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The following discussion of housing projects is focused specifically on housing rehabilitation, new construction, and the activities related to home ownership assistance allowed under Section 105 (a)(20) of the Cranston-Gonzalez National Affordable Housing Act.

The basic types of rehabilitation are:

1) scattered rural rehabilitation projects

2) targeted projects, particularly in urban areas of municipalities

Structures may be:

1) owner occupied

2) rental units: single or multi-family apartment dwellings

3) a combination of the two

4) public housing financed by federal funds

The basic types of new construction are:

1) stick-built

2) mobile homes

3) manufactured housing other than mobile homes

New construction can only be funded with VCDP funds. Structures may be:

1) single family or duplex

2) multi-family

3) public housing

Whatever the type of project, you will need to identify and assess:

1) the condition of any housing stock to be rehabilitated

2) the estimated cost to carry out the rehabilitation or construction

3) the total benefit to persons of low and moderate income

You completed a preliminary survey during the application process. Now that you are implementing the project you will have to verify qualification for benefit by having beneficiaries complete Household Income Statements found in Chapter 8.

Types Of Rehabilitation

Type Of Eligible Structure

New Construction

Income Verification

If you have not already done so, it is recommended that you form an advisory committee or a housing task force that will assist in carrying out the program and conducting such activities as developing policy and procedures, marketing the program, screening applicants and determining who will receive assistance.

You may have to hire additional staff to assist you in managing and administering the program. Housing staff should have sufficient knowledge of construction standards and financial management to oversee the rehabilitation or construction work. Additional responsibilities of the management staff, eligible under VCDP program management guidelines, are:

1) set up proper procedures for income verification of applicants

2) determine eligibility of property to be rehabilitated or constructed

3) document all benefit and rehabilitation/construction data

4) perform Section 8 Housing Quality Standards inspections, before and after the work is done.

There have been several excellent models of housing rehabilitation and new construction programs developed by grantees through the VCDP and other State CDBG programs. This information, as well as technical assistance, is available to you from your CD Regional Coordinator and through browsing the Internet.

Additional housing program management activities which can be funded through VCDP are:

1) Projects which provide direct assistance to persons of low and moderate income to facilitate and expand home ownership.

2) Interest rate and mortgage principal subsidies for low and moderate income home buyers

3) Guarantees for mortgage financing obtained by low and moderate-income homebuyers from private lenders, except that municipalities may not use VCDP grant funds to directly guarantee mortgage financing.

4) Up to 50 percent of the down payment required from low and moderate-income buyers.

5) Reasonable closing costs associated with the purchase of a home incurred by a low and moderate-income homebuyer.

Program Management on a construction project can also include acting as a clerk of the works. This means that the Program Manager should be sufficiently knowledgeable to address such issues as:

Capacity Needed To Manage The Housing Activities

Housing Program Management Activities Eligible For VCDP Funding

Oversight Responsibilities Of The Program Manager

1) Recognizing that a rehabilitation project is developing into substantial reconstruction, thus significantly increasing costs and requiring reconsideration by VCDP.

2) Monitoring the depository account so that up to the allowable $5,000 remains in the account during the life of your grant, thus assuring at least a minimal fund for quick payments if the need arises. (Financial Management in Chapter 4)

3) Keeping abreast of applicable regulations, policies and procedures for land trust and housing cooperative acquisition; managing housing rehabilitation, etc. as described in detail in other sections of this manual (Chapter 5, Displacement, Acquisition and Relocation, and Agency Procedures, Chapters 12, 13 and 15.)

4) Knowing the requirements under the Davis-Bacon and related regulations. (Chapter 7, Fair Labor Standards and Davis-Bacon.)

5) Knowing if your project has the potential for triggering voluntary or involuntary displacement or relocation, thus triggering the requirements under the Uniform Relocation Act. (Chapter 5, Displacement, Acquisition and Relocation).

Fair Housing Requirements

It is a condition of the acceptance of VCDP funds, that each grantee certify that they will adhere to all federal/state statutes and regulations related to the prevention of discrimination in the provision of housing benefits.

Fair Housing Amendments Act Of 1988 (FHA)

The Law

Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601_3619) made it unlawful to discriminate in any aspect relating to the sale, rental or financing of dwellings or in the provision of brokerage services or facilities in connection with the sale or rental of a dwelling because of race, color, or religion.

The Fair Housing Amendments Act of 1988 (Pub. L. 100_430, approved September 13,1988) was enacted to strengthen the administrative enforcement provision of Title VIII, to add prohibitions against discrimination in housing on the basis of handicap and familial status, and to provide for the award of monetary damages where discriminatory housing practices are found. The amended law, referred to as the Fair Housing Act (FHA), became effective on March 12, 1989.

Sections 804, 805, and 806 of the FHA prohibit discrimination in any activities relating to the sale or rental of dwellings, in the availability of residential real estate-related transactions, or the provision of services and facilities related to such activities, because of race, color, religion, sex, handicap, familial status, or national origin.

In addition, the FHA specifically makes it unlawful to refuse to allow handicapped persons (at their own expense) to "reasonably modify" existing, presently occupied premises or premises to be occupied (by the handicapped person), if those modifications are necessary to afford the handicapped person "full enjoyment of the premises".

The FHA provides new protections for families with children under 18 years of age. Generally, such families cannot be denied housing solely on the basis of Familial Status. (Some housing is exempted such as housing which legitimately qualifies as being for "older persons" only.)

Where the issues involved cannot be resolved informally, the FHA provides that any person who believes that he or she has been discriminated against in the provision of housing may file a complaint with the Secretary of HUD or his/her designated representative. Complainants who believe they have been discriminated against, should also be advised to contact the Vermont Human Rights Commission in Montpelier. Complaints must be filed with HUD within a year of the date when the alleged discrimination occurred.

Sanctions

If discrimination is found to exist (as set forth in the FHA) the person(s) who is/are guilty of such discrimination may be subject to penalties including the assessment of actual damages, and injunctive action or other equitable relief, as well as civil penalties

Sanctions

A more thorough discussion of the impacts of the FHA may be found in the Federal Register of January 23, 1989, Part III.

YOU SHOULD CONSULT WITH THE CD REGIONAL COORDINATOR WHO IS RESPONSIBLE FOR YOUR GRANT TO INSURE THAT NO HOUSING ACTIVITIES OF YOUR GRANT VIOLATE PROVISIONS OF THE FHA.