

**City of Irving Housing and Human Services
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) ACQUISITION
REHABILITATION PROCEDURES**

A. Acquisition of Property (Process can take 30-35 days)

1. CHDO identifies possible purchase of home
 - 1.1 CHDO contacts Housing Coordinator to inform him that a possible property for purchase has been identified.
 - 1.2 CHDO submits initial project information including the following to Coordinator:
 - Address of Property
 - Homeowner(s) Name
 - Sales/Listing Price
 - Estimated Preliminary Cost/Work Write Up (WWU)
 - 1.3 Housing Coordinator sends out Construction Services Supervisor (CSS) to visit home, take pictures of property, and determine estimated preliminary costs and assess initial project feasibility
 - 1.4 Housing Coordinator will submit initial URA required paperwork to potential seller (Note: If potential seller is bank, noted on URA form and filed away)

2. Environmental Analysis is conducted
 - 2.1 Photographs taken for SHPO by CSS during assessment
 - 2.2 CSS completes SHPO checklist and SHPO letter is submitted to Texas Historical Commission
 - 2.3 SHPO response is received (**SHPO response can take up to 30 days**)
 - 2.4 CSS completes environmental compliance documentation

3. Initiation of purchase
 - 3.1 CHDO orders appraisal of home to establish value and sales price; forwards to Housing Coordinator
 - 3.2 Realtor or CHDO designee acts as negotiator of the sales price and terms of purchase
 - 3.3 CHDO submits copy of sales contract to Housing Coordinator (Sales are subject to City Inspections and Environmental Review- please add to Special Provisions Section)
 - 3.4 CHDO schedules closing date (**Note: closing cannot occur until environmental is completed, including receipt of SHPO response**)
 - 3.5 CHDO visits home and completes WWU; If home was built prior to 1978, WWU must be submitted to Risk Assessor (RA) to evaluate for Lead Based Paint (LBP)
 - 3.6 CHDO closes on home

4. Contractor Bidding Process
 - 4.1 CHDO submits WWU to contractor without line-item costs
 - 4.2 If LBP present in RA, contractor must complete Lead Firm Information Request form, provide copies of Lead Firm licenses, Lead Supervisors licenses, Trained Workers certificates, and any other information required by HUD and TDH Lead Rules
 - 4.3 CHDO conducts walkthrough with contractors
 - 4.4 Contractors submit bid
 - 4.5 CHDO reviews bid for cost reasonableness (If quote is >10%, quote is returned for rebid or costs are revised after meeting with contractor and researching costs)
 - 4.6 Cost Reasonableness form is completed and signed showing contractors costs and CHDO estimate.

5. Construction Contract is signed
 - 5.1 After purchase of home, CHDO and Contractor schedule meeting to review and sign construction contract
 - 5.2 Both parties sign copy of WWU during as part of the contract
 - 5.3 Notice to Proceed is signed and dated (Submit copy to HHS)
 - 5.4 CHDO receives and completes Permit Fee Waiver Form from CSS
 - 5.5 Contractor is to submit a payment bond if work exceeds \$25,000 prior to starting work. Contractor must submit original Insurance Certificates for General Liability, Workman's Comp for each job no matter cost of job.
 - 5.6 Contractor must also submit Subcontractor, Material, Men and Supplier Listing Form, copy of Building Permit, and Contractor and Subcontractor Activity Report (Submit to Housing Coordinator)

6. Potential Buyer is identified
 - 6.1 Buyer is taken through CHDO orientation, homebuyer education classes, and interviewed
 - 6.2 Potential buyer will be given tour of home and may participate in color selection process of home, if CHDO desires
 - 6.3 Submit homebuyer income eligibility documents to HC for review
 - 6.4 HC will provide letter of approval or denial
 - 6.5 Once buyer confirmed, buyer should sign a sales contract to be submitted to the Housing Coordinator
 - 6.6 Buyer is to submit earnest money to title company (earnest money (\$1,000) needs to be deposited in full prior to closing)

B. Sale of Property (Process can take up to 60 days)

1. Construction Checklist
 - 1.1 Construction is inspected 3 times per week in accordance with WWU submitted by the CHDO to Housing Coordinator
 - 1.2 CSS will take pictures (before and after) of all phases
 - 1.3 CSS will be in contact with CHDO concerning work and progress

2. Final Inspection
 - 2.1 CHDO, CSS, and Contractor schedules meeting to do a final walkthrough on the home
 - 2.2 Complete Punch list is provided to contractor
 - 2.3 Video and pictures taken of all work completed
 - 2.4 CHDO schedules clearance test if necessary for work
 - 2.5 CHDO conducts walkthrough with buyer

3. Closing on Home
 - 3.1 CHDO submits final HUD-1 and closing documents to Housing Coordinator 7 days prior to closing of home
 - 3.2 HHS approves HUD-1 and orders funds for closing
 - 3.3 HHS conducts an HQS inspection on property
 - 3.4 HHS submits closing documents to title company for execution at closing
 - 3.5 Closing is completed
 - 3.6 CHDO forwards a copy of all closing documentation to HHS for inclusion in HBAP file