**CDBG/Small Cities**

**Residential Rehabilitation Program**

**75% Replacement Value Threshold**

**&**

**Walk-AWAY POLICY**

**COMPLIANCE CERTIFICATION**

REHAB PROGRAM NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

GRANTEE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**The 75% Rule**

The 75% Rule states that the maximum federal dollars for housing rehabilitation cannot exceed 75% of the replacement cost. The 75% Rule for rehabilitation applies to rehabilitation cost only. Therefore, if the replacement cost of a home is $100,000, the maximum CDBG funds cannot exceed $75,000. Replacement is determined by identifying the cost of constructing a new housing unit of comparable size (i.e. square footage).

**Demolition, Replacements, Expansions, and Additions**

Reimbursement will not be given for additions, structures partially or completely demolished and replaced expanded or repaired without DOH prior knowledge and approval.

**Walk-Away Policy**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Residential Rehabilitation Program will not engage in the rehabilitation

(Town Name)

of a residence if the initial inspection reveals that the overall work required exceeds allotted costs and or completion of some of the required work without the completion of the overall work required is not feasible and or exacerbates physical, health and safety hazards, and or code issues. We will include the Walk-Away Policy Statement in a document which requires the participants’ signature at the Initial Inspection.

I,\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, as the responsible grantee do hereby certify that the

(Print Name)

work performed for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Residential Rehabilitation Program

(Town Name)

participants will not exceed 75% replacement value of the participant’s residence or violate the Walk-Away Policy.

Signed\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_