation.
 - 5) Range burner which has a minimum clearance of 30 inches from combustible surfaces.
 - 6) Ventilation must exist either by operable window or mechanical ventilation system vented to the exterior.
 - 7) A permanent light fixture with switch and two electrical outlets on a 10 amp circuit.
 - 8) Any electrical receptacle within six feet of a kitchen sink countertop level must be GFCI controlled.

2. Bathroom

- a. Each dwelling unit shall be provided with the following requirements:
- 1) A room specifically set aside with an entrance door, which affords privacy.
 - 2) A water closet, shower or bathtub, and a lavatory.
 - 3) Shower compartment walls and floors shall be finished with a non-absorbent surface to a height of not less than 6 feet.

- 4) Ventilation must exist either by operable window or a mechanical ventilation system vented to the exterior.
 - 5) A permanent light fixture and one electrical receptacle, which must be GFCI controlled.
3. Laundry
 - a. If present, shall be provided with the following requirements:
 - 1) Utility waste is to be installed with p-trap.
 - 2) Gas supply lines shall be of copper or black iron and shall be installed as per code.
 - 3) Electrical supplies shall be grounded on a grounded circuit.
4. Bedrooms
 - a. Each dwelling unit shall be provided with the following requirements:
 - 1) Every sleeping room shall be provided with at least one operable window approved for emergency egress. Windows that are so designated shall have a sill height of not more than 44 inches above the floor. The minimum net clear opening height shall be 24 inches. The total net clear opening shall be 20 inches. The total net clear opening shall be no less than 5.7 sq. feet.
 - 2) An entrance door that provides privacy.
 - 3) A permanent light fixture and one electrical receptacle or two electrical receptacles are required.
 - 4) Every sleeping room must be provided with at least one operable window.
5. Living Room
 - a. Each dwelling unit shall be provided with the following requirements:
 - 1) Every room must be provided with at least one operable window.
 - 2) A permanent light fixture and one electrical receptacle or when a light fixture is absent then two electrical receptacles are required.
6. Other Rooms for Living and Halls
 - a. Each dwelling unit shall be provided with the following requirements:
 - 1) A permanent light fixture or one electrical receptacle is required.
 - 2) Any open staircase must be provided with a balustrade or protective railing.
7. Garages
 - a. Each dwelling unit with an existing garage shall be provided with the following:

- 1) Egresses from attached garages directly into a room used for sleeping purposes are not permitted. Egresses into other rooms shall be equipped with solid wood doors not less than 1 3/8 inches in thickness.
- 2) Attached garages shall be completely separated from the residence and its attic with a 15 min. firebreak material applied to the garage side.
- 3) Garage floor must be constructed of a non-combustible material.

8. Doors

a. Each dwelling unit shall be provided with the following:

- 1) Will be provided with at least one egress door that is side hinged and is secured with 1/2-inch deadbolt lock.
- 2) Will be provided with means of fire escape, which can include the following:
 - a) Secondary door.
 - b) Egress window with a minimum net clear opening of 5.7 ft. and a sill height of not more than 44 in. above the floor.
- 3) Doors will be exterior type wood solid core, wood rail and stile or exterior steel doors and shall be structurally sound and weather tight.
- 4) Storm doors shall be installed on every egress door except exterior steel doors.

9. Windows

a. Each dwelling unit shall be provided with the following:

- 1) All habitable rooms shall be provided with a window of which 50% must be operable for ventilation.
- 2) All habitable rooms shall have an aggregate glazing of 8% of which 50% must be operable for ventilation.
- 3) All operable windows must be provided with screen and all windows with storm windows.
- 4) All windows must be weather tight, structurally sound and without broken glazing.
- 5) All windows accessible from the ground shall be provided with a locking mechanism.
- 6) All windows, window trim and window casings shall be free from loose, peeling, or blistered paint.
- 7) Every sleeping room shall be provided with at least one operable window approved for emergency egress.

10. Security

a. Each dwelling unit shall be provided with the following:

- 1) All egress doors including exterior basement doors, garage doors, common hallways, terraces, balconies or other areas affording access to a premises, shall be provided with a 1/2-inch deadbolt lock.
- 2) All sliding doors, 1st floor and basement windows, windows opening on stairways, fire escapes, porches, terraces, balconies or other areas affording access, shall be equipped with a keyed locking device.
- 3) All primary egress doors that open directly to the exterior shall be provided with storm doors.

11. Stairways and Exterior Egress Steps

a. Each dwelling unit with a stairway shall be provided with the following:

- 1) Handrails must be provided on at least one side of a stairway of 3 or more risers. The handrail shall have a maximum height of 34 inches measured vertically from the nosing of the stair tread. Open sides of stairs with a total rise of more than 30 inches above the floor or grade shall be provided with guardrails. Stairways 44 inches or wider shall be provided with handrails on both sides.
- 2) Utility stairways shall be a minimum width of 2 ft. 6 inches and house stairs shall be a minimum width of 3 feet. Stairs rise shall be 7 1/2 inches with 10 inch tread (run).
- 3) Stairs treads must be securely supported and free from major defects.
- 4) Guard rails on open sided stairways raised floors or balconies shall have rails that will not allow passage of objects of 5 inches or more in diameter.
- 5) Stairways shall be thoroughly illuminated at the top landing as well as its base with a permanent light fixture controlled by three-way switches.

12. Ventilation

a. Each dwelling unit shall be provided with the following:

- 1) All habitable rooms shall be provided with a window or in kitchens or bathrooms a mechanical ventilation system.
- 2) Attic spaces must be cross ventilated in each space to 1/600 of attic area.

13. Foam Plastics

a. The following requirements shall apply to all uses of foam plastics in or on walls, ceilings or any other application that is exposed to a living area.

- 1) Foam plastics shall be protected with a covering having a minimum fire rating of 15 minutes.

14. Smoke Detectors

- a. Each dwelling unit shall be provided with the following:
 - 1) Smoke detectors will be installed at one per floor including the basement area.
 - 2) Smoke detectors shall be located in areas adjacent to sleeping area.
 - 3) Smoke detectors shall be wired directly into the household current and installed in tandem. There shall be no switches in the current controlling the detectors.
 - 4) Smoke detectors shall be either the ionization chamber or the photoelectric type.

C. Minimum Structural Standards

1. Foundations

a. Footings

- 1) All exterior walls, columns, and piers shall be supported on continuous footings of sufficient design to safely support the building load and which extend a minimum of 48 inches below grade.

b. Foundation walls shall be sound and able to support the building load.

c. Foundations shall be free from holes and other avenues of vermin and rodent infestation.

d. Foundations shall be free of serious water infiltration from any of the following causes:

- 1) Ground Water
- 2) Water Run-off
- 3) Sewer Line Back-up
- 4) Reverse Slope

2. Girder and Post Support

a. All wood beams shall be sound and adequately supported at each end and every 8 lineal feet. The beams shall be placed to give structural support to load bearing walls and sized to carry and disperse the building load.

b. End bearings for girders and joists shall be such that the allowable bearing stress is not exceeded.

c. Posts shall bear on concrete and shall be a minimum of 3 inches above the finished floor.

d. Posts shall be structurally sound.

3. Floor Joists and Sub floors

- a. Sills and sill plates shall be sound with the width of the plates allowing for full and bearing of wall studs and not less than 1 1/2 in. bearing for ends of floor joists.
- b. Floor joists shall be sized adequately to support the floor. Cracked, rotted or unsound joists shall be replaced or reinforced.
- c. Sub floors shall be sound and vermin proof.

4. Exterior Walls

- a. The exterior walls shall be sound and firmly anchored to the floor framing.
- b. Wall sheathing and siding shall be impervious to water penetration. The exterior wall shall be free of deterioration, holes, breaks, and loose or rotting boards.
- c. All exterior wood surfaces, other than decay resistant wood shall be protected from the elements.
- d. All exterior surfaces with loose, peeling or blistered paint shall be scraped, primed and painted or otherwise recovered to comply with lead based paint requirements.
- e. Seriously deteriorated surfaces may be resided if the repairs are economically unfeasible when compared to the costs of residing, or maintenance costs are considered unrealistic.

5. Roofs and Roofing

- a. Rafters and roof sheathing shall be structurally sound and capable of sustaining the anticipated roof loads.
 - 1) All undersized or rotted rafters shall be reinforced or replaced.
 - 2) Rotted or weak roof sheathing shall be replaced.
 - 3) When re-roofing new roof sheathing will be installed when roof boards have a gap greater than 3/4".
 - 4) "Splayed" roofs shall be collar beamed.
- b. Roofs with inadequate pitch and are causing severe maintenance problems shall be rebuilt with a minimum pitch of 4/12.
- c. Roof coverings shall be replaced when pervious to moisture, or are showing severe deterioration or if the life expectancy is less than 5 years.
- d. Valley tin or roof flashing will be replaced when reshingling, or is the cause of leaks into the living area.

- e. Flat roofs may be treated with asphalt or vinyl roof when leaking or if maintenance will be required in the near future. Seriously deteriorated flat roofs will be rebuilt using either a "built-up roof" (bituminous asphalt) or an EDPM rubber membrane roof.

6. Chimneys

- a. Chimneys shall be structurally safe, durable, exhaust gas tight and capable of withstanding the action of flue gases.
 - 1) Masonry chimneys shall be provided with the following:
 - a) Sealed thimble and clean out.
 - b) Chimney protective cap of concrete or other waterproof noncombustible material.
 - c) Metal liner when burning LP, Natural gas and a clay liner when burning solid flue.
- b. Masonry walls shall be separated from combustibles by the following clearances when possible:
 - 1) Framing members 2 in. clearance and shall be fire stopped at each floor with a non-combustible material.
 - 2) Sub-floor and roof sheathing 3/4 in. air space.
- c. Chimneys shall extend at least 2 ft. above any part of roof or parapet wall within 10 ft. of the chimney.
- d. All transite (asbestos) chimneys when acting as the main means of venting a heating appliance shall be replaced. Transite chimneys may be used as an exhaust gas vent under the following circumstances:
 - 1) When the heating appliance or gas fired water heater is provided with a metal liner that exhausts the flue gases through the transite chimney.

7. Flues

- a. Flues shall comply with the following:
 - 1) Flues shall not be constructed of metal of not less than 24 gauge.
 - 2) Flues shall be sound and uncorroded and shall be properly sized and installed with sufficient incline to the chimney.
 - 3) Flues shall have a maximum length from the appliance outlet to the chimney of 75% of the vertical height of the chimney.
 - 4) All flues shall be screwed at the joints with a minimum of three screws.

8. Gutters and Downspouts
 - a. Gutters and downspouts will be installed on a dwelling unit that shows severe run-off problems into the basement.
 - b. Gutters and downspouts may be installed to replace a deteriorated system or if none are in place.
9. Interior Walls, Wall Finishes and Ceilings
 - a. All interior walls and ceilings shall be free of holes, large cracks and loose plaster.
 - b. All interior surfaces with loose, peeling and/or deteriorating paint surfaces shall have all the old finish removed and a new finish installed.
 - c. Minimum ceiling height will be at least 7'6" in any habitable room; except under a sloped ceiling where at least 1/2 of the floor area shall have a ceiling height of 7'6". The floor area shall be computed under a sloped ceiling as being that which has a ceiling height of at least 5' or greater, the portion of the room under 5' shall not be considered as being part of the total area.
10. Floor Coverings
 - a. All floors will be recovered under the following conditions:
 - 1) When flooring is ripped/torn and is a tripping hazard.
 - 2) Carpeting that is unsanitary.
 - 3) To allow for sub-floor or plumbing repairs.

D. Mechanical Systems

1. Plumbing standards: All plumbing in any dwelling unit shall be properly installed and maintained by a sanitary, safe and functioning condition and shall be connected to an approved utility system in a manner proscribed by applicable ordinance, codes and regulations as set by the State of Minnesota.
 - a. The water supply system shall be properly connected to all plumbing fixtures and shall be free from defects, leaks or obstructions.
 - b. The water supply system shall have sufficient pressure to reach all fixtures with an uncontaminated, controllable flow of hot and cold water.
 - c. All plumbing fixtures shall be supported so that no strain is placed on the connected supply lines.
 - d. When upgraded, the main supply lines to the dwelling unit will be minimum 3/4" copper and all supplies to individual fixtures shall be minimum 1/2" copper.

- e. All plumbing supplies passing through unheated spaces and hot water supplies running in basement areas shall be wrapped with a closed cell pipe wrap.
2. Plumbing Fixtures: All plumbing fixtures, kitchen sinks, lavatories, bathtubs/showers and water closets must be in good working condition and shall be properly installed. The following are required:
 - a. All plumbing fixtures shall be connected to the dwelling unit sewer line and shall be installed with proper traps as set by the mechanical code.
 - b. All supplies shall be installed with in line shut-off valves.
 - c. All plumbing fixtures shall be connected to the soil vent system.
 - d. Any leaking faucet, valve or connection shall be replaced.
 - e. All ball cocks replaced in water closets shall be non-siphoning type.
 3. Water Heaters shall be replaced when dysfunctional, leaking or unable to meet the household's hot water demands. All water heaters shall be installed to the following requirements:
 - a. All gas water heaters shall be installed with gas connections, such as gas drip tee, gas union valve and gas in line shut-off valve.
 - b. All gas water heaters shall be installed with draft diverters, and flues with proper incline and in close enough proximity to the chimney for adequate draw.
 - c. All electric water heaters shall be wired with approved wiring sized to handle the anticipated load and installed in a metal conduit and connected to a separate circuit rated to the anticipated load.
 - d. All water heaters shall be installed with pressure and temperature relief valve installed directly into the tank and shall have a copper or black iron discharge pipe sized to match valve and terminates within 18" of the floor.
 - e. All water heaters that are within the living space of a dwelling unit shall have installed a discharge pipe from the T & P valve through the floor into the crawl space or into a floor drain.
 - f. All older or energy inefficient water heaters that are not located in a heated area shall be wrapped with specifically designed (for water heaters) blanket insulation. The insulation shall be installed in such a manner as not to be a fire hazard or block combustion air intake gas fired water heater.
 4. Waste and Soil Lines: Shall be free from defects, leaks or obstructions and shall be connected to an approved sewer system in a manner as proscribed by the Mechanical Code. The following are required on all systems:

- a. All systems shall be vented.
- b. All soil lines shall be sized by fixture and installed with clean out.
- c. All floor drains shall be installed with traps.
- d. In areas where sewer line backs up has been a problem or is likely to be a problem then back flow valves shall be installed in floor drains.
- e. All waste and soil lines shall be installed with sufficient slope to prevent obstruction.

E. Heating Systems

- 1. All dwelling units shall have a heating system that is capable of delivering enough heat to ensure a healthy environment. All heating systems shall be required (and will be evaluated) to be safe and in good working condition. The following conditions apply to heating systems:
 - a. All gas systems shall have gas supplies installed as proscribed by the Mechanical code and shall be provided with gas drip tees, gas unions, and in line shut-offs.
 - b. Flexible gas supplies will only be allowable when it is part of an approved installation package; i.e., the Lennox Pulse.
 - c. All newly installed heating systems shall have a minimum AFUE rating of 80%.
 - d. Heating systems shall be tested and listed as approved by an independent inspection agency. (UL listed)
 - e. Return air on forced air furnaces shall not be installed in the following areas:
 - 1) Bathrooms;
 - 2) Kitchens;
 - 3) Garages;
 - 4) Utility spaces;
 - 5) Or any area where hazardous chemicals are stored;
 - 6) Or any space where combustion air is supplied.
 - f. Return air shall not be delivered to or pass through another dwelling unit.
 - g. Heating supplies running under combustible floor surfaces shall maintain a minimum 1" clearance.
 - h. All fossil fuel fired heating systems shall be vented.
 - i. All oil fired heating systems shall be installed with in line filters.

- j. All heating systems under 75% steady efficiency shall be modified to increase its efficiency to 80% minimum.
 - k. Forced air heating systems shall have the heat supplies dampered to allow for balanced heating.
 - l. Boilers shall be equipped with all safety devices such as, but not limited to, high limit control, pressure and temperature gauges, and pressure relief valve. Steam boilers shall be provided with all of the above and a low water cut-off.
 - m. New boiler supply lines shall be a minimum of 3/4" copper with an in-line bleeder installed at the high point of supply and the high point of return.
 - n. Any heating system supply and boiler return passing through a semi-conditioned or an unconditioned space shall be insulated to a minimum R-4.
 - o. All fuel burning equipment shall be installed with direct supply of combustion air.
 - p. No heating appliance may be installed in a room that is used primarily for sleeping.
 - q. Electrical supplies shall be installed with permanent connection, controlled by a switch and connected to a separate circuit or sub-panel.
2. Solid Fuel Fired Heating Systems. The following conditions apply to these units:
- a. All wood fired heating systems must be installed in a safe non-hazardous manner and such installations shall strictly comply with state codes.
 - b. Under no conditions shall two heating appliances occupy the same flue and/or chimney.
 - c. There shall be 18" clearance of a wood-fired forced furnace air plenum and the first 3' of supply duct to an unshielded combustible surface. The 2nd 3' must be installed with a 6" clearance and 1" thereafter.
 - d. Wall and ceiling clearances shall be 18" for circulating stoves with 48" clearance to the front. Radiant stoves must have 36" wall and ceiling clearance with 48" to the front. Boiler clearances shall be 6" wall and 48" to the front. These boiler requirements are assuming a wet jacket boiler is in place. If the boiler is a wt base type, then radiant requirements take precedent.
 - e. Stove pipe (single wall) must have 18" clearance to combustibles.
 - f. Stove pipe passing through walls, ceilings or floors must have 18" clearance plus the diameter of the thimble.

- g. Insulated chimney pipe must have 2" clearance to combustibles.
 - h. All stovepipes must be screwed at each joint with a minimum of three self-tapping screws.
 - i. Floor mountings shall conform to the following:
 - 1) Appliances with leg height of 2" or less must sit above a floor that consists totally of non-combustible material.
 - 2) Appliances with leg height greater than 2" must sit above a floor that is shielded with air circulating between the shield and a combustible surface, such as masonry block laid with a continuous air passage throughout. Twenty-eight gauge metal must cover the block and the block must extend 18" on all sides of the appliance.
 - j. Wood fired appliances must be vented in one of the following manners:
 - 1) Through a masonry chimney that has a clay liner installed with a minimum 1: clearance to the masonry wall.
 - 2) Must be the only heating appliance vented through its respective chimney.
 - 3) Through a Class A metal chimney.
 - 4) Chimneys must be installed with a spark arrester.
 - 5) Chimneys must be installed with a clean out.
3. Wood Fired Appliances in Mobile Homes. The following requirements apply to these heating systems:
- a. Class A chimneys must directly vent the appliance and must include the following:
 - 1) A spark arrester
 - 2) Combustion air supply
 - 3) Chimney boot with clean-out
 - b. Wood-fired appliances must meet the UL listing for mobile homes.
 - c. The wood-fired appliance must be secured to the mobile home floor.
 - d. Where a chimney exits through a mobile home wall less than 7' above grade a guard must be installed. The guard shall not have openings greater than 3/4" and must be no closer than 4" from the chimney.
 - e. Combustion air must be provided and shall not be less than 50% of the flue area and must be designed for zero clearance. The inlet must be covered with a mesh to prevent vermin or foreign matter from entering the home.
 - f. No appliance can be installed in a room used for sleeping.
 - g. The appliance can weigh no more than 40 lbs. per sq. ft.

F. Minimum Electrical Standards

1. Electrical service supplies must be upgraded to 100-amp minimum and will be installed underground where feasible:
 - a. If current supply is 30 amps;
 - b. Electrical service supply must be upgraded if the overhead drop lines have deteriorated insulation.
 - c. Have low clearance;
 - d. Pass through other dwelling units or is hazardous in any way.
2. Range mast, masthead and conduit supply must be upgraded when:
 - a. Are undersized for household needs;
 - b. If deteriorated insulation is present on conduit and if unprotected conduit is exposed to excessive weathering, PVC conduit must be installed over service supply from the masthead to where the supply enters into the dwelling;
 - c. If installing underground supplies;
 - d. If any other hazardous condition exists.
3. Services must be upgraded to 100 amp, 20 pole when;
 - a. Open fuse blocks and switches are acting in any way as the main or auxiliary service;
 - b. 30 amp rated service is acting as the main service;
 - c. 60 amp rated service with more than four 30-amp sub services are present;
 - d. The current system is undersized and is not adequately meeting the resident's electrical needs;
 - e. If installing supplemental electric heating;
 - f. If any hazardous condition exists.
4. Electrical wiring must be upgraded when:
 - a. In deteriorated condition;
 - b. Undersized for the current ampere load;

- c. Knob and tube wiring that is carrying an excess of 15 amperes or has been spliced into;
 - d. Wiring that has been spliced into other than knob and tube, must have those splices placed in junction boxes;
 - e. Any other hazardous condition.
5. All habitable rooms must follow the following service entrance schedule:
- a. Kitchen - a permanently wired light fixture and two electrical receptacles carried on a twenty-amp circuit. Receptacles at countertop level and within 6' of a kitchen sink must be GFCI controlled.
 - b. Bathroom - one permanently wired light fixture and one electrical receptacle, which must be GFCI controlled.
 - c. Laundry/furnace room - one permanently wired light fixture. If a washer is present then a grounded receptacle on a grounded circuit is required.
 - d. Living room - a permanently wired light fixture and one electrical receptacle or two electrical receptacles;
 - e. Bedrooms - a permanently wired light fixture and one electrical receptacle or two electrical receptacles;
 - f. Other rooms - one permanently wired light fixture or one electrical receptacle;
 - g. Staircase - must be illuminated at the landing and base with permanently installed light fixtures controlled by 3-way switches.
 - h. Exterior Steps - must be illuminated.
6. Fixtures must be upgraded when:
- a. Brass pendant light fixtures must be replaced;
 - b. Light fixtures with deteriorated wiring;
 - c. Any other hazardous condition.
7. Receptacles
- a. Damaged or deteriorated receptacles must be replaced;
 - b. Floor receptacles in kitchens, bathrooms or utility rooms must be replaced.
 - c. Receptacles in bathrooms, in kitchen countertop level within 6' of a sink, garages, and exterior receptacles near or potentially near water must be GFCI controlled.

- d. Utility room receptacles must be grounded on a grounded circuit;
 - e. All replacement receptacles must be grounded on grounded circuits.
8. Ventilators must be installed when:
- a. All bathrooms must be ventilated if no operable window is present;
 - b. All kitchens must be ventilated if no operable window is present.

G. Energy Standards

1. Infiltration and Bypasses

- a. All of the following envelope infiltration points must be sealed:
 - 1) Window and door frames;
 - 2) Wall and foundation penetrations;
 - 3) Sill plate penetrations and seams;
- b. All of the following bypasses must be sealed:
 - 1) Attic penetrations into living space; i.e., wiring, soil vents, chimneys, open partition walls, recessed light fixtures, attic egress doors and any other attic/living space penetrations;
 - 2) Basement penetrations into living spaces.
- c. Mechanical system modifications:
 - 1) Vent dampers on heating appliance flues;
 - 2) Close-off open thimbles and other penetrations into chimneys;
 - 3) Install dampered exhausts on unhampered mechanical venting systems; i.e., bathroom vents, kitchen exhaust vents, dryer vents.
- d. All of the following window and door infiltration points must be addressed:
 - 1) Repair all broken glazing;
 - 2) Reglaze all glass where the glaze is deteriorated or not present;
 - 3) Weather-strip moveable windows and doors between conditioned and unconditioned spaces.

2. Hot Water Heaters

- a. Install hot water heater jackets on water heaters under the following conditions:
 - 1) All electric water heaters;
 - 2) All older non-efficient gas water heaters;

3) All water heaters located in semi-conditioned or non-conditioned spaces.

b. Wrap hot water supplies under the following conditions:

- 1) The 1st six feet hot water lines and the first three feet of the cold supplies in a semi-conditioned space;
- 2) All hot and cold lines in crawl spaces and other unconditioned spaces.

c. Wrap boiler supplies and returns with a closed cell pipe wrap with a minimum R-value of 4 through unconditioned or semi-conditioned spaces.

3. Heating Systems

a. No new heating appliance may be installed of less than an AFUE rating of 80%.

b. All oil-fired appliances rated with a steady state efficiency below 75% must be raised to exceed 80% steady state efficiency in any of the following methods:

- 1) By derating the furnace by up to 10%;
- 2) By increasing the combustion air intake;
- 3) By replacing the existing oil burner with a flame retention burner.

c. All gas fired heating systems must be modified to meet a minimum steady state efficiency of 80% with any or all of the following modifications:

- 1) Installing electronic ignitions where pilot lights are present;
- 2) Derating gas orifices where over-sized furnaces present;
- 3) Installing electronic or passive (Ameritherms) vent dampers when none are present;
- 4) Insulate all forced air supply and return ducts passing through semi-conditioned or unconditioned spaces.

4. Insulation

- a. Insulate all accessible attics to R-38;
- b. Insulate all attic doors to R-30;
- c. Insulate exterior walls to a minimum R-11;
- d. Insulate foundations to a minimum R-5;
- e. Insulate rim joist (sill plate) area to R-19 with the vapor barrier to a warm side;
- f. Insulate crawl space floors to R-19 where no water lines are present or where they can be protected from freeze ups;
- g. Ventilate attic areas to 1/600 free air ratio.

5. Storm Windows and Storm Doors

a. Install storm doors and storm windows where there are non-present or are deteriorated beyond repair.

TEMPORARY RELOCATION POLICY

Rehabilitation activities will be performed in a manner that will minimize tenant/owner inconvenience and displacement. Temporary relocation may occur and is defined as a move to a unit in which the tenant or owner-occupant lives for a short time while rehabilitation is being completed. The unit must be lead-safe but does not need to be lead-free. Temporary housing should not last longer than 30 days. In the case of lead-paint hazard reduction activities, the occupants may not return to their permanent housing until clearance is achieved. Should temporary displacement become necessary due to rehabilitation and/or lead clearance activities, the following shall apply:

1. Owner-occupants:
 - a. No relocation assistance will be provided to owner-occupants.
 - b. Owner-occupants must seek temporary housing from friends, relatives, etc.
 - c. No out-of-pocket expenses will be paid.

2. Tenants:
 - a. Owners of rental property and Swift County HRA will be required to notify all affected Tenants as to the extent, timing and duration of the proposed rehabilitation activities and if temporary displacement of tenants appears likely, the tenants must be appropriately notified in writing by the property owner and Swift County HRA.
 - b. The property owner and Swift County HRA shall be responsible to assist tenants in locating temporary housing as necessary. Temporary housing must at a minimum meet Section 8 Housing Quality Standards, must be lead-safe (no evidence of deteriorated paint), and must be suitable to the tenant's needs. Swift County HRA will verify this. If hotel rooms are used as temporary replacement housing, procurement methods will be used to negotiate rates for on-going use as a resource. Every attempt shall be made to identify temporary housing that has at least minimal cooking facilities (refrigerator, microwave, etc.). If there are no cooking facilities in the temporary replacement housing, the daily food allowance per person will be \$25 per person and \$15 for children under 12.
 - c. The property owner and Swift County HRA will offer payment to the tenant for all reasonable out-of-pocket expenses incurred with the temporary relocation, including the cost of moving to and from the temporary occupied housing and any increased rent and utility costs during the interim. Hook-up charges for telephone and cable TV, if previously available in the unit being rehabilitated, are eligible out-of-pocket expenses. SCDP funds can be used to assist with per diem and out-of-pocket expenses associated with temporary relocation resulting from lead-clearance activities up to a maximum of \$250 per household. Any temporary relocation expenses in excess of \$250 per household must be paid by the property owner or approved by Swift County HRA for payment with SCDP funds.
 - d. The property owner will be responsible to provide storage space for household belongings during the rehabilitation work, if necessary.
 - e. Tenants temporarily displaced from their units will be expected to re-occupy their rehabilitated unit upon two-days written notice from the property owner.

Circumstances when relocation is not required regarding lead-paint and Safe Work Practices include the following:

- a. Treatment will not disturb lead-based paint or lead-contaminated dust.
- b. Treatment of the interior will be completed with one period in eight daytime hours, the site will be contained, and the work will not create other safety, health, or environmental hazards.
- c. Only the building's exterior will be treated; the windows, doors, ventilation intakes, and other openings near the work-site are sealed during hazard reduction activities and cleaned afterward; and a lead-free entry is provided.

Swift County HRA must approve amendments or modifications to this policy with concurrence from the Department of Employment and Economic Development.

IMPORTANT PRIVACY NOTICE
“Read Before Completing the Application Form”

We are asking that you provide the information on the Rehabilitation Program application form to determine if you are eligible to participate in the program.

Your name, address and the amount of assistance you receive are considered public data under the Minnesota Data Practices Act. Other information that you provide to the housing rehabilitation program about you and your household is considered private data.

We will use your private data only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the Minnesota Dept. of Employment and Economic Development, the U.S. Dept. of Housing and Urban Development or other local, state and federal agencies providing funding assistance for your loan.
- Members of the local governing board for the purpose of addressing/resolving applicant complaints (as addressed in the project’s policy and procedural manual).
- Those persons who you authorize to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

We cannot release private data to anyone else or use the private data in any other way unless you give us permission by completing a consent form that we will provide. Please keep in mind, however, that data must be released if required by court order, and, in addition, your private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.

Signature of Applicant

Date

Signature of Co-Applicant

Date

Minnesota Law gives your important rights in regard to information maintained about you. These include:

- The right to see and obtain copies of the data maintained on you.
- Be told the contents and meaning of the data, and
- Challenge the accuracy and completeness of the data.

To learn more about these rights, contact _____ at _____
_____.

CITY OF BENSON
SMALL CITIES DEVELOPMENT PROGRAM
RESIDENTIAL RENTAL REHABILITATION PROGRAM
- PROCEDURAL GUIDELINES -

PROGRAM OBJECTIVES

1. **FEDERAL OBJECTIVE (TENANT OCCUPIED):** The primary objective is to upgrade substandard rental units in a manner that provides affordable, safe, decent and sanitary rental units to low to moderate-income individuals.
2. **SECONDARY IMPACTS:** Secondary impacts will be to encourage the general appearance and value of the rental housing stock while making a visible and substantial improvement upon the quality of life and appearance of the community.

PROGRAM ADMINISTRATION

1. **GENERAL ADMINISTRATOR:** Upper Minnesota Valley Regional Development Commission, (UMVRDC) will be responsible for all phases of the administration of this Small Cities Development Program. UMVRDC will be the Fiscal Agent and will be responsible for all financial and progress reports. UMVRDC will have principle responsibility for completion of the Environmental assessment and development/submission of all required policies and procedures prior to commencement of program delivery.
2. **RENTAL REHABILITATION ADMINISTRATOR:** UMVRDC will contract with Swift County Housing and Redevelopment Authority, (Swift County HRA), for rental rehabilitation field administration services. Swift County HRA will be responsible for program marketing, determination of property owner and tenant eligibility and requirements, assistance with financial packaging, property inspections and suitability of property rehabilitation, work write-ups, contract awards, interim inspections, change orders, final inspections, contractor payments and project close-outs.
3. **FEDERAL COMPLIANCES:** The City, UMVRDC and Swift County HRA will share responsibility to comply with Federal Regulations regarding the implementation and administration of this Small Cities Development Project.

GENERAL ELIGIBILITY

1. **IMPROVEMENT OF SUBSTANDARD RENTAL UNITS:** This rental rehabilitation program is designed to improve substandard rental units, address health and safety considerations and to preserve existing community rental stock.
2. **INCOME:** Property owner income shall have no direct bearing on the lending of SCDP funds except where inadequate cash flow or income exists to repay the principal and interest payments or matching fund requirement.
3. **DATA PRIVACY:** The applicant's name, address and the amount of assistance received are considered public data under the Minnesota Data Practices Act. Other information provided to the housing rehabilitation program about the applicant and the applicant's household is considered private data.

Private data will be used only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the Minnesota Dept. of Employment and Economic Development, the U.S. Dept. of Housing and Urban Development or other local, state and federal agencies providing funding assistance for your loan.
- Members of the local governing board for the purpose of addressing/resolving applicant complaints (as addressed in the project's policy and procedural manual).
- Those persons who are authorized by the applicant to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

Private data cannot be released to anyone else or used in any other way unless the applicant gives permission by completing a consent form that will be provided. Data must be released if required by court order, and, in addition, private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.

4. **EVIDENCE OF FRAUD:** The administrator shall refer any participating tenants, property owners, or contractors, where evidence of fraud, collusion, or misrepresentation is present, to the Minnesota Attorney General for appropriate investigation and legal action.

CONFLICT OF INTEREST

1. **GENERAL CONDITIONS:** Elected officials, employees of Small Community Development Program grant recipients and contractors are all responsible for administering the program and insuring the program's integrity. Following sound business practices, prescribed standards of conduct will protect not only grant funds but also those who administer the programs.

Federal Regulations, 24 CFR, Part 570.489(h), Uniform Administration Requirements and Minnesota Statutes 412.311 and 471.87-471.89 address conflict of interest. Under federal regulations, recipients may not:

- Obtain personal or financial interest or benefits, including money, favors, gratuities, entertainment or anything of value that may be interpreted as conflict of interest.
- Obtain a direct or indirect interest in any contract, subcontract or agreement for any activity. This prohibition extends to contracts in which recipients' spouse, minor child, dependent or business associate may have personal or financial interest.
- Persons prohibited from obtaining a direct or indirect interest in a contract, subcontract or agreement, include: elected, employed, appointed or contracted individuals; or their firms, of State, County, City or Township; or Grant Administrator.

If there appears to be a potential conflict of interest and the Grantee wishes to request an exception, the Grantee must provide the Department of Employment and Economic Development:

- a. A description of the nature of the conflict;
- b. A description of how the public disclosure was made;
- c. Evidence that there has been a public disclosure of the conflict (example, copy of council minutes);
- d. An opinion of the attorney for the Grantee stating that the interest for which an exception is sought would not violate State or local law.

Any correspondence and support documentation must be retained by the Grantee in a separate file. SCDP staff will review this information and make a determination on whether the situation would warrant granting an exception to the federal conflict of interest provisions. SCDP will issue a written decision.

RENTAL PROPERTY OWNER'S AGREEMENT

1. **TERM OF RENTAL CONDITION:** Property owner's participation in the Rental Rehabilitation program is conditional upon the Owner's consent to enter into an Agreement with the City. That agreement shall stipulate the following conditions:
 - a. All rehabilitated rental units shall, at a minimum, meet the Housing Quality Standards as provided in the Small Cities Development Program Procedures.
 - b. A minimum of 51% of the units to be rehabilitated shall be rented by low to moderate-income households. Low to moderate income shall be defined as household income of less than 80% of the annually published area median income.
 - c. The Owner agrees to enter into an annual lease with existing tenants if the affected units are not currently under lease.
 - d. The Owner further certifies that the rental rates effective at the time of this agreement shall be maintained for the term of the existing lease period.
 - e. The Owner must limit rental increases to no more than 5% per lease year for the effective term of this contract, provided those rental increases do not exceed the HUD published Fair Market Rent allowance for the area.
 - f. The Owner agrees to maintain rents for a period of five consecutive years from the date of this agreement at a rate that is at or less than the rent level, based on the Fair Market Rent.

2006 Rents/Utility Limit for Swift County

Efficiency	\$417.00
One Bedroom	\$463.00
Two Bedroom	\$626.00
Three Bedroom	\$922.00
Four Bedroom	\$1,109.00

Where the lease rents exceed these limits, rents must be lowered to meet them. No economic displacement will occur as a result of rental rehabilitation (30% of tenant income can not be charged for rent and utilities.)

- g. The Owner agrees to minimize any activities that may result in displacement of a tenant. The Owner agrees to provide alternative housing for an affected tenant if the tenant is forced to relocate due to construction activities and agrees to reimburse the displaced tenant for allowable expenses under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (URA). The Uniform Act does not cover owners, however, policies should be developed to cover situations where homeowners may have to leave their homes during construction. Renters are covered by the URA and must be provided with temporary relocation if necessary. A General Notice of Non Displacement must be sent to renters, as well as the Notice of Temporary Relocation, if temporary relocation is required.
2. **ASSETS:** There will be no asset limitation associated with SCDP loans. The area is primarily rural with the population being generally asset rich/income poor. Liquid assets shall be viewed as a potential loan leverage source.
3. **EVIDENCE OF FRAUD:** Any administering party participating in the Program shall refer evidence of fraud, misrepresentation, or other misconduct in connection with the operation of the Program to the State of Minnesota Attorney General for investigation and possible legal action.
4. **DATA PRIVACY:** The applicant's name, address and the amount of assistance received are considered public data under the Minnesota Data Practices Act. Other information provided to the housing rehabilitation program about the applicant and the applicant's household is considered private data.

Private data will be used only when it is required for administration and management of the program. Persons or agencies with whom this information may be shared include:

- Staff and other persons involved in program administration.
- Local loan committee members who approve applications.
- Auditors who perform required audits of this program.
- Authorized personnel from the Minnesota Dept. of Employment and Economic Development, the U.S. Dept. of Housing and Urban Development or other local, state and federal agencies providing funding assistance for your loan.
- Members of the local governing board for the purpose of addressing/resolving applicant complaints (as addressed in the project's policy and procedural manual).
- Those persons who are authorized by the applicant to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

Private data cannot be released to anyone else or used in any other way unless the applicant gives permission by completing a consent form that will be provided. Data must be released if required by court order, and, in addition, private data may be released if Congress or the Minnesota Legislature passes a new law that authorizes or requires such release of data.

TENANT ELIGIBILITY

1. **INCOME ELIGIBILITY:** This rental rehabilitation program is intended to primarily benefit tenants of low to moderate incomes. This will be achieved by requiring that at least 51% of the assisted rental units house low to moderate-income tenants. Tenant income will be verified and shall follow the gross income limits as set by the Department of Housing and Urban Development for the Section 8 Existing Housing Program. These limits shall be adjusted periodically upon HUD notification of income revisions.

The income limits as adjusted for family size are as follows:

HUD Section 8 Income Guidelines Effective February, 2013

HOUSEHOLD SIZE	HOUSEHOLD INCOME
1	\$34,550
2	\$39,500
3	\$44,450
4	\$49,350
5	\$53,300
6	\$57,250
7	\$61,200
8	\$65,150

2. **GROSS ANNUAL INCOME:** Tenant income for the purposes of this Program shall be defined as gross annual income. Income includes but is not limited to:
 - a. Salary, commissions, bonuses and tips;
 - b. Interest and dividends;
 - c. Annuities and pensions;
 - d. Rental Property income (gross rents received subtracting interest, insurance, taxes, maintenance, and utilities)
 - f. Gross annual income from self employment shall be deemed to be the net profit from said self employment, as declared by the applicant in Schedule C, F, or E, Part III, as appropriate, of the United States Internal Revenue Service form 1040, or any other such schedule as may be hereafter promulgated.
 - g. Any public assistance including but not limited to GA, AFDC, SSI, and Unemployment Compensation for all household residents;
 - h. Social Security, including survivor benefits;
 - i. Child Support Payments;
 - j. Worker's Compensation;
 - k. Business income for self employed individuals;
 - l. Interest income from lump sum payments or from judgments for health, accident, worker's compensation, and personal or property losses.

3. **EXCLUDED INCOME:** Temporary, non-recurring or sporadic income shall not be considered as part of a household's annual income. That income will be as defined below:
 - a. One Time or sporadic gifts.
 - b. Income from children under 18 years of age.
 - c. Payments for foster children.
 - d. Medical expense reimbursements.
 - e. Educational scholarships used for tuition, fees, or books.

- f. Insurance lump sum payments or judgments for health, accident, and worker's comp. and personal or property losses. Any insurance income derived from such sources will be viewed as annual income. (However, any interest derived from such sources will be viewed as annual income).
 - g. Hazard duty pay to a household member in the Armed Forces;
 - h. A Capital Gain.
4. **INCOME VERIFICATION:** All income shall be self-declared by the tenant household. Income information that is more than one year old will not be considered current for verification purposes and must re-verified.

ELIGIBLE PROPERTIES

1. **SUBSTANDARD RESIDENTIAL PROPERTY:** Residential rental units must be determined to meet the following classifications in order to be eligible for assistance under this SCDP Rental Rehabilitation Program.
- a. The residential unit does not meet HUD's Section 8 Housing Quality Standards.
 - b. The residential unit does not meet applicable Fire Code, Occupancy Codes, National Electrical Code, Uniform Mechanical and Plumbing Codes.
 - c. The residential unit contains health and safety hazards such as lead based paint, asbestos, contaminated water supply, raw sewage, etc.
 - d. The residential unit lacks safe, reliable water supply or sanitary wastewater disposal.
 - e. The residential unit does not meet Minnesota Energy Efficiency Standards.
 - f. The residential unit fails to provide suitable shelter in some other obvious and apparent manner.
2. **SUBSTANDARD UNIT IDENTIFICATION:** Local criteria have been established for the purpose of the identification of substandard and ranking of residential units based on the number and severity of deficiencies as defined at the time of the housing inspection. Each residential unit will be classified based on the following criteria:
- * Standard Condition: Less than 10 years old or more than 10 years old with no major noticeable defects.
 - * Substandard Condition: Major defects, not energy efficient, structural defects, bad electrical systems, rot present, roofing and window replacement necessary.
 - * Beyond Repair: Unit shows severe deterioration in all major systems including structural failures. Building is either abandoned or may pose a threat to its occupants. Not cost effective to repair.
3. **PRIORITY FOR REHABILITATION:** There is a waiting list of properties derived from the grant application that will be served first. Applications will be sent to these properties on the waiting list, and priority order will be first come first served as these applications are returned. After all people on the waiting list are given an opportunity to apply for SCDP funds, applications may be made available to others in the target area.

In the event that landlords have multiple properties in the target area, each landlord will have the opportunity to rehabilitate one (1) property initially. Landlords with more than one property in the target area will be given an opportunity to rehabilitate additional properties after all other landlords with eligible properties in the target area are given the opportunity to apply for SCDP funds.

4. **SUITABILITY FOR REHABILITATION:** Residential rental units must be determined as suitable candidates for rehabilitation in order to receive SCDP funds. That determination shall be based on a number of factors including structural viability/housing deficiencies, market-housing design viability, historic significance, zoning, location, cost of rehabilitation and post market value, housing replacement costs and other socioeconomic factors.

a. **Structural Viability:** Will be determined by the number and severity of structural and house system deficiencies existing in the rehabilitation candidate. Funding from SCDP and Leverage sources must be available to address all existing structural deficiencies.

b. **Residential Design/Local Market Value:** The residential rental unit design must allow for residential reuse of the unit after the current owner has moved on. The residential design must be such that the unit will have an after rehabilitation market value or a layout that allows for modifications to the unit within its after rehabilitation market value that exceeds the cost of rehabilitation.

c. **Historic Significance:** Residential units that possess historic significance will be reviewed outside of normal market value economic considerations.

d. **Zoning/Property Location:** Residential units located within industrial or commercial zones may be declared as not suitable for rehabilitation.

e. **After Rehabilitation Market Value:** If the type and number of housing repairs needed to bring the rental unit into compliance with the adopted housing standards exceeds the after rehabilitation market value of the unit, the unit may be declared as not suitable for rehabilitation. Denial of assistance shall be based on after rehabilitation market value establish through an appraisal. After Rehabilitation Market Values defined as:

Current EMV + 50 percent of the Cost of Rehabilitation Repairs

f. **Housing Replacement Costs/Socioeconomic Factors:** When a residential unit has been determined to be unsuitable for rehabilitation due to economic or market factors other factors **must** be considered. These factors include:

- 1) Lack of Housing Alternatives
- 2) Cost of Relocation
- 3) Expensive Housing Alternatives
- 4) Abnormal Low Market Values due to depressed market
- 5) Physical condition and age of resident

5. **DECLARATION OF UNSUITABLE FOR REHABILITATION:** When a residential rental unit has been determined as "Not Suitable For Rehabilitation" the loan approval body, the City of Benson, shall review information provided by Swift County HRA that shall consist of the following:

- 1) Inspection Report
- 2) Estimated Cost of Repairs
- 3) Zoning/Location
- 4) After Rehabilitation Appraisal
- 5) Historic Review (SHPO)

6) Socioeconomic Factors

Swift County HRA will also provide the City of Benson with the analysis made based on Section 3f: Lack of Housing Alternatives; Cost of Relocation; Expense of Housing Alternatives, Abnormal Low Market Value in a Depressed Market; and Physical Condition/Age of Resident. The City of Benson shall then make a determination to declare the residential unit as unsuitable for rehabilitation or decide that other factors warrant the rehabilitation of the unit, in which case the project proceeds.

6. **ELIGIBLE STRUCTURES:** The property must be a residential rental structure meeting the following classification:
 - Single Family and Duplex Rentals.
 - Residential Commercial Buildings containing 3 or more units.
 - Mixed-use Commercial units containing residential units.
 - Tenant occupied mobile homes. Mobile Homes must be located on a permanent foundation.
7. **OWNERSHIP REQUIREMENTS:** The property owner must individually or in aggregate have a qualifying interest in the property consisting of at least:
 - a. A 1/3 interest in the fee title. Such interests must be subject to a mortgage, and must demonstrate the ability to secure the signatures of all remainder men and spouses with interest in the property, as loan guarantors;
 - b. A 1/3 interest as purchaser in a contract for deed. Such interests must secure the signatures of all parties and spouses that have interest in the property both as contractor vendor and contract vendee;
8. **OCCUPANCY STANDARDS:** The property to be rehabilitated shall be an active residential rental enterprise. Exceptions can be made for repairs to allow the rehabilitation of vacant residential rental properties that are bona fide developments and receive a waiver of the occupancy standard by the City Council.
9. **TAX DELINQUENCY:** Property Owner receiving rehabilitation assistance must be current with property tax payments.
10. **PROPERTY INSURANCE:** The Property Owner must carry current property insurance both at the time of the application and through the completion of rehabilitation.
11. **DEFAULT AND BANKRUPTCY:** The Property Owner shall not be eligible to receive SCDP funding if the property to be rehabilitated is in default of its mortgage, contract for deed or comparable obligation. An applicant will be ineligible to receive assistance through this rehabilitation program if the applicant is currently involved in bankruptcy proceedings.
12. **FLOOD PLAIN:** The Benson Target Area does not encompass any area located within a flood plain.
13. **TARGET AREA:** The target area is located in the southwest part of Benson where the train tracks and main thoroughfares make natural boundaries for the proposed program. Pacific Avenue including homes adjacent to the railroad tracks makes up the northern boundary, Minnesota Ave makes up the southern boundary, 21st Street makes up the

western boundary, and 15th St, McKinney Ave and Church Street at their connections make up the eastern boundary.

PROJECT FUNDING

1. **TENANT OCCUPIED PROGRAM DESIGN:** The rental rehabilitation program is intended to primarily benefit tenants of low to moderate income. Tenant income will be verified and shall follow the gross income limits as set by the Department of Housing and Urban Development for the Section 8 Existing Housing Program. These limits shall be adjusted periodically.

HUD Section 8 Income Guidelines Effective February, 2013

HOUSEHOLD SIZE	HOUSEHOLD INCOME
1	\$34,550
2	\$39,500
3	\$44,450
4	\$49,350
5	\$53,300
6	\$57,250
7	\$61,200
8	\$65,150

2. **MAXIMUM FINANCING:** The maximum SCDP loan amount extended to any applicant shall not exceed **\$14,000** for single-family homes and **\$12,250** for apartments and duplex units. If the total cost of repairs exceeds the SCDP funding limit, the applicant will be responsible to secure additional financing. Swift County HRA will assist the applicant to secure leverage funding, but if the applicant is unable to secure the necessary funding, then the scope of the project will be reduced in a manner that is consistent with the funding priorities and adopted Housing Standards. Project funding maximum loans by loan category are as follows:
3. **FINANCING DEFINITIONS:** The City of Benson Small Cities Development Program (SCDP) Rental Rehabilitation Program will have blended financing made up of two separate sources of funds. That financing will consist of:
 - a. **Deferred Loans:** A 0 percent Five (5) year deferred loan will be defined as a loan without interest or periodic payments which must be repaid in the event the improved property is sold, transferred, or conveyed or ceases to be used for residential housing. The entire loan is forgiven after a period of five (5) years.
 - b. **Leverage funds:** Shall be any funds used to provide for rehabilitation activities performed at an eligible applicant's dwelling unit other than the funds provided by the Small Cities Development Program. Leverage sources will be determined by income, existing debt and cash flow and the debt carrying capacity of the property, property owner credit worthiness and property eligibility. Primary rental rehabilitation leverage funds are composed of the following:

Subsidized and unsubsidized loans. These loans will be provided by the following programs and sources: Minnesota Housing Finance Agency's Rental Rehabilitation Loan Program (RRLP), Local Bank Loans, and where applicable, client contributions.

4. **RENTAL REHABILITATION PROGRAM DESIGN:** The Rental Rehabilitation Program will provide SCDP funding in the following proportions to eligible residential rental property owners:

70% - 0% Deferred SCDP Loan - Term Five (5) years. The entire loan is forgiven after a period of five (5) years.
30% - Other Funds - Leverage

5. **OTHER LEVERAGE SOURCES:** SCDP funds shall also be leveraged with dollars provided from sources other than private, public or non-profit Lenders.

a. **Liquid Assets:** In some cases Property Owners may wish to use liquid assets for leverage funds. When this occurs, Property Owners will be required to turn the funds over to Swift County HRA before any proceed to work is sent to a contractor. These funds will be deposited in an escrow account and will be released only after the Property Owner has signed a completion certificate.

b. **Sweat Equity:** Property owners may also wish to contribute labor towards the completion of the project. *Labor may be performed by the property owner to the interior or the exterior of the building.* To do this, they must exhibit adequate skill and the physical ability to perform the work required. Their ability will be determined by the Field Administrator. Work agreements will be signed by the property owner with strict completion dates to insure timely project completion. The equity contributed toward the project will be pro-rated on a credit rate based on the following formula:

Cost of materials/\$20.00 X 10 = Sweat Equity

Example: cost of materials=\$8,000 [$\$8,000/\$20 = 400$] [$\$400 \times 10 = \$4,000$]
Sweat Equity = \$4,000

c. **Leverage Fund Policy:** proceeds will be held in escrow accounts from all sources, except where prohibited by other lending sources, until the improvement has been completed to the satisfaction of the applicant and the project manager. The escrow will be held in a special account labeled as "leverage funds" and cannot be released until the applicant has signed a completion certificate, indicating that they are releasing the funds to the contractor.

d. **Prior Improvements:** Under certain conditions, the cost of prior improvements made to the tenant property/unit(s) may be counted as a source of leverage. The Housing Inspector will make this determination based on the following criteria:

- 1) The improvement made is determined to be an eligible improvement under the Small Cities Development Program and is deemed to be a necessary improvement by the housing inspector;
- 2) Improvements made can be verified by paid receipts;

- 3) The improvements were made within a one-year time period of the date of the inspection but not prior to the date that Environmental Clearance was granted by the Department of Trade and Economic Development to the City of Benson for the Small Cities Program.

ELIGIBLE IMPROVEMENTS

1. **GENERAL CONDITIONS:** It is the goal of this rental rehabilitation program to rehabilitate substandard rental housing to the standards as set forth in the Central Business District Rehabilitation Standards as adopted by City of Benson (See **Attachment 1** to these policies). These standards exceed HUD's Housing Quality Standards and are, in part, based on the Minnesota Energy Efficiency Standards. It will be the primary focus of this rehabilitation program to eliminate health, safety, energy and structural deficiencies in the dwelling units within the residential area of City of Benson. There will be no work funded through the Small Cities Development Program for strictly cosmetic purpose.
2. **ELIGIBLE IMPROVEMENTS:** Only permanent improvement can be funded through the Small Cities Development Program. Permanent improvements shall be those that include conversions, alternations, renovations, or repairs upon and in connection with existing rental units, which correct defects and deficiencies in those units, which affect the safety, habitability, structural integrity or energy efficiency of the property. Upon completion the property must meet or exceed HUD's Housing Quality Standards and must meet the following general requirements:
 - a. The structure shall be livable, safe, structurally sound and habitable;
 - b. All improvements shall meet all governing applicable codes and shall not be governed solely by the City of Benson Rehabilitation Standards, however, existing situations may be "grand fathered in" if the code violation is not one that is associated with any health, safety, energy or structural violations.
3. **PRIORITY IMPROVEMENTS:** Shall be defined as improvements that are mandatory and must be completed before other types of repairs are considered. Applicants who own properties with priority improvements will be given priority over other applicants. Those repairs include, but are not limited to the following:
 - a. Fire Code, National Electrical Code, Uniform Plumbing Code and Mechanical Code violations affecting health and safety.
 - b. Elimination of Lead Based Paint and Asbestos.
 - c. Repairs affecting the structural integrity of the building.
 - d. Modifications to make the rental units accessible to handicapped persons (Section 504).
 - e. Violations of HUD's Housing Quality Standards.
 - f. Violations of the Minnesota Energy and Efficiency Standards.
 - g. If the structure has been determined historically significant by the Minnesota Historical Society, plans for exterior improvements to the structure must be reviewed by the Minnesota Historical Society. SHPO mandated repairs are priority.
4. **FUNDING PROHIBITIONS:** Improvements that are largely cosmetic or do not improve housing systems are generally ineligible. Specifically, the following activities are ineligible:

- a. Household appliances, saunas, whirlpool baths, decorative cabinetry, detached garages, decks, patios, landscaping (unless it undertaken due to repairs resulting from eligible activities), wood burning heating systems, fireplaces, fencing, water softener or window air conditioners, central air conditioning may be allowable with documented medical justification.
- b. Small Cities Development funds shall not be used in whole or in part to finance or to satisfy an existing debt.
- c. Small Cities Development Program funds shall not be used for the payment, in whole or partly for the satisfaction of assessments for public improvements. However SCDP funds can be used to fund improvements that may be a portion of City improvements as long as those improvements are located on or under an eligible applicants property.
- d. Additions are generally ineligible unless the work is being undertaken to address accessibility issues.

LEAD BASED PAINT

1. **GENERAL CONDITIONS:** The elimination of lead based paint is a priority of this Small Cities Development Program. The following procedures shall apply to the housing rehabilitation activities:
 - a. All housing units built prior to 1978 will include inspection for deteriorated paint and the correction of lead paint that is chipping, peeling or cracking. (Risk assessment)
 - b. The Risk Assessment report will be part of the rehabilitation project file.
 - c. All applicants shall receive, review and sign, "Protect Your Family from Lead in Your Home". Rehabilitation files must indicate that owner have received a copy of the brochure. This document shall be part of the applicant file.
 - d. Homeowners and/or tenants must receive the HUD Notice "Summary Risk Assessment Notice" and the file must show receipt of the Notice.
 - e. Work write ups/specifications will incorporate the required lead hazard reduction options from the Risk Assessment Report and include language on required lead safe work practices, site preparation, prohibited practices and cleaning.
 - f. Owner-Contractor language will include prohibition of use of lead based paint, requirement for trained workers/supervisors and conducting work in accordance with lead safe work practices.
 - g. Appropriately trained workers and/or supervisors must carry out lead hazard reduction work. Training for licensed workers and supervisors must be conducted by approved training providers. Costs for training is grant eligible.

A clearance examination, where risk assessment was conducted and/or lead hazard reduction was carried out. Trained Sampling Technicians will conduct clearance examinations. Copy of the clearance will be in the project file

TEMPORARY RELOCATION - Will be provided for tenants who are displaced to allow for the removal of hazardous materials. Tenants will be compensated for all costs associated with temporary relocation including but not limited to temporary rental costs associated with hotel/motel accommodation, per diem food allowance per displaced person per day, mileage compensation, and a miscellaneous expense per diem.

1. RELOCATION PROCEDURES

- (a) The expected relocation period is five days. The tenant will be informed of the anticipated relocation term with a beginning and ending date. Twenty-four hour notice will be given if any change in the timeframe is experienced.
- (b) Tenants will be notified of the identification of hazardous condition within their building immediately by the Swift County HRA. The tenant will be given a minimum of 60 days notice of the scheduled removal of an identified hazardous material and will be informed, in writing, of their rights to receive temporary relocation benefits.
- (c) Swift County HRA will identify available accommodations within 30 miles of the City of Benson. The accommodations will be sized appropriately based on number and gender of the relocated family. If hotels or motels are used, Swift County HRA will provide an inspection of the accommodations and will use procurement methods to enter into a negotiated rate for ongoing use as a resource.

2. ALLOWABLE EXPENSES: Tenant out-of-pocket expenses will be compensated according to the following schedule:

- (a) Hotel/Motel Rooms – Will be publicly procured and will be paid directly for the displaced tenant.
- (b) Travel Expenses – Displaced tenants will be compensated for mileage expenses based on travel from the temporary residence to their place of employment at the Internal Revenue approved rate.
- (c) Storage and moving expense – Tenants will be compensated for costs associated with storage and moving expenses for the storage of tenant’s possessions during the relocation period.
- (d) Food Allowance – Tenants will receive a \$25.00 food allowance for adult family member per day with a \$15.00 food allowance per child family member per day.
- (e) Miscellaneous Expenses – Tenant households will receive up to \$25.00 allowance per day for documented miscellaneous expense.

HISTORICAL SOCIETY REVIEW

- 1. **SHPO REVIEW:** All properties erected 50 years and older will be reviewed by the Minnesota Historical Society to determine if the structure is historically significant before any rehabilitation occurs.
- 2. **HISTORIC PROCEDURE:** After the initial property inspection has been completed by the Housing Inspector, the following will be submitted to the Minnesota Historical Society Officer (SHPO).

- a. A summary of the work to be done at the property;
- b. Photographs of the structure;
- c. Property description;
- d. Any other information request by the SHPO.

Prior to the issuance of the Proceed to Work a response form the SHPO must be in the file indicating approval of proposed work and/or required amendments to the proposed work. Any changes in the scope of the project required by the SHPO must be initiated.

MARKETING

1. GENERAL MARKETING: Swift County HRA, on behalf of City of Benson will conduct outreach in the City and may solicit applications for the program in the following ways:

- a. Notifying all applicants on the Benson Waiting List for compilation of an Applicant List.
- b. Conduct community meeting(s) to inform Benson residents of the availability of and application process for the Program.
- c. Issue press releases advertising community meetings and/or information on SCDP grant application both to local newspapers and to local radio stations.
- d. Make direct mailing of program information to the homeowners in the community if necessary to generate additional applicants.
- e. Develop brochures and send them out in the billing statements of our local utility vendors.
- f. Develop posters and post them in prominent areas in the communities as well as distributing brochures at commodity distribution sites, where applicable.

2. FAIR HOUSING/AFFIRMATIVE ACTION: It is the policy of City of Benson to work affirmatively to ensure that all persons regardless of race, creed, national origin, sex, martial status, age, handicap or reliance on public assistance shall be treated equally and fairly for purposes of this SCDP Rental Rehabilitation Program.

- a. Program promotion conducted by Swift County HRA and/or the City of Benson shall be inclusive and will exercise care to avoid promotion methods that exclude eligible applicants.
- b. Swift County HRA will provide all applicants with printed information on Fair Housing at the time of application.
- c. Affirmative promotion shall actively pursue methods of reaching potential applicants that are difficult to reach.
 - 1) Spanish Language flyers, applications, etc. will be provided
 - 2) Spanish translation will be provided for applicants in all phases of the rehabilitation process if needed/requested by the applicant.

APPLICATION AND APPLICANT SELECTION PROCEDURES

1. **APPLICATION PROCEDURES:** Applicants will be selected for participation of the Small Cities Development Program based upon 1) completion and acceptance of their application in accordance with program guidelines and 2) the class designation or health/safety repair priority determined by an inspection.

Applications will be received on a first come, first served basis, which will be prioritized from the date at which the interested party first contacted Swift County HRA. Swift County HRA will use the following guide to assess the preliminary eligibility of the applicant.

- a. Income eligibility of the applicant for a SCDP loan.
- b. Property ownership.

Once an application has been completed and preliminary approved by the Housing Coordinator, the application will be given to the Housing Inspector for the scheduling of an inspection. The inspector will complete the inspection and determine the rehabilitation priority of the applicant based on class designation and health and safety deficiencies. Tenants will receive a General Information Notice after landlord application is received.

HOUSING REHABILITATION STANDARDS

1. **HOUSING QUALITY STANDARDS:** All rental units will comply with the Housing Quality Standards in addition to all other applicable Codes such as the Minnesota State Building Code and the Minnesota Energy and Efficiency Standards as the instrument governing rehabilitation activities in the City of Benson.
2. **HOUSING INSPECTION:** Once a property owner and the residential rental structure has been determined eligible for a SCDP loan then an inspection of the property will be conducted by a Housing Inspector. The Inspector will determine what work is necessary to bring the property into compliance with the Housing Standards. The Inspector will determine the priority level of the necessary repairs. The Inspector will then prepare a Scope of Work (work write-up), which will rectify any violations to the Housing Standards, local codes and other eligible repairs. The Scope of Work shall be considered a binding contract between the applicant and the contractor performing work at the applicant's property.
3. **SCOPE OF WORK:** Shall contain the following project and contractual documents:
 - a. Instructions to the bidder;
 - b. Bid Proposal;
 - c. Program Warranties;
 - d. General Conditions;
 - e. Special Conditions;
 - f. Specifications categorized by trade;
 - g. Diagrams and Layouts.
 - h. Cost Estimate (file and owner review only)
 - i. Work Write-Up
 - j. List of Eligible Improvements (file only)
 - k. Rehabilitation Standards Compliance Certification (file only)
 - l. Owner Completion Certificate (payment only)

- m. Contractor Owner Warranty
- n. Required lead hazard reduction option identified in Risk Assessment, if applicable

PRIOR TO BID SOLICITATION

Before bid solicitation, a cost estimate must be completed. Owners need to know how much the job will cost and make decisions about what they can afford. Program administrators need to know if a project is feasible given available resources. Owners need to understand the relationship between deficiencies they have identified and deficiencies that the program can correct with funds from the Small Cities Development Program.

CONTRACTING PROCEDURES

1. **PARTICIPATING CONTRACTORS:** All contractors participating in the Small Cities Development Program must have on file at Swift County HRA office, a Contractor's Application. The contractors will be responsible for securing insurance of the amounts specified on the application form. The application must contain proof of insurance coverage via a Certification of Insurance Coverage, and the contractor's registration number.
2. **BID SOLICITATION:** The Contract is between the property owner and the contractor. The property owner will be provided a list of Swift County HRA approved contractors, to choose contractors from, however, an property owner is free to choose any contractor to solicit bids from who the property owner may want. **If only one bid is secured, documentation is required in the file of whom the specs went to and along with a copy of the field administrative staffs job estimate.** In order for a contractor who is not approved by Swift County HRA to be awarded a bid, the contractor must furnish Swift County HRA with a Certificate of Insurance, and must complete a Contractor Application. Upon doing so the contractor shall be awarded the bid.
3. **BIDDING:** Contractors will be allowed to bid on any and all rehabilitation projects, but ONLY Contractors licensed for Lead Hazard Reduction will be allowed to bid and do the work on any part of the project that contains lead. No single contractor will be allowed to work on more than three rehabilitation projects at one time.
4. **BID AWARDS:** The Contract shall be awarded to the lowest base bid, unless one of the following circumstances occurs:
 - a. The contractor has failed to follow the procedures as outlined in the Instructions to the Bidders, page 2, Scope of Work;
 - b. The contractor fails to bid according to the specifications and it proves impossible to compare that contractor's bid with the other contractors;
 - c. The bid is determined to be unrealistically low by the Inspector and the contractor agrees to withdraw the bid;
 - d. The property owner does not want the low contractor to perform the work and agrees to pay the difference between the lowest bid and the preferred contractor's bid.
 - e. All bids in a trade category are determined to be unrealistically high or non-competitive, in which case all bids in the questionable trade category will be thrown out and different contractors solicited for bids.

5. **PROJECT PACKAGING:** Upon acceptance of the bid by the homeowner and the Inspector, the Inspector will package the project according to the eligibility of the homeowner to the various leverage sources and the Small Cities Development Program. The package is then reviewed by the Housing Coordinator to ensure completeness and accuracy.
6. **PROJECT APPROVAL PROCEDURE:** The Inspector will then present the project package to the Upper Minnesota Valley Regional Development Commission Board for review and approval. The following information shall be provided to the UMVRDC Board on the project approval form.
 - a. Location of home to be rehabilitated;
 - b. Income/ownership eligibility status of applicant;
 - c. Proposed rehabilitation to be completed;
 - d. Proposed Financing Package;
 - e. Miscellaneous information pertinent to the approval and completion of the project.
 - f. Notice of displacement or non-displacement to tenant(s)

The UMVRDC Board will approve or deny the proposed work to be completed and the amount of the SCDP loan. Upon approval by the UMVRDC Board, the Repayment Agreement is drawn up by Swift County HRA and returned to the Inspector for closing with the Applicant.

7. **CONTRACTOR NOTIFICATION:** Upon closing the Inspector issues a **Notice to Proceed** to the accepted contractors. That notice will allow the contractor 90 days in which to complete the awarded contract. Ninety days will be the allotted amount of time except under the following conditions.
 - a. The work is weather dependent and weather conditions have not allowed the completion of the work;
 - b. The Notice to Proceed is issued too late in the building season to allow weather dependent work to be completed on time;
 - c. The property owner preferred contractor is too heavily committed to perform the work within the allotted time and informs the property owner and the Inspector that he is too heavily committed and a work schedule is established and is acceptable to the property owner, the Inspector and the contractor;
 - d. Unforeseen difficulties develop with the approved work and force a delay.
8. **CONTRACTOR CONTRACT:** Each selected contractor will enter into a contract with the Home Owner. The contract will outline the terms for completion of the rehabilitation on the home and will include the following:
 - * Project Start Date
 - * Project Completion Date
 - * General Conditions
 - * Special Conditions
 - * Project Warranties
 - * Change Order Procedures

- * Payment Terms
- * Termination Procedures

9. **FAILURE TO START/COMPLETE PROJECT:** Upon receipt of the Proceed to Work a contractor will have 90 calendar days in which to complete the contracted work. Failure to begin work within the first 60 days can be grounds to terminate the contract.

The 90-day time period shall not be exceeded except through the issuance of a change order. In the absence of a change order, a contractor who violates the time period shall be penalized 5% of the unpaid balance for each week that the contractor is in violation.

10. **INTERIM INSPECTIONS:** After work begins, interim inspections will be scheduled by the Inspector to monitor work progress and work quality. If a dispute arises between a property owner and a contractor the Inspector will attempt to find a means of resolving the conflict.

11. **PAYMENT PROCEDURES:** All contractors will agree to the payment schedule contained within the Contractor's Application, which is as follows:

- a. No pre-payments are allowable for any reason;
- b. Lien Waivers are required for all sub-contractors before payment will be made;
- c. Partial payments are not allowable for any work that is not completed. Payments are limited to a maximum of 85% of the total due on the completed portions of the project;
- d. Any and all payments will be made only after the work is completed according to the specifications contained within the Scope of Work and when the work meets with the approval of both the Applicant and the Inspector. In order for the contractor to be paid, a signed Completion Certificate must be presented at the time of payment. Both the Applicant(s) and the Inspector must sign the Completion Certificate;
- e. Fifteen percent (15%) must be withheld from each partial payment. Final payment for all work completed, including any withheld amounts, may be made after all work by a contractor is completed, the final inspection has been conducted and the inspector, homeowner and contractor have signed off on the work. The Housing Inspector may waive the 15% withholding limit when full payment is reasonably requested for early completion or priority improvement work related to health and safety;
- f. Payments will be made only upon presentation of the following documents to Swift County HRA, at which time a request for payment will be made to UMRVDC:

- 1) Billing Statement
- 2) Lien Waiver
- 3) Sworn Contractors Statement
- 4) Completion Certificate
- 5) Lead clearance and lead clearance to occupants, if applicable and only on final payment

12. **CHANGE ORDERS:** To the contract require the signature of the property owner, the contractor, the Inspector, and the Housing Coordinator. Change orders will be allowed only for the following reasons;

- a. To rectify hidden deficiencies that are discovered once the work has begun;

- b. To change a specification due to unforeseen difficulties arising after work has begun;
- c. To address a deficiency that was inadvertently dropped from the project during project packaging;
- d. To approve changes in the contract time period.
- e. Lead clearance and lead clearance to occupants.

13. TERMINATION OF CONTRACT: A contractor's contract can be terminated under the following procedures:

- a. Poor work performance on the job site and the demonstrated inability to rectify the poor workmanship. The cost of repairing poor workmanship and the higher costs of awarding the bid to the next lowest bidder shall be deducted from any amount owed to the initial contractor for work completed. In all cases the contractor shall be given the opportunity to rectify the problem before removal procedures are instituted. The Inspector shall institute the following procedures when negotiating a workmanship problem:
 - 1) Shall set up a meeting at the job site with the contractor and property owner to attempt to come to a consensus;
 - 2) Shall contact the contractor the second time by certified mail notifying the contractor that the workmanship is still poor and specifying the areas that need to be addressed to satisfy the contract, giving the contractor a fifteen (15) day time limit in which to make the required repairs.
- b. Causing undue damages to a property owner's property and the inability or unwillingness to correct the damages. The cost of repairing damages will be deducted from any money owed the contractor for work already completed. If the amount owed is insufficient to cover the costs of the damages then Swift County HRA will assist the property owner, if necessary, to reclaim damages by legal means.
- c. Lack of sufficient insurance coverage;
- d. The inability of the contractor to perform the work within the allotted time;
- e. Irreconcilable and irresolvable differences between the contractor and the property owner;
- f. The contractor requests to be removed from the contract. There will be no penalty associated with this request as long as the request is made within sixty days of receiving the Notice to Proceed;
- g. Contractors who are removed from a contract shall be removed from the Approved Contractors List and shall be prohibited from being awarded any contract with Swift County HRA.

LOAN PACKAGES

- 1. **LOAN FILES:** Swift County HRA, as the Field Administrator, shall maintain files on each property owner throughout the duration of the program. Each property owner's file shall include the following:

- a. **Work Progression Chart;** This form allows easy monitoring of the file and enables those working with it to see at a glance, just what stage the project is at. This form will be attached to the inside cover of the file;
- b. **SCDP Loan Application;** This form will provide information relating to property income and cash flow, property owner affordability, and monthly expenses. The form will also provide data on the property to be improved as well as other pertinent lending data as required by the MHFA HLP program and Swift County HRA. Verification of all income/assets, as well as a copy of the property owner's most recent property tax statement shall be attached to the application. Proof of property ownership (Warranty Deed, Torrens, Recorded Contract for Deed, recorded Life Estate, etc.) and current homeowner's insurance must also accompany the application. The lead paint warning will be included at the bottom of this form and will be signed by the property owner attesting that they have read and understand the dangers associated with lead based paint. All tenant information shall also be collected including tenant income, tenant rent, and lease terms. The lead paint warning shall also be included reviewed and signed by the tenant.
- c. **Tenant Survey;** This form provides verification of an applicant's income;
- d. **Property Inspection Form;** the Inspection Report shall be prepared by the Housing Inspector. The Inspection Report is designed to include a specific account of the condition of the property and all corrective actions necessary;
- e. **SHPO Response;** A letter from SHPO indicates their approval or requirements for the project;
- f. **Scope of Work;** the Scope of Work is the contract between the property owner and contractor and specifies the exact work which will be performed at the eligible property;
- g. **Mortgage and Repayment Agreement;** this form is the legal mechanism by which a Lien is placed against the improved property until the loan is repaid or forgiven and establishes and records the City's loan to the property owner in conjunction with the reduced loan portion of the SCDP project.
- h. **Close-Out Packet;** A letter is sent to the property owner informing them of completion and contains copies of the Repayment Agreement, and Completion Certificates.
- i. **Tenant Profile and Income;** A form documenting tenant family profile, income and pre-existing rents will be in each file. The tenant profile will document name, age, and gender of each resident and include the source(s) of income for each resident.
- j. **Rental Property Agreement;** A copy of the lease agreement between the tenant and landlord, outlining terms of lease. Must include rent paid, including utilities, and length of lease.
- k. **Other Pertinent Information;** Other information important to the approval and completion of the project;

LOAN REPAYMENT & GENERATED INCOME

1. **REPAYMENT PROCEDURES:** The City of Benson Small Cities Rental Rehabilitation Program consists of a blended loan program. The Rental Rehabilitation Program provides 70% of the total rehabilitation cost as 0% Five (5) year deferred loans that are forgiven 20% per year. The following procedures apply:
 - a. **Deferred Loans;** The deferred loans shall be forgiven 20% per year. When a property is sold or ceases to be utilized as residential units then the remaining loan principal is due in full. The repayment will be repaid directly to City of Benson, which will place the funds in a special account. The loan funds will be repaid in full from the purchase funds when an improved property is sold.
2. **GENERATED INCOME:** Generated Income is any income received by the City of Benson or a sub recipient as a result of the activities supported by State of Minnesota Small Cities Development Program (SCDP) funds. Generated Income must adhere to the following conditions.
 - a. All Generated Income must only be used for SCDP approved activities, or returned to SCDP.
 - b. All Generated Income earned on the activities when the grant is open must be used on grant activities, by subtracting the amount earned from the next disbursement.
 - c. The City of Benson agrees to have a plan on file for use of Generated Income earned after grant closeout.
 - d. After closeout, any Generated Income and interest earned must be tracked and reported by year received on a form provided by DEED.
 - e. After closeout, any Generated Income that is not used within 2 years from the reporting year received must be returned to the State of Minnesota Small Cities Development Program.

LOAN SUBORDINATION PROCEDURE:

1. **AUTHORIZED LOAN SUBORDINATION:** The City of Benson will authorize the subordination of its SCDP project loan under the following circumstances:
 - a. The Borrower wishes to borrow funds for housing debt.
 - b. The Borrower wishes to refinance the home to improve terms and conditions
2. **LOAN SUBORDINATION PROHIBITION:** The City of Benson specifically prohibits the subordination of its SCDP project loan under the following circumstances:
 - a. The Borrower wishes to utilize home equity to finance consolidation loans or other installment or credit card debt
 - b. The Borrower wishes to utilize home equity to purchase consumer products, vacations, college loans or medical emergencies

APPEALS PROCEDURES

1. **APPLICANT DENIAL PROCEDURE:** If a property owner's application is denied for any reason, a letter of denial will be sent to the property owner within 10 working days. The denial letter will clearly outline the reason for denial and inform the applicant that an appeals procedure is available.

2. **APPLICANT APPEAL PROCEDURE:** If a property owner is dissatisfied with the level of assistance they have received, and where an applicant complaint cannot be resolved with the conduct of the administration, Swift County HRA will notify the applicant in writing that a written procedure for appeal is available. The appeals procedure is as follows:

- a. The applicant who wishes to make an appeal must submit such an appeal **in writing** to the City of Benson. The appeal must specifically state the complaint and how the applicant wishes the complaint to be resolved. The applicant will need to notify the City in writing within 30 days of the date of their notification of denial of financing.
- b. The complaint will be presented to the Benson City Council at a regularly scheduled meeting within 30 days of the receipt of the written complaint.
- c. The Benson City Council will review the complaint and will make a determination concerning the complaint. Prarie Five will notify the applicant of the City Council's decision regarding the appeal. Notification will be in writing and must be made within 10 working days of the decision.
- d. After an appeal action has been initiated, Swift County HRA will send the following information to the Minnesota Department of Trade and Economic Development, and the City of Benson:
 - 1) A copy of the written complaint and request for satisfaction under the appeals process.
 - 2) A copy of all correspondence between Swift County HRA and the appealing client concerning the appeal disposition.
 - 3) The final appeal disposition.

AMENDMENTS, DIRECTIVES

These procedural guidelines may be amended or supplemented by Swift County HRA in coordination with the City of Benson. Amendments or changes must be approved by the Department of Trade and Economic Development.

ADOPTION

These procedural guidelines governing the administration of the Benson Residential Rental Rehabilitation Program have been adopted by action of the Benson City Council on

Date: _____

Attest: _____

Witnessed: _____

**RESOLUTION SETTING ASSESSMENTS FOR WATER AND
SEWER SERVICES RENDERED BY THE CITY OF
BENSON, MINNESOTA FOR 2013 PAYABLE 2014
(RESOLUTION NO. 2013-__)**

BE IT RESOLVED, by the Benson City Council that pursuant to Minnesota Statutes Chapter 444 that the assessment roll for 2013 Sewer and Water Bills as prepared by the City Manager is hereby approved and made a part therefore; and,

BE IT FURTHER RESOLVED, that the assessments hereinafter noted shall be submitted to the County Auditor on or before November 5, 2013 and placed on the tax roll for collection with the taxes collectable in 2014.

Account Number, Name & Address	Legal Description & Parcel No.	Sewer	Water	Totals
102-0066-00-01 301 10 th St. N Delores M. Jaeger	Lots 9 & 10, Block 11 23-0056-000	\$220.50	\$6.36	\$226.86
201-0087-00-01 314 16 th St. N Roberta Hill	Lots 18,19,20 Block 38 23-0239-000	\$98.00	\$45.71	\$143.71
202-0051-00-13 Equity Gateway, LLC 211 18 th St. N.	Lots 5 & 6, Block 50 Arthur Thornton Addition 23-0314-000	\$336.47	\$20.64	\$357.11
202-0081-00-03 203 19 th St. N. Becky Mast	S 75 Ft Lt 6, Block 8 Second Park Place 23-1057-000	\$490.00	\$12.72	\$502.72
303-0023-00-01 1950 McKinney Ave Charles Holmquist	Lot 5, Block 2 Tatge's 1 st Addition 23-0976-000	\$236.83	\$6.36	\$243.19
303-0071-00-01 104 20 th St. S Linda Stauffacher	Lots 9 & 10, Block 8 Fairview Addition 23-0832-000	\$294.00	\$375.06	\$669.06
403-0054-00-28 601 Church Street Bernard Drivdahl	W 55 Ft Lot 1, Blk 1; W 55 Ft of N 28 Ft Lot 2, Blk 1 Hansen's Addition 23-0751-000	\$76.77	\$6.36	\$83.13
TOTALS		\$1,752.57	\$473.21	\$2,225.78

**RESOLUTION SETTING ASSESSMENTS FOR CURRENT SERVICES
BY THE CITY OF BENSON, MINNESOTA FOR 2013 PAYABLE 2014
(RESOLUTION NO. 2013-)**

BE IT RESOLVED, by the Benson City Council that the following assessments for 2013 as prepared by the City Manager are hereby approved and made a part thereof; and,

BE IT FURTHER RESOLVED, that the assessments hereinafter noted shall be submitted to the County Auditor on or before November 5, 2013 and placed on the tax roll for collection with the taxes collectable in 2014.

Charges	Name & Mailing Address	Legal Description & Parcel No.	Amnt Due
Water Meter Repair 117 – 19 th St. N.	Bob Wilson & Diane Rodi 111 - 4 th Ave. SE, Glenwood, MN 56334	Lot 1, Block 1 Alton Hume Addn. 23-0763-000	\$80.00
Mowing Charges 402 – 16 th St. S.	Stacy Grussing & John P. Larson P.O. Box 55, Benson, MN 56215	Lot 1, Block 7 McKinney's 1 st Addn. 23-0450-000	\$427.50
Mowing Charges 314 – 15 th St. N.	Roberta Bee/ Olive V Taylor 1087 West Jessamine Ct. St. Paul, MN 55117	Lots 18-20, Block 38 City of Benson Addn. 23-0239-000	\$342.00
Mowing Charges 1950 McKinney Ave.	Charles Holmquist Estate 3217 Eagle Ridge Drive W. Willmar, MN 56201	Lot 5, Block 4 Tatges 1 st Addn. 23-0976-000	\$427.50
Mowing Charges 309 – 12 th St. S.	USDA Rural Dev. Cent. Service Stan Jeitz 400 – Goodfellow Blvd. FC231, Bldg. 105 St. Louis, MO 63120-1703	Lots 31 & 32, Block 2 Railway 1 st Addition 23-0359-000	\$85.50
Water Meter Repair 306 – 18 th St. N.	Ben Miller 206 – 17 th St. S. Benson, MN 56215	Lot 8, Block 2 McKinney's 3 rd Addition	\$80.00
TOTALS			\$1,442.50

KAVF Farms

Kristin & Aaron Vadnais Family Farms
Benson, MN

10/29/2013

To: City of Benson

Re: Proposal for Airport Grassland located in Section 35 Clontarf Township, Swift County, Minnesota
Attention Glen Pederson

Area 1: Grassland located outside the fence west of the Benson Airport

1. Till up the grass outside of the fence west of the Benson airport in the fall of 2013 and seed alfalfa in the spring of 2014.
2. To recoup the costs of seeding the alfalfa I would like a 5 year rental contract.
3. Proposed rental rate for area 1 is \$165.00 per acre. (This is what the Swift county rental rates for group 4 in 2013 for CRP were.
4. I would assume the responsibility of clearing any trees/ brush that are obstacles in the field and also for gopher/ varmint control.

Area 2: Grassland located inside the fence on the Benson Airport Land

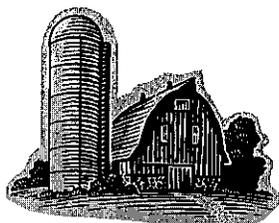
1. For 2014 I would cut the grass on the old CRP inside the fence pay on a per bale basis.
2. In the fall of 2014 till up what grass was able to be cut and seed to alfalfa in the spring of 2015. Paying the group 4 rent for Swift county on a 5 year contract for those acres. The proposal for inside the fence it is the same as was done outside the fence west of the airport in 2013.

Benefits to the city using the above approach to management of the land:

- Weed control
- Gopher/ varmint control
- Easier access to all areas of the land (level out rough ground)
- Maintain income equal to or greater than previous CRP payments

Aaron J Vadnais

KAVF Farms



Kristin & Aaron Vadnais
615 20th Ave SE
Benson, MN 56215
320-314-2320
aaron_vadnais@hotmail.com



Clontarf
USDA
 Farm Service Agency

Swift County
 Township - 122 Range - 40 Section - 35
 May 31, 2005
 Imagery Not to Scale

Key to Features

- Tract Boundary
- Common Land Unit
- Section Boundary
- Wetland Points

