

# City of Milan

## Building & Codes

City of Milan  
USDA Housing Preservation Grant (HPG)  
Statement of Activities

- (1) The City of Milan is seeking funds for housing preservation through the USDA Rural Development Agency. This funds will be used to make repairs and restoration to owner-occupied homes of very low and low income families.

The HPF Grant Program will be available to owner-occupied properties of very low and low income families within the Milan City limits. Low and very low income families will be defined by the FmHa Instruction 1944-A income guidelines or other (if any) reference sources approved by the USDA Housing Preservation Grant program. The city is within a non-MSA county and has a population of 7,703 according to the United States Census Bureau. 15.5 percent of the population of 1,976 persons are considered to live in poverty. The maximum amount of financial assistance will not exceed \$20,000 per owner-occupied home.

The city will provide assistance in the form of a grant and estimate that 9-12 homeowners will receive HPG assistance. HPG assistance will be structured to provide any portion of the total rehabilitation costs up to 100%. All applicants will be required to sign a grant agreement. The recipient agrees not to sell his/her house for a period of 5 years. If the house is sold, the recipient will pay back a yearly pro-rated amount of the grant to the city.

- (2) The process for selecting HPG applicants will be from a random draw of all qualified applicants. Upon notification of being approved for the funds, the City of Milan will solicit applications from qualified homeowners for a period of 45 days. At the end of the application period a public random draw will be held to determine the order of assistance for these homeowners. Applications will be available at Milan City Hall and on the City of Milan website ([www.cityofmilantn.org](http://www.cityofmilantn.org)).
  - (3) After selection and verification of eligibility, the City's Housing Specialist will visit the applicant's house and perform an inspection. He/She will then compile a work write up explaining the needed repairs. The Housing Specialist will provide a cost estimate of the repairs to be done. If the repairs fall within the \$1,000 to \$20,000 cost range, then the applicant will be eligible for assistance through the HPG program.
  - (4) The work write-ups will be mailed to interested contractors who will then be required to attend a pre-bid conference, during which the Housing Specialist will lead contractors on a walk-through of the house. A public bid opening will be held and the lowest and best bid selected by the Milan Board of Mayor and Aldermen based on the City of Milan procurement practices. Any bid approved cannot exceed 10% of Housing Specialist cost estimate.
  - (5) The City of Milan Building & Codes personnel will make routine inspections. However, inspections for payment will be made by an Independent Housing Inspector not employed by the city if current HPG Grant guidelines require it. The independent housing inspector (if required) will certify that all work has been done to the plans and specifications, and that the house meets the provisions of the International Energy Code.
  - (6) The City of Milan will require all new work to conform to the currently adopted International Residential Code for new construction or the International Existing Building Code as applicable. All contractors will pull the applicable construction permits and furnish the city with proof of
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workman's compensation or a certificate of exemption for workman's compensation issued by the State of Tennessee.

- (7) The City of Milan will ensure all potential environmental impacts will be addressed before any work is started on a property scheduled to receive HPG funds. The City will adhere to all requirements of Subpart 1944.673 and adopt all requirements set forth by Exhibit F-2 of the FmHA Instruction RD 1944-N. See form 1940-20, "Request for Environmental Information".
- (8) The proposed HPG project will be completed with 24 months (or the maximum period of time set by the HPG guidelines) from the date that the grant agreement is signed.
- (9) The following staff will be used in the project: Project Director, Codes Enforcement Officer, Building Inspector, and Independent Housing Specialist (if required).
- (10) The City of Milan will provide assistance to 9-12 low and very low income families who own homes that are located within the city's corporate limits. At least 80% of those families will have very low incomes and the remaining 20% will assist low income families.
- (11) The Housing Preservation Grant will ease overcrowding by increasing the housing stock of code compliant housing within the City of Milan. The City of Milan participates in the U. S. Department of Housing and Urban Development (HUD) housing and community development programs, and already actively seeks to affirmatively further fair housing. This includes the City's commitment to: (1) examine and attempt to alleviate housing discrimination within its jurisdiction; (2) promote fair housing choices for all persons; (3) provide opportunities for all persons to reside in any given housing development; regardless of race, color, religion, sex, disability, familial status, or national origin; (4) promote housing that is accessible to and usable by persons with disabilities; (5) and comply with the non-discrimination requirements of the Fair Housing Act.

(12) Estimated Budget

a. Administrative Expenses

Work Write Ups (provided by city staff if allowed)  
Grant Administration (provided by city staff)

b. Program Expenses

HPG rehab expenses \$180,487  
Total Project Cost \$180,487

By leveraging administrative costs with the use of City staff, the City will be able to use 100% of the grant for the actual rehabilitation of owner occupied homes of low and very low income persons. The City of Milan does not have any indirect costs as it is not being funded with any other federal funding.

(13)The City of Milan is constantly searching and applying for grants to provide housing repair assistance to its citizens. The demand for housing assistance by low and very low income persons far exceeds the availability of other funding sources. The City will cover all administrative costs within the Building & Codes Department salaries budget.

(14)The City will draw down HPG funds in quarterly requests for reimbursement. The City has sufficient funds in a designated housing rehabilitation account to comfortably pay up to \$20,000 before seeking reimbursement.

(15)The City uses a modified accrual accounting system and is audited on a yearly basis.

(16) The City will be able to evaluate its effectiveness through the submission of quarterly reports to the local Rural Development Office. The submitted reports will include HPG recipient's name, address, income, household size, race, amount of rehabilitation work, and amount of HPG funds used.

(17)Not applicable

(18)Not applicable

(19) The City of Milan will make every effort to reach all residents in order to make its HPG program known. Methods of outreach will include but not be limited to: advertisement in the local newspaper, posting on the city website, public service announcements on the radio, and posting of notices at various public locations within the City. Efforts will also be made to contact local leaders of minority groups to help get out the word and information about the HPG program. Any applicant who is found not to be eligible for the HPG program will be advised on other opportunities (if any) for possible assistance that may be available.

The City has never received an HPG grant but has received CDBG Infrastructure grants and THDA Housing grants in the past. The City will operate this project in a similar fashion. The condition of the housing stock in Milan, especially in the 4<sup>th</sup> ward area, is poor. This ward also has the highest concentration of low and very low income persons within the City.

A copy of the Public Notice Statement of Activities is attached.