



CONSTRUCTION SUPERVISORS HANDBOOK

*PROVIDED BY REGIONAL T&MA CONTRACTORS
SECTION 523 MUTUAL SELF-HELP PROGRAM*

Disclaimer

A handbook for grantees of the USDA Section 523 Self-Help Housing Program

Developed jointly by the Self-Help Housing Technical and Management Assistance (T&MA) Contractors:

Florida Non-Profit Housing, Inc. (FNPH)

Little Dixie Community Action Agency, Inc. (LDCAA)

National Council of Agricultural Life and Labor Research Fund, Inc. (NCALL)

Rural Community Assistance Corporation (RCAC)

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Region I

Florida Non-Profit Housing, Inc.
P.O. Box 1987
Sebring, Florida 33871-1987
(863) 385-2519
smcgahee@fnph.org

Region III

NCALL Research, Inc.
363 Saulsbury Rd.
Dover, Delaware 19904
(302) 678-9400
info@ncall.org

Region II

Little Dixie Community Action Agency, Inc.
209 North 4th Street
Hugo, Oklahoma 74743
(580) 326-5165
kwhite@ldcaa.org

Region IV

Rural Community Assistance Corporation
3120 Freeboard Drive, Suite 201
West Sacramento, California 95619
(916) 447-2854
www.rcac.org

Refer to the Introduction chapter of this handbook to identify the appropriate T&MA Contractor to contact for your area. After receipt of consent and conditions letter you may copy and distribute the manual in accordance with such terms and conditions as set and approved by the T&MA Contractors.

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INTRODUCTION

The Self-Help Program

Self-help housing is just as it sounds, participants working together to build their own homes. This cooperative effort is a direct application of the church and barn raising traditions of pioneering rural Americans. Self-help participants, working in groups, supply the necessary labor to build their homes, having qualified for mortgage financing to purchase land, building materials, and some subcontracted work on the more technical items. A private nonprofit corporation, public body, a federally recognized Tribe, or rural town can obtain a grant from U. S. Department of Agriculture (USDA) Rural Development to hire skilled staff, rent office facilities, pay for mileage, and purchase tools. This staff then works with the participants by providing the assistance and training necessary to fulfill the goals of the self-help housing program. The program is described in more detail below.

With the assistance of the skilled staff, a group of generally four to 10 households is formed. Once the grant is completed, at least 40% of the total participants served should be in the very low income category (50% or less of the county median income). The balance of the participants must be in the low-income category (80% or less of the county median income). The participants select lots, house plans, (or in the case of purchase/repair programs, locate a suitable home) and apply for individual mortgage loans. While participants await loan approval, the group studies the responsibilities of homeownership, construction techniques, tool usage, safety, homeowner's insurance, taxes, home maintenance, and money management. This time is known as the pre-construction stage.

Once the loans are approved, the group begins to build under the guidance of a skilled construction supervisor. The participants must complete a minimum of 65% of the construction labor tasks until the group of homes is completed; usually the more technical work such as electrical, plumbing and HVAC is subcontracted out. The construction stage lasts from six to 12 months, depending on the size of the group and other factors. Participants work during their spare time (evenings, weekends, and days off) so as not to interfere with the regular household employment. Rural Development loans feature fixed interest rates ranging from 1% to the current market rate, depending on the household's adjusted annual income. The repayment period is 33 or 38 years and no down payment is required.

Rural Development

Rural Development is an agency of USDA. The Rural Development mission is to help rural Americans improve the quality of their lives. Rural Development helps rural communities meet their basic needs by:

- Building water and wastewater systems.
- Financing decent, safe, sanitary and affordable housing.
- Supporting electric power and rural businesses, including cooperatives.
- Supporting economic and community development with information, technical assistance and funding.

Rural Development has been providing the funds for the self-help housing program since the late 1960s. They provide Section 523 self-help grants to eligible entities to start and implement the program and they thoroughly review the self-help application before a grant is awarded. When a grant is awarded, Rural Development is agreeing that there is a need for self-help housing in the area; the approved applicant is suited to administer a self-help housing program; the proposed plan, budget and schedule are feasible; the house plans meet local, state and Rural Development building codes; adequate building sites are available; the necessary project elements are in place; and Rural Development is ready to provide the requested financial resources necessary to make the project work. Technical assistance grant funds provided to self-help grantees by Rural Development do not have to be repaid. It is an investment Rural Development is willing to make in order to see self-help housing work.

Rural Development will continue to monitor and provide oversight in the areas of construction and administration, through quarterly meetings, construction inspections, and participant accounts throughout the term of the grant.

In most cases Rural Development provides another important ingredient to the self-help program; construction/permanent financing in the form of a Single Family Housing Direct Home Loan (Section 502). They are independent of private or conventional lending institutions; the financing is directly between Rural Development and the borrower. While labor and construction are group efforts, each applicant must qualify and obtain a loan individually from Rural Development. Rural Development's function as a lender is significant because private credit institutions in rural areas are relatively few in number, smaller, and often impose more rigid terms which can be a barrier to homeownership.

Rural Development Offices

Rural Development usually operates from four levels: national, state, area and local. The National Rural Housing Service Administrator in the National Office and the State Directors are politically appointed – all others are federal civil service employees.

Rural Development National Office

The Rural Development National Office is responsible for developing policy and interacts with Congress for legislation, development and program funding. The National Office also obligates and monitors all Section 523 self-help grants. The program staff at the national level maintain reports and statistics on operating self-help organizations and projected needs for funding. The National Office has a separate Appeals Division that hears appeals on actions unresolved at the state level.

Rural Development State Office

The State Office has the approval authority over smaller Section 523 Self-Help grant applications up to \$300,000. Section 502 home loan funds are allocated on a state-by-state basis and the State Office allocates the 502 money based on a state Rural Development formula. There are additional staff members who are key to the operation of a self-help program located in many State Offices:

- Rural Development State Director
- Rural Housing Program Director
- Rural Development State Architect
- Rural Development Appraiser
- Rural Development Housing Specialist

Rural Development Area Office

The Rural Development Area Director is typically responsible for the Section 523 grant. In some states however, the grant monitoring has been retained at the State Office level with the Single Family Housing Program Director or it has been assigned to the Local Office. In any case, the RD grant manager is responsible to ensure that the grant is operated effectively and in accordance to regulations. Rural Development will evaluate

the Section 523 self-help agencies on a quarterly basis and review grant applications for new and on-going programs.

Rural Development Local Office

Within this office, the Area Specialist is typically responsible for making the Section 502 home loans to participating applicants of each self-help group. He or she will be responsible for monitoring the 502 loans and will also be the co-signer on the participant's Supervised Bank Accounts and will process the draws.

They are the personnel who will convert the loans once the local jurisdiction has completed the final inspection and issued a Certificate of Occupancy.

The Rural Development Section 502 Single Family Direct Home Loan

Many applicants that participate in the self-help housing program use Rural Development's Section 502 home loan program to finance their homes. Section 502 loans are only available for homes in eligible rural areas as defined by USDA (www.rd.usda.gov).

In order to qualify for a Section 502 loan, prospective self-help applicants must meet Rural Development income eligibility requirements as low-income or very low-income. They must be credit-worthy, have repayment ability for the loan requested, and be unable to secure credit from other sources. Low-income is defined as 80% or less of the county median income, based on family size. Very low-income is defined as 50% or less of the county median income, based on family size. These income standards, established by the U.S. Department of Housing and Urban Development and adopted by Rural Development, are subject to local variation and periodic change. Current information on income standards and eligibility requirements for Section 502 loans is available at Rural Development local offices or online at www.rd.usda.gov.

The repayment period for the Section 502 loan is either 33 or 38 years, and the interest rate is between 1% and the current market rate. The actual rate of interest the borrower pays depends on the borrower's income, as does the loan term. If a borrower is eligible to pay less interest than the market rate, the borrower then receives a subsidy called "payment assistance." The amount of payment assistance a borrower receives is determined by the loan amount, loan period, and the household income. The assistance makes up the difference between the full loan interest rate and the interest rate the participant pays. A portion of this subsidy must be repaid at time of sale or loan payoff based on equity, time, etc.

During home construction, Section 502 funds are advanced from the Rural Development finance office in St. Louis and disbursed by the local offices to the self-help grantee. Grantees prepare the drawdowns and checks for each participant's account as needed to purchase materials for different phases of construction. Note that the participant's loan payments are deferred during construction.

When construction is complete and all the necessary funds have been withdrawn from a participant's account, Rural Development's finance office sends payment books to the participant. The participant's first loan payment is due within 30 days of termination of deferred payments. Payments then go directly to Rural Development's Customer Service Center (CSC) in St. Louis.

The 523 Mutual Self-Help Housing Technical Assistance Grant

In order to enable organizations to operate a mutual self-help housing program, Rural Development provides grant funds to operate and oversee the program. Each technical assistance (TA) grant is usually for a period of up to two years, and is available to public and private nonprofit organizations, federally-recognized Tribes and units of state or local government. The amount of grant funds an organization can receive is based primarily upon how many houses they build in a grant period. An organization can receive up to 15% of the average cost of a new home financed under the 502 program in their area, for every home they are planning to build.

Activities that are allowable uses of Section 523 technical assistance grant funds include:

- Recruit eligible households to participate in the self-help program.
- Hold training meetings with participants on the self-help process and homeownership topics such as mortgages, insurances, taxes, and maintenance.
- Assist participants to obtain and develop building sites; obtaining or creating Rural Development-approved house plans and helping participants select theirs.
- Help participants bid and select building supplies and subcontractors; train participants in construction techniques and provide construction supervision.
- Supervise participant Section 502 loan accounting, including:
 - Totaling invoices and itemizing payments to suppliers and subcontractors.
 - Maintaining records of deposits and withdrawals.

- Preparing checks (accompanied with invoices and statements).

Disallowed activities using Section 523 Technical Assistance grant funds are:

- The use of any TA funds to pay staff to provide labor on the houses
- Purchasing any real estate or building materials for participating families
- Paying any debts, expenses or costs which should be the responsibility of the participating families
- Any lobbying activities as prohibited in OMB Circular 2 CFR 200 subpart f.

The T&MA Contractors

In 1979, appropriations language was changed to authorize the use of Section 523 grant funds to contract for technical assistance to self-help grantees. Currently there are four Technical and Management Assistance (T&MA) Contractors.

Rural Development contracts with these groups to assist operating and potential self-help housing grantees across the country. This assistance comes in the form of staff and board training, grant management, development of applications, 502 loan program and processing training, newsletters and conferences, among other services. These services are provided at no cost to the grantee.

The four contractors are:

- Florida Non-Profit Housing - covering Region I, the Southeast, including the states of AL, FL, GA, MS, NC, SC, TN, Puerto Rico and the Virgin Islands.
- Little Dixie Community Action Agency, Inc. – covering Region II, the South Central US, including the states of AR, KS, LA, MO, ND, NE, NM, OK, SD, TX, WY.
- NCALL Research, Inc. – covering Region III, the Northeast and Midwest, including the states of CT, DE, IA, IL, IN, KY, MA, MD, ME, MI, MN, NH, NJ, NY, OH, PA, RI, VA, VT, WI, WV.
- Rural Community Assistance Corporation (RCAC) – covering Region IV, the Western US, including the states of AK, AZ, CA, CO, HI, ID, MT, NV, OR, UT, WA, and the Western Pacific.

Self-Help Training Handbooks

The T&MA Contractors have produced a variety of training materials for the purpose of assisting grantees and training grantee staff. The following is a list of the available self-help handbooks. Please contact your T&MA Contractor for a copy or for more information.

Boards of Directors Handbook

Boards of Directors play a critical role in the success of any non-profit organization. With this in mind, the Board of Directors Handbook was designed for use by board members of any housing agency. It is an informational resource that may be used as a training tool and can provide new insights and a clearer understanding of nonprofit organizations, board meetings and operations, agency planning, administration of agency personnel, teamwork, orientation for new board members, federal accounting requirements, and agency activities.

Program Director Handbook

It is the responsibility of the Program Director or Executive Director to administer a successful self-help housing program. This handbook takes a general look at the process of managing a self-help program as well as providing specific information on required reports, program criteria, grant and financial management, personnel, and fair housing.

Construction Supervisor Handbook

The Construction Supervisor Handbook discusses the roles and responsibilities of the construction supervisor as it relates to self-help housing. This handbook covers aspects of the construction supervisor's job; from construction specifications, house plans, schedules, bill paying procedures, to group motivation. Insight is provided on how the self-help program operates and what is expected from the construction supervisor.

Group Coordinator Handbook

Group Coordinators are central to the self-help program throughout the self-help participant's involvement from recruitment through construction and move-in to the completed homes. This handbook provides guidance for the group worker in maintaining effective communication and relationships within the group of self-help participants throughout the self-help process.

Financial Management Handbook for Federally Funded Organizations

The purpose of the financial management handbook is to aid new and operating self-help grantees with the development of financial management systems and policies

that are compatible with the fiscal responsibilities set forth by the funding agency (Rural Development) and the Office of Management and Budget (OMB). While self-help housing programs that have been operating for many years may have sophisticated financial systems and policies, others are lacking written, established financial procedures that assure proper internal controls.

Accounting for Individual Family 502 Loan Accounts Handbook

The self-help housing grantee is responsible for keeping an accurate account of the disbursements of funds from the individual self-help family's Section 502 loan accounts. RD Instruction 1944-I indicates that the technical assistance provided by the grantee to the families should include "providing financial supervision to individual families with Section 502 loans, which will minimize the time and effort required by Rural Development in processing borrower expenditures for materials and contract services. This handbook provides guidelines for self-help grantees to use in designing the procedures necessary for a reasonable standard of control and a system of checks and balances to protect the participants and the grantee.

502 Loan Processing Handbook *(Under Revision)*

While the labor and construction is a group effort, each participant must qualify and obtain a loan individually from Rural Development. In order to qualify, a household must fall within the income guidelines set by Rural Development, must have demonstrated repayment ability, must have a good credit rating, and should have a low debt load. Because the 502 self-help loan process can be complicated for the individual, the technical assistance staff will pre-screen participants for program eligibility and prepare the application packages for Rural Development. The 502 Loan Processing Handbook will help to train the Group Coordinator or appropriate staff person in packaging these loans.

Preconstruction Meetings Handbook *(Under Revision)*

Each self-help grantee is responsible for organizing participants into self-help groups, which remain together from loan processing through construction. The organization of participants into groups reinforces the "mutual" aspect of the self-help program because participants within a group are expected to work on each other's house until all houses in the group are completed. In addition to organizing participants into groups, self-help grantees are responsible for explaining the self-help concept and methodology to participants, and for educating participants about their responsibilities as

self-help participants, 502 loan borrowers, and homeowners. This is achieved through a series of “pre-construction meetings” which are covered in this handbook.

ROLES AND RESPONSIBILITIES OF THE CONSTRUCTION SUPERVISOR

This staff position is one of the most important to a self-help grant program. The success of the timely and appropriate construction of a group of houses can be tied directly to the professionalism and dedication of the Construction Supervisor. This staff person must be skilled in construction methods, terminology, materials, applications of those materials, and be knowledgeable of codes, regulations, and building requirements of Rural Development. This person must be a teacher, inspector, supervisor, counselor, troubleshooter, and act as a foreman throughout the building process of a group of houses. In addition, the Construction Supervisor must have an even temperament to be able to deal with many different kinds of conflicts.

Some of the Construction Supervisor's duties are:

1. Ensuring that all the houses are constructed according to plans and specifications in a workmanlike manner so that each house passes all inspections (local and Rural Development).
2. Preparing accurate estimates of construction costs and assisting in budget creation.
3. Developing contracts for subcontractors and suppliers.
4. Coordinating all family labor and subcontractor work.
5. Maintaining construction progress according to the developed schedule.
6. The safety of all people on the job site, with weekly safety training meetings.
7. Regular inspection and maintenance of power tools, keeping them in safe working condition.

It is **not** the Construction Supervisor's job to build the houses, but to train and supervise the participating families to build their own houses. The following items suggest ways for the Construction Supervisor to accomplish these challenging tasks.

1. Adjust your working schedule when possible to the times most convenient for the Self-Help participants to work, which is usually evenings and weekends.
2. Keep friendly and productive working relationships with the group.
3. Motivate through encouragement.
4. Be fair and impartial in assigning jobs to participants.
5. Keep detailed and accurate records of owner labor: which tasks were performed and which home was worked on. This is very important in avoiding disputes.
6. Make sure that material of the proper quality, quantity, and type are at the job site when needed so that work will not be delayed.
7. Examine all materials as they are unloaded to ensure the correct quantity, type, and quality of materials are being delivered.

CONSTRUCTION MANAGEMENT

CONSTRUCTION SPECIFICATIONS

Specifications will be necessary for many phases of the construction process (site development, house plans, material supply, and subcontractors). The Construction Supervisor oversees, and in some cases, writes the construction specifications (RD Form 1924.2 - Descriptions of Materials). An engineer typically writes the site development specifications.

The definition of a good construction specification is one that is simple, clear, and as complete as possible. Construction specifications need to be concise. A specification must be detailed enough to explain the specific step or material in the construction process. The information must eliminate any degree of confusion or misinterpretation. This is especially important when the agency subcontracts for labor and orders materials for the task. Please refer to 1924-A and 1924-C which are cited in the appendix, page 39.

The following items need to be taken into consideration when developing good construction specifications.

- Who is going to do it?
- What construction standard or code is used?
- What materials or equivalents will be used?

- What type and term of warranty is required?
- Specific brand or model to be used as basis for comparison.
- Describe the method of installation.
- Describe the specific quantity: square feet, cubic yards, etc.
- Describe the quality of product: size, style, model number.

Specification Types

There are five types of specifications generally used in the construction trades: technical, performance, reference, brand name, and other proprietary specifications. The Construction Supervisor should understand the uses of and differences between these various types of specifications.

Two Types of Instructions for Building a Home

Always remember that there are two types of instructions for building a home, written and graphic: the graphics being the blueprints or plan and the written portion being the specifications or “specs.” If ever in doubt, the specifications take precedence over the drawings. When specs are completed and prepared for each family, the family should initial each page and sign the last page, signifying that they have read and have had each section explained to them.

Description of Materials (Form RD 1924-2)

For the purposes of self-help housing the “Description of Materials” form RD 1924-2 will be used for the specification sheet. Make sure each section is clearly labeled and make sure your form has been reviewed and clarified with the house plan because if anything is unclear the spec sheet is the one that should and will be followed. Rural Development requires a Description of Materials (spec sheet), a cost estimate and a house plan for each family docket submission. If any of these items are missing then it may hold up the application process.

Change Orders

As a Construction Supervisor you are responsible to manage all aspects of the homes as they are being built. Changes to any portion of the homes whether there is a cost involved or not is considered a change order. Any structural, mechanical or material alteration to the original plans and specs is considered a change. The common practice for self-help agencies is to have a ZERO change order policy. No changes will be allowed to these homes whatsoever. The families

will need to understand that they have agreed to build their homes as per approved plans and specifications. Any additions or changes they wish to make may be done once all homes are complete and they have moved into their home.

Sometimes unexpected conditions will arise and a change order becomes necessary. A process should be implemented to inform all interested parties of the change. Each Grantee should establish an internal process that they would like their Construction Supervisor to follow. Rural Development also has a process and the proper change order forms must be utilized for documentation purposes.

Should a change become necessary, please contact your T&MA provider for assistance to insure proper channels are followed and that the correct documentation is completed.

HOUSE PLANS

Obtaining suitable house plans for your self-help project can be a laborious task, but it does not have to be.

Standardized Plans

The agency will find that using standard plans offering prescribed variations of square footage, bedrooms, and bathrooms, and exterior style will make its job much easier. Smaller agencies might have to contract out the design of house plans or order out of house plan books. It is recommended that you visit with your T&MA provider and ask to review current house plans of homes built in the area by other grantees.

House Plan Amenities

The house plans will vary in size and design in order to accommodate a broad spectrum of family structures. We must always keep in mind that each home should fit a definition of modest housing. The grantee should incorporate energy efficiency into the house design. When planning to design and build a new home, optimizing home energy efficiency requires a whole house systems approach to ensure that you consider all the variables, details, and interactions that affect energy use in the home. In addition to occupant behavior, site conditions and climate, these include:

- Appliances and home electronics
- Insulation and air sealing

- Lighting and daylighting
- Space heating and cooling
- Water heating
- Windows, doors and skylights.

Financed dwellings cannot exceed the maximum dollar limitation established by Rural Development for the area in which the property is located. It is always recommended to check with your Rural Development office for guidance.

House Plan Cost

As with everything else in today's market, prices seem to keep rising. The cost of house plans is no different. House plans must be certified by architect or engineer and Rural Development requires this certification with all plans.

CONSTRUCTION ESTIMATING

Introduction

For our purposes in construction estimating, we need to account for *every* item that is needed in the project. Because of this, construction knowledge is very important. Every possible material item should be considered and or listed so that it can be properly priced.

One of the primary responsibilities assumed by the self-help grantee is the accurate and accountable disbursement of the 502 loan funds. One of the areas in which many self-help programs get into trouble is inaccurately estimating the cost of construction in the self-help program. Accurate cost control and accounting are dependent upon consistent and thorough cost estimating. Any grantee that does not accurately estimate the cost of construction in the program has failed to live up to the bargain made with the participants and jeopardized the family's ability to repay the mortgage to Rural Development.

Some commonly used software programs, such as HomeWyse and National Cost Estimator, are available to help with the estimating process. Contact your T&MA provider for additional assistance.

Recommended Estimating Process

The recommended method of construction estimating requires a detailed analysis of the

proposed house plans and specifications. Construction Supervisors should perform quantity take-offs, which will list the actual quantity of every item needed to build the house based on the “Description of Materials.”. Once complete, the individual items should be compiled and summarized onto a “Cost Estimate Summary” form which will also include a detailed subcontractor scope of work, lot costs, permits, fees and all other applicable information. Construction Supervisors must prepare a separate Cost Estimate Summary for each participant. Grantees should strive for price guarantees on all building materials and subcontracted labor. Building suppliers do not like to guarantee pricing, but if you are a good negotiator the supplier should concede on that issue in order to get the business. When estimating materials to be used always remember that the most current codes are considered. The Construction Supervisor should be well versed in local codes, construction methods, building materials and components.

Dwelling Requirements

Dwellings financed under the 502 loan for the self-help housing program must provide modest, decent, safe and sanitary housing. Dwellings financed cannot exceed the maximum dollar limitation established by Rural Development for the area in which the property is located.

Summary

Construction estimating is not something that should be taken lightly. Too much emphasis cannot be placed on accurately pricing a house.

Mutual Concept

Mutual self-help is the method by which participating families, organized in groups of four to 10 families, utilize their own labor to reduce the total construction cost of their home by contributing labor to the group, thereby earning a “sweat equity” down payment.

Administrative Notice (AN) # 4845) Subject: Self Help Technical Assistance Grant Servicing, has the purpose of clarifying acceptable contributions of labor by families in the construction of their homes under the Mutual Self-Help Housing program. The current Self-Help regulation does not detail what is actually involved in performing specific tasks resulting in many interpretations of the labor that must be completed to earn the credit percentage assigned to a particular task. Clarification is needed to assure that applicants are made fully aware of the tasks that will be expected of them to meet the requirement of at least 65 percent of the actual

labor to build their homes. Exhibit B-2 of RD Instruction 1944-I (see appendix, page 39) provides a breakdown of construction tasks for determining percentages of construction completed. To earn the percentage assigned to a particular task, families are required to perform the work as specified. They must complete a significant portion of the actual work associated with the task to receive the designated credit percentage. The actual assigned family tasks must be included in the Group Membership Agreement. Some Rural Development offices allow for site clean-up to count as it keeps the jobsite safe.

RECOMMENDED ACCEPTABLE AND UNACCEPTABLE ACTIVITIES ON THE JOB SITE

The Construction Supervisor should make sure that all persons (family members, self-help staff members, volunteers, contractors, etc.) involved in the construction process follow these procedures:

- Children under 16 should not be allowed at the job site during construction.
- A practical dress code should be followed. (Any clothing that could be considered disruptive or unsafe should not be allowed.)
- Cell phones should be used only during breaks or in an emergency.
- Biased, inflammatory or lewd language, sexual harassment, or physical abuse will not be tolerated on the job site.
- The use of alcohol or any controlled substances will not be allowed on the job site.
- Tobacco products can only be used during breaks and smoking is prohibited inside any home.
- Friends, relatives or volunteers cannot receive any compensation whatsoever for helping family members.

Construction Safety

The Construction Supervisor is the first line of defense against accidents and injuries on the job site. The Construction Supervisor not only trains the group in tool use and construction methods, but also provides training on how to use tools and perform tasks safely. The

Construction Supervisor should design safety training for the group to fully develop the skills necessary to safely use construction tools. The training should not only include the correct methods of tool use but must cover general tool maintenance (e.g. cleaning saws, securing ladders, extension cords and tool storage).

The Construction Supervisor should maintain a safe job site during construction. He or she will need to develop a reliable sense for what's not right with the job site and be prepared to correct each problem as it arises. During pre-construction meetings and at least weekly during construction, the Construction Supervisor should discuss job-site safety with the group. Safety discussions should include hazards pertinent to the upcoming phase of construction, any problems that need to be corrected and reminders on proper use of tools. In addition, the Construction Supervisor should routinely maintain first-aid supplies weekly, and continuously check the job site for debris and hazards.

The self-help agency and/or Construction Supervisors should be responsible for developing a safety checklist that can be used to perform on site safety inspections.

Safety Guidelines

The self-help agency and the Construction Supervisor should develop safety guidelines and procedures to follow in the event of an accident or an emergency on the job site. A safety plan should be put into place and rehearsed regularly as part of pre-construction meetings or on-site safety meetings. Participants must have a clear understanding of their role in the event of an accident or emergency.

Practical knowledge of general first-aid and emergency assistance should be a part of the Construction Supervisor's training. Many areas have service organizations (American Red Cross, YMCA and YWCA), which train individuals in first-aid, CPR and safety in the workplace. In your area, check your yellow pages or on-line local searches under the following headings: first-aid instruction, first aid supplies, safety equipment and safety consultants along with the above-mentioned organizations.

Emergency Phone Numbers

The self-help agency and the Construction Supervisor must maintain a list of telephone numbers in the event of an emergency. This list must be readily accessible. Construction

Supervisors only need a minimal emergency telephone number list; they will not have a lot of time other than to telephone a hospital or call an ambulance and utility companies. However, the agency should maintain a complete list of phone numbers for each group member during construction. Important numbers would be children’s schools, family church, family doctor, babysitter, nearest relative, etc. Each agency must provide the Construction Supervisor with an accurate and up-to-date list of emergency phone numbers. This list must be appropriate for each project the Construction Supervisor oversees. For example, if the project is composed of scattered sites, the information provided must take into account the distance to the nearest facility.

Reporting an Accident

Safety is the responsibility of everyone on the job site. The self-help agency must develop clear, easy to follow instructions for reporting an accident. In addition, the agency must determine what the Construction Supervisor should do until emergency help arrives. It should be a requirement of the agency that the Construction Supervisor have knowledge of basic first-aid to include treating burns, cuts, shock, apply tourniquet, performing CPR and treatment of venomous bites. Not all accidents and reporting will be the same. Each self-help agency needs a firm policy and procedure for reporting any accident. Identify the issues of safety and liability during the planning stages.

- Job site safety is the responsibility of the Construction Supervisor.
- A proper understanding of tool use and safety, tool maintenance, and construction techniques must be developed during pre-construction meetings and during construction.

INSPECTORS

Working with Inspectors

Building inspectors should be treated with courtesy and respect. The Construction Supervisor has the responsibility of meeting with the inspector. The job site should be clean and ready to be inspected. Keep your communications with the inspector open.

When a building inspector arrives at the job site:

- Stop what you are doing.

- Be respectful in your greeting.
- Direct the inspector to the specific house/houses to be inspected.

REMEMBER: A job site should always be clear of debris and hazards, especially during an inspection.

The Construction Supervisor should accompany the inspector while the inspection is in progress. Keep in mind that building inspectors often have a wealth of information that they are quite willing to share.

How to Prepare for the Inspection

The Construction Supervisor needs to be prepared for the inspection process:

- Have the phase that is to be inspected completed and ready for inspection.
- Confirm date and time of inspection.
- Have all needed forms filled out, signed and on hand.
- Have the job site clear of debris.
- Keep all inspection records and paperwork on the jobsite.

Local Inspections

Self-help agencies will generally have all of the construction inspected by the local city and county building inspector; although in some regions a separate Rural Development inspection may be required. It is extremely important that the Construction Supervisor meet with the local building inspector before each construction project begins.

Rural Development Construction Inspections

The Rural Development inspections are meant to observe the project's progress, and to assure the Rural Development staff that the project:

- Is built to the Rural Development approved plans.
- Tasks submitted for draw requests are 100% complete.

- Is progressing on schedule.
- Will pass final Rural Development inspection.

NOTE: These inspections are similar to a conventional bank’s inspection; Rural Development is concerned that its investment is secure.

REMEMBER: Never allow a Rural Development inspection to occur without the presence of the Construction Supervisor or a representative of the self-help agency on the site.

MAINTAIN A GOOD RELATIONSHIP WITH RURAL DEVELOPMENT

The agency staff must work towards maintaining good communications with Rural Development. This is especially true of the Construction Supervisor. The Construction Supervisor, as the agency’s field representative, must maintain and promote good relations with Rural Development officials in the field. This will not always be easy. Any complaints with a Rural Development official, no matter how well founded, must be taken through proper channels.

A Construction Supervisor’s Rules of Professional Behavior

Maintain open communication lines with Rural Development staff and keep them updated on group progress and budgets, which is in the best interests of the Grantees and participating families.

The Construction Supervisor must direct all complaints with a Rural Development Office and other government officials through the self-help agency. In addition, when a problem arises on the job site that the Construction Supervisor cannot resolve, it needs to be directed to the self-help agency. The self-help agency should provide the Construction Supervisor with direction as to the procedure to follow in documenting and reporting problems and complaints. To resolve a

problem, document and report it.

REMEMBER: The project’s success depends on your tact and good sense every day, but especially in a crisis.

The project’s supervision requires attention to detail and timing. The Construction Supervisor may assist in and direct the following tasks:

- Maintaining records of family labor contributions and commitments.
- Project scheduling, charts and checklists.
- Material take-offs and cost estimates.
- Bids, scopes of work and contracts for material and subcontracted services.
- Preparing purchase orders and ordering materials.
- Material-handling and bill-paying procedures.
- Report preparation and record keeping.

REMEMBER: The Construction Supervisor role is key to the success of the project and viability of the grantee executing the grant.

Group Supervision

With a few exceptions, the group members will probably have little to no construction experience. Often, any experience that a member of the group has will be outdated or simply wrong. Retraining an individual with some experience often requires as much or more effort than training complete novices. (When you do find that you have an individual with some experience, be very cautious of how you determine the quality of that person’s expertise.) The group members are not employees of the agency or the construction supervisor and can seldom be supervised in the same way as a paid construction worker.

Supervising nonskilled participants is often the most difficult task facing the Construction Supervisor. Gaining the group’s cooperation, respect and trust is not always easy. In addition, getting consistent, good quality work from the participants while avoiding conflicts among them

is also a challenge.

REMEMBER: The Construction Supervisor must develop communication skills necessary to encourage, motivate, persuade and train.

QUALITY CONTROL

The Construction Supervisor must remember that the ultimate goal of the self-help housing program is to provide decent and affordable housing opportunities to those who would not typically be afforded this possibility without this unique program. To this end, the Construction Supervisor's role is to train and guide the group members in the construction of their houses.

NOTE: The housing produced by the group members must pass both the local jurisdictions and Rural Development final inspections.

To ensure the Rural Development housing standards are met, the Construction Supervisor must:

- Assist the group to produce quality housing
- Adhere to the approved house plans and specifications

The Construction Supervisor must know the local building code, the Uniform Building Code, the MEC (Model Energy Code), Rural Development construction guidelines and the generally accepted methods of residential construction. As important as knowing and understanding the subject matter, the Construction Supervisor must be able to demonstrate this information and concepts in a positive and motivating way to ensure adherence.

The Project Diary

The Construction Supervisor should maintain a project diary. A project diary includes a brief description of each day's important events, such as: material delivered, subcontractor's

work, any problems and their solutions, houses worked on and their progress and inspections and their outcome.

The diary should record details of any conversations the Construction Supervisor has with inspectors, subcontractors or suppliers. The recorded detail should include at least the following facts: date and time, name and agency, reason, weather conditions, etc.

In addition, the project diary can be a resource for documenting complaints and disputes among the group, or with suppliers and subcontractors and with inspectors and Rural Development. It is also a good idea to keep a record of the names of any visitors to the job site in this diary.

REMEMBER: Record your observations and comments regarding any dispute at the job site in your project diary. Be sure to transfer the information to the agency's permanent files.

Keeping Organized

The Construction Supervisor will assist the other agency staff members to develop a system that can organize, control and direct the constant paper flow through the self-help program. A Construction Supervisor's filing system has three functions:

- To maintain delivery receipts for materials.
- To organize house plans, permits and inspections.
- To update the group's progress reports.

Organize House Plans, Permits and Inspections

The Construction Supervisor needs a field copy of each different house plan in the project. In addition, the Construction Supervisor should have a copy of the following plans:

- Site plans - grading and drainage, utility, off-site improvements, curbs and gutter, street and landscaping.
- A copy of all specifications for each plan.

NOTE: Having a copy of these various plans and specifications at the field office is critical when the project is located at an inconvenient distance from

your agency's main office. In addition, the field office must have the original building permits for each building site. These need to be kept in a safe place and in good condition.

A Comprehensive Filing System

The Construction Supervisor needs a comprehensive filing system to maintain the general records of the group and the project. This file should contain a record of each family (family data, emergency contacts), and each family's house (lot number, house plans, colors, and finish specifications).

The Construction Supervisor should also maintain field construction progress records. These records will ultimately be used by the agency to update its progress reports for Rural Development Quarterly Reviews and their reports. Specifically, the Construction Supervisor uses an equivalent unit (EU) checklist to update the Rural Development report and update the completion schedule.

References:

- Description of Materials (Form RD 1924-2)
- Change Order
- Sub (bidding)

SELECTING THE RIGHT SUBCONTRACTOR

The grantee is responsible for obtaining bids and referrals from subcontractors on behalf of the participating families. In most cases the grantee will coordinate all the work involved in receiving the bids and referrals and then will relay the information to the participants to determine who is the lowest responsible bidder and if the bidder is credible. The grantee should not be confused as being a general contractor; their role is just as a coordinator, organizer, and advisor to the participants.

Before the bidding process can even start, the grantee or the participant must provide the subcontractors that are going to be bidding the job a complete copy of the blueprints and

specifications and any other data involved in the subcontracted task. For competitive bidding to be a valid procedure, all competitors must bid under exactly the same conditions for an identical scope of work. There are no laws stating that certain contractors cannot perform specified work other than requiring them to have the proper license. So be very careful in qualifying a subcontractor by local directories.

Prior to obtaining bids from prospective subcontractors, the grantee should schedule interviews with them to discuss the self-help program and how it differs from conventional home building. The grantee should clearly outline the family participation in the construction process, families are required to do 65% of the labor tasks. The grantee should make the subcontractor aware that the timing between certain tasks will generally take longer than in typical market home building and that they will need to price accordingly. Some contractors will need to submit two proposals, one for rough in phase and one for final completion.

After examining the drawings and specifications, some subcontractors may want to visit the jobsite. When submitting a task for bid to subcontractors, always tell them the location, availability of electric, water, telephone, local ordinances, storage of equipment, delivery information, topography and drainage, etc. Give subcontractors access to all available information concerning the project. Always make sure that you give the subcontractor a firm date by which you need the bid. All too often subcontractors wait until the last minute before giving an estimate. Make sure the subcontractor is aware of the length of the project so they can guarantee pricing accordingly.

Make sure references are acquired from other jobs where similar work was performed. Once a subcontractor is selected, each Self-Help family must sign a construction contract with each subcontractor. Example: RD Form 1924-6 “Construction Contract,” (see appendix, page 61). The contract should also list the grantee’s requirements that the subcontractor must comply with and specify the conditions under which payment may be withheld or another contractor substituted.

The subcontractors’ work should be inspected carefully. Errors or changes can be handled with little trouble and time if dealt with right away. Subcontractors are sometimes requested by owner/builders to grant extensions of the acceptance time. Subcontractors are generally willing to oblige, but sometimes in their eagerness to get the job they will agree to such

an extension without giving the matter sufficient consideration. Such action means that the completion date of the project will be set back by a length of time equal to the extension of the acceptance period. Due to increased wage and material costs, a subcontractor may not be willing to extend the original acceptance period. When increased costs are anticipated and the subcontractors do not wish to absorb them, they should quote the required additional amount in exchange for extending the acceptance period.

Problems with subcontractors usually evolve from lack of communication. Make sure that contracts and payment schedules have been clearly defined. If the subcontractor is not fulfilling the contract or the work is poor quality and all attempts to work things out have failed then you have no choice but to release the subcontractor from the job. Hopefully having to terminate a subcontractor is the last resort, particularly since replacing them after work has begun can be even more difficult. Obtaining bids and choosing the right subcontractor can be quite an experience. Good preparation is the answer to a successful project.

CONSTRUCTION PLANNING & SCHEDULING

Time management is an important aspect of job control. If a construction project is to proceed efficiently and be completed within the contract time, the work must be carefully planned and scheduled in advance. Construction projects are complex, and a large job will involve literally thousands of separate operations. If these tasks were to follow one another in single file order, job planning and scheduling would be relatively simple, but this is not the case. Each operation has its own time requirements, and its start depends on the completion of certain preceding operations. At the same time, many tasks are independent of one another and can be carried out simultaneously. Thus, a typical construction project involves many mutually dependent and interrelated operations that in total combination comprise a tangled web of individual time and sequential relationships. When individual task requirements of materials, equipment and labor are superimposed, it becomes obvious that project planning and scheduling are very complicated and difficult management functions.

The traditional basis for the planning and scheduling of construction projects has been the bar chart. This graphical representation of work versus time is a useful and convenient device for

depicting an established schedule of construction operations and recording its progress. The bar chart is very useful. Its unsurpassed visual clarity makes it a very valuable medium for displaying job schedule information. It is immediately intelligible to people who have no knowledge of CPM (Critical Path Method), or network diagrams. It affords an easy and convenient way in which to monitor job progress, check delivery of materials, schedule equipment and crews, and record project advancement. For these reasons, bar charts will undoubtedly continue to be widely used in the construction industry. Conventional bar charts can be quickly derived from a project schedule. Activities may not always be the most desirable basis for bar chart preparation or usage. Simpler diagrams with fewer bars and showing larger and more comprehensive segments of the work may be more suitable for ordinary job applications. In such a case it is an easy matter to combine strings or groups of activities into a single bar chart item.

Scheduling Subcontractors

Knowing where you're going before you get there is half the battle; so don't leave Construction Schedules out of your plan.

Despite having executed contracts and agreements with subcontractors, one of the most common problems which still persists is getting the subcontractors on the job when needed and keeping them there until the job is completed. Here again is where the construction schedule comes in handy as a valuable management tool. If the schedule is adhered to, the grantee can give subcontractors plenty of notice of when they will be needed on the job. Both starting and completion dates can more accurately be negotiated. To further maximize the usefulness of the construction schedule, on-site meetings should be arranged with subcontractors prior to them starting their work to coordinate in detail the work to be done, and during construction to review their progress and performance. Each subcontractor should receive a copy of the construction schedule so that they are fully aware of the organization's construction interdependencies and time lines. Of course, there may always be dilemmas that arise, but with a feasible construction schedule, and open and clear lines of communication, problem solving becomes much easier.

Following these simple guidelines will minimize most of the problems that arise with subcontractors. Remember, clear communication and prompt action is essential.

Inexpensive software is available to assist you in creating and maintaining an up-to-date schedule.

“MUTUAL” SELF-HELP HOUSING A CONSTRUCTION SUPERVISOR’S GUIDELINE TO SUCCESS

“Coming together is a beginning. Keeping together is progress. Working together is SUCCESS.” - Henry Ford

Keys to a successful build group:

- **Identify yourself as the Leader**—A common mistake to make is the failure to recognize that for any team endeavor a leader must either be identified or emerge. The leader does not have to be a totalitarian. The leader is there to guide the process, ensure resources are supplied and coordinate efforts.
- **Establish Roles and Responsibilities and discuss what each person “brings to the table”**—Understanding the various roles and responsibilities of the team is critical to success. Taking time to know expertise and special interests of each team member will allow people to be matched to their ability to complete the task.
- **Establish a set of Goals and Objectives**—With any team, identifying and understanding the goal is paramount. Set long and short-term goals, every team must set realistic and achievable goals. **HOMEOWNERSHIP** is the ultimate goal!
- **Establish a Schedule for Managing Time to complete the task/meeting**—Effective scheduling is not about getting a large quantity of work completed. You can get a lot of work done and still have an ineffective day if that work is not important to your objectives. Effective scheduling is about making sure that you identify your most important task for each day and that you get that task completed.

- **Establish ground rules for Job Site**—“An ounce of prevention is worth a pound of cure.” As it relates to build groups, no truer words apply. When families meet and work together there should be set standards that establish how family members will behave toward one another. This is not just a way to ensure courtesy to one another, but it also ensures that the team’s time together ends up being used effectively and efficiently.
- **Create a safe work environment**—Educate families in proper safety procedures, such as how to avoid hazardous conditions on the build site, inspect all equipment to be sure it is in working condition and be prepared for any emergency.
- **Promptly and properly deal with disruptive behaviors**—No matter how well a team prepares for maladaptive behavior and attempts to prevent it, such behavior will occur. This is especially true with any group of unfamiliar people. When these behaviors are ignored and left to fester they will certainly drag a build group into dysfunction.
- **Stress getting started on time and being productive on site**—Families can waste a lot of time and having a policy that mandates they show up on time, ready to work and dressed appropriately is critical to progress. Establishing guidelines for cell phone usage on site is also crucial for production and safety.
- **Remember**—These are participants who were probably not previously acquainted with each other and have been thrown together to build four, five, six or even more houses as a group. It would be in the grantee’s best interest to make the process run as smoothly as possible to ensure the construction will be completed on a timely schedule.

Group Motivation

Every group goes through cycles of high and low motivation.

Early in the construction process, when progress is most visible, the group members are eager and highly motivated. After three or four months of construction with delays, bad weather conditions, problems with subcontractors and suppliers, motivation and morale may be at a low

ebb among the individual members or the group as a whole. The Construction Supervisor must be able to improve morale by motivating individual members as well as the whole group.

One of the best day-to-day tools to use in solving this difficult problem is to be encouraging and complementary in front of the group. A Construction Supervisor giving encouragement and compliments on a regular basis can do wonders for morale. These can be as simple as any of the following examples:

- “Great work!”
- “Now you have got the hang of it!”
- “Why don’t you show the rest of us how you did that.”

Give people a reason, and they often perform beyond expectation.

Group Communication

The Construction Supervisor is responsible for leading the group successfully through the construction process. This is much easier said than done.

The Construction Supervisor must start off with and maintain leadership of the group. A position of leadership allows the Construction Supervisor more opportunity to be accepted as an authority figure and trainer who can motivate and assist the group through problems.

The communication should include today’s work plans, tomorrow’s plans, locations, and task and labor needs from the group. Always keep the families informed of their next scheduled day’s workload, time and location. The group should keep the supervisor informed of their needs and intentions so that the most can be accomplished each day.

Group Problem Solving

Problem solving is a skill that must be taught to the group by the Construction Supervisor. Because of the many group decisions that need to be made during construction, decision- making and problem-solving skills should be part of the group meetings.

REMEMBER: The group must try to solve its own problems first. The Construction Supervisor is not a referee. Do not allow yourself to be pulled into this role.

Potential problem areas should be discussed with the group. Acceptable solutions to the problems can be found in group meetings and sessions. Discuss these sample problems:

- Handling a non-participating family member.
- Judging the qualities of a family's labor performance.
- Stopping disruptive behavior on the job site.

The Construction Supervisor should introduce these potential problem areas and ask the group how they will handle them.

REMEMBER: Make it clear to the group members that they must monitor their own behavior and solve their own problems as much as possible.

In addition to the Construction Supervisor's responsibility, recognizing and solving problems within the group is the mutual responsibility of each group member. If problems are persistent and are beyond the capacity of either the group or the Construction Supervisor to resolve, notify the self-help Director. The Construction Supervisor must not let little problems grow into unsolvable situations.

Also Note: If an individual, a family, or the whole group is at an impasse on an issue that you have no solution for, you must go to your Executive Director or Program Director for assistance and follow the Group Membership Agreement. An agency will consider releasing a participant from his or her contract during the construction phase only as a last resort. If possible, avoid this action by all means.

Failure to Meet Labor Contributions

Participants' failure to meet their labor contribution is to be treated as a breach of contract to the group. This failure to keep a mutual promise to the group to assist each other must be responded to as quickly as possible. The membership agreement should contain a clear description of what will occur if the participant fails to contribute the agreed-upon weekly labor contribution.

The Construction Supervisor encourages the participants to uphold the Labor Commitment.

The Construction Supervisor should ensure that participants fully contribute their hours as agreed under the labor commitment to ensure the success of the project and to avoid their individual expulsion from the group. The exact procedures to be followed when a participant fails to meet their labor commitment should be incorporated into the Membership Agreement and carried out quickly by the self-help agency.

Keep the Group Aware of Its Commitment

There is no set, guaranteed method that assures the group or the Construction Supervisor that each participant will fully meet his labor commitment.

The following are suggested steps to follow when a participant shows signs of not maintaining his promised labor contribution to the group:

1. The Construction Supervisor will contact the participant at home and will determine:
 - a. If the participant has a problem that will temporarily excuse him or her from the labor commitment.
 - b. If the reason for the member's non-participation does not appear to be acceptable, the Membership Agreement Labor Commitment letter needs to be explained in full to the participant. (At this time, remind the participant of the labor agreement that was acknowledged and signed and that included in this agreement is the "Labor Contribution Commitment".)

- c. In addition, the participant should be informed of the repercussions that will result from a continued failure to assist the group as spelled out in the Membership Agreement.
 - d. If the participant agrees to return to the groups' project, make the participant aware of how many hours he needs to make up to be in compliance with the total number of group hours.
2. If the Construction Supervisor and the group fail to get a member to return to work, the group members' problem must be discussed with the Program Director.
 3. The self-help agency can choose to stop all work on that participant's house until the hours are made up. The Construction Supervisor must realize that this action may force this participant from the Self-help program if he or she does not return to fulfill the labor contribution commitment immediately.
 4. The Self-Help Director or Program Director should determine when the participant to such an extent has breached the conditions of the Membership Agreement that there are sufficient grounds for the participant's expulsion from the group.

Maintaining Labor Contribution

The success of any self-help housing construction program is to have a clear understanding and agreement with Rural Development on how the Membership Agreement's "labor contribution" will be viewed. Specifically, what the Construction Supervisor needs to know is what response and support the self-help agency can expect to receive from Rural Development.

An important step for the self-help agency is to get a commitment from Rural Development that they will listen to complaints only when all parties are present. This means:

- The self-help agency
- The family
- A representative of the group
- Rural Development

This action will protect the interests of all parties and will preserve the concept of the group's involvement in the actions of individual members of the group.

Conflict Management

Conflicts will arise sooner or later during the long construction process; they must be eased and eliminated before they disrupt the project. The types of conflicts, which will arise during construction, will range from minor annoyances, to disputes and to clashes. The Construction Supervisor must be aware of any rise in the tension levels of the group and not allow personality conflicts to become more than an annoyance. All personality conflicts must be dealt with quickly to ensure a smooth construction process for the entire group.

Avoiding Conflict

Avoiding conflict is a completely different facet of management. The Construction Supervisor should take every precaution to avoid the appearance of partiality among group members. Although it may be impossible to please each and every member of the group all the time, the Construction Supervisor will appear to be impartial through the following actions:

- Keep all houses in each group roughly at the same level of progress.
- Be fair and impartial in assigning tasks. Rotate assignments given to teams within the group.
- Remember that you are not dealing with experienced craftsmen and the construction abilities of the group will be limited. It is the responsibility of the Construction Supervisor to teach the group how to build these houses.

It will be very difficult for a Construction Supervisor to lead if the group feels that the supervisor plays favorites. The supervisor must be supportive of the group, and on occasion, must praise individual achievements as an example to the group. Be aware that this is a double-edged sword. Do not chastise a participant in front of the group.

Recording Construction Time

The group members and the Construction Supervisor have to schedule their time and location with great care and attention. Especially if sites are scattered, the rotation of people from one site to another, assignments of special work teams, and a reasonable work schedule for the Construction Supervisor can all be very respectable challenges.

Ongoing construction planning must be done frequently, perhaps at the weekly group meeting. Recording hours has to be done at least once a day by everybody involved in construction.

As a project staff person, the Construction Supervisor must record his hours on a Time and Attendance Report. The family's work hours, location and what tasks were worked on should also be compiled on a Construction Time Report.

Group Communication

The key to the group's success will be the Construction Supervisor's communication skills. Speaking to, training, and working with a diverse group of people does not come easily to many; but to the successful Construction Supervisor, it needs to be second nature.

If the participants think of themselves as a group, the group will be well on their way to producing mutual self-help housing.

REMEMBER: The participants are required to build their houses through mutual self-help techniques: mutual self-help means that with one another, the group will work on each of the houses in the project until together they finish them all. The Construction Supervisor will train and assist the group through the construction process.

Enforcing the Membership Agreement

It is difficult to pull a group together once they have run amok. If a Construction Supervisor loses control of a group, it is not easy to regain it. For this reason, the Construction Supervisor must make sure that little problems do not lead to bigger ones. The Construction Supervisor must maintain the group's attention on their common goal: finishing their houses. It may need to be clarified, over and over again if necessary, that the only way to reach the goal

will be through strict adherence to the labor commitment pledged by each member of the group when they signed the membership agreement.

NOTE: The Construction Supervisor must review the Membership Agreement regularly and be prepared to enforce it.

Grievance Procedure

The Membership Agreement must contain a formal set of grievance procedures.

The grievance procedures must recognize the possibility of problems:

- Among the group members.
- Between the Construction Supervisor and the group.
- Between the group and the agency.
- Between the group and the Rural Development staff.

The procedure to resolve or mitigate a grievance must be logical and just; the group, if faced quickly and directly, can resolve most of the problems occurring among the group's members. The Construction Supervisor must keep the group moving smoothly through the construction process.

REMEMBER: The group should attempt to settle the problem first.

When a problem interrupts construction progress, the Construction Supervisor must act decisively to eliminate the source of the problem. The Construction Supervisor should encourage the members of the group to bring complaints to the weekly group meetings. At these weekly meetings, the Construction Supervisor, along with a neutral member, should facilitate the complaint portion of the session. The preferred outcome of this session is for the group to come to a consensus on how the problem should be resolved.

If the parties fail to agree to the consensus of the group, the Construction Supervisor should attempt to resolve the problem. This may at times prove difficult; especially if the Construction Supervisor, another self-help agency staff member or Rural Development is one of the persons directly involved in the disagreement.

If the Construction Supervisor is unable to resolve the problem, then a formal request is made to the self-help agency's Project Director and/or Executive Director or the Rural Development local office staff to assist in resolving the crisis. This request should be in writing. The request must present the problem and the surrounding issues in an unbiased manner.

REMEMBER: The Construction Supervisor must avoid all actions that will disrupt construction.

Construction Completion:

- Warranties
- Suggested maintenance schedule

NOTE: This handbook was designed as a tool to assist the Construction Supervisor in the day-to-day events of the construction of self-help housing. Due to the fact that programs vary in their daily activities, this handbook may not be conclusive in the way your program should run. We suggest that you base your construction program on this guideline; however, it is not the absolute rule to management. If you have any comments or questions, please contact the T&MA Contractor serving your area.

REGIONAL CONTRACTORS

Region 1: Southeast

Alabama, Florida, Georgia, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee and the Virgin Islands

Florida Non-Profit Housing, Inc.

Telephone: (863) 385-2519

Fax: (863) 385-1643

Website: fnph.org

E-Mail: fnph@earthlink.net

Region 2: South/Central

Arkansas, Kansas, Louisiana, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas and Wyoming

Little Dixie Community Action Agency, Inc.

Telephone: (580) 326-5165

Fax: (580) 326-9239

Website: littledixie.org

E-Mail: kwhite@ldcaa.org

Region 3: Northeast and Midwestern

Connecticut, Delaware, Illinois, Iowa, Indiana, Kentucky, Massachusetts, Maryland, Maine, Michigan, Minnesota, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Virginia, Vermont, New York, West Virginia and Wisconsin

National Council of Agriculture Life and Labor Research Fund, Inc. (NCALL)

Telephone: (302) 678-9400

Fax: (302) 678-9058

Website: ncall.org

E-Mail: jlordan@ncall.org

Region 4: Western

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and the Western Pacific Territory

Rural Community Assistance Corporation (RCAC)

Telephone: (916) 447-9832

Fax: (916) 447-2878

Website: rcac.org

E-Mail: skeasling@rcac.org

APPENDICES

APPENDIX A: REGULATORY REFERENCES

Appendix A1: RD INSTRUCTION 1944-I

Self-Help Technical Assistance Grants

<https://www.rd.usda.gov/files/>

Appendix A2: RD INSTRUCTION 1924-A

Construction and Repair

Subpart A - Planning and Performing Construction and Other Development

<https://www.rd.usda.gov/files/1924a.p>

Appendix A3: RD INSTRUCTION 1924-C

Construction and Repair

Subpart C - Planning and Performing Site Development Work

<https://www.rd.usda.gov/files/1924c.pdf>

APPENDIX B: WEBSITE REFERENCES:

http://www.rurdev.usda.gov/	for USDA-Rural Development Home Page
http://www.rdinit.usda.gov/regs/	for USDA-Rural Development Regulations
http://www.policyworks.gov/	for GSA Office of Government wide Policy
http://www.bocai.org/	BOCA Building Codes, ICC, International mechanical codes, statewide building codes
http://www.icbo.org/	Your source for the International Building Code
http://www.sbcci.org/	Southern Building Code Congress International, Inc.

http://www.intlcode.org/	International Code Council (CABO has merged with INTLCODE)
www.fnph.org	Florida Non-Profit Housing, Inc.
www.littledixie.org	Little Dixie Community Action Agency, Inc.
www.ncall.org	NCALL Research, Inc.
www.rcac.org	Rural Community Assistance Corporation
www.hudclips.org	HUDCLIPs - Standard Forms and other HUD forms
www.hometime.com	Home Time - Lots of good tips, safety, etc.
www.residentialsteel.com	Residential Steel Construction Services
www.nahb.com	National Association of Home Builders
www.lowes.com	Lowes Companies, Inc.
www.homedepot.com	The Home Depot
www.84lumber.com	84 Lumber
www.nahn.com	National Affordable Housing Network - assists non-profits with house plans
www.nws.noaa.gov	National Weather Service
www.owenscorning.com	Owens Corning - vast array of building products

APPENDIX C: ADMINISTRATIVE NOTICES

Appendix C1: RD AN NO. 4845 (1944-I)
<https://www.rd.usda.gov/files/>

APPENDIX D: FORMS

Appendix D1: Membership Agreement Example

BUILDING GROUP MEMBERSHIP AND LABOR AGREEMENT BUILDING GROUP

This agreement is entered into on the _____ day of _____, 20__ ,between the members of building group _____, commonly known as _____ (group #) (Name of Building Group) and hereinafter referred to as the “BUILDING GROUP MEMBERS” and _____(Name of Self-Help Grant Recipient) hereinafter referred to as “SELF-HELP GRANT RECIPIENT.” The principal location of building group is (group #) (Address, City/Town/County, State).

The SELF-HELP GRANT RECIPIENT is an eligible entity, which provides technical assistance and management services for building group members under the mutual Self-Help Housing Program.

The SELF-HELP GRANT RECIPIENT is not acting as a "contractor" on behalf of BUILDING GROUP MEMBERS, but as a Rural Development grant manager and technical advisor. BUILDING GROUP MEMBERS, as homeowners and builders, are acting as their own general contractor. The BUILDING GROUP MEMBERS agree to hold the SELF-HELP GRANT RECIPIENT harmless for any purchases, even though such purchases may have been made by the SELF-HELP GRANT RECIPIENT on behalf of the BUILDING GROUP MEMBERS.

The purpose of the Agreement is to foster the smooth accomplishment of the BUILDING GROUP MEMBERS’ goal of construction of houses. The BUILDING GROUP MEMBERS understand and agree with each other and with the SELF-HELP GRANT RECIPIENT that this Agreement will control the progress of the project. Violation of any portion of this Agreement may result in implementation of Section VII of this Agreement. **Rural Development is not a party to this agreement.**

I. COMMITMENT

The SELF-HELP GRANT RECIPIENT agrees to provide technical assistance to the undersigned BUILDING GROUP MEMBERS as follows:

A. Pre-Construction Services

1. Locate and obtain control of suitable Rural Development building sites.
2. Recruit and determine preliminary eligibility of potential group members.
3. Prepare all loan application documents for submission to Rural Development and work with Rural Development on behalf of the applicants.
4. Assist the officers of the group in the fulfillment of their functions.
5. Arrange and present a series of informational meetings covering homeownership and related subjects. This series is normally referred to as the "Pre-Construction" meetings.

B. Construction Services

1. Provide house plans, which have been developed or acquired by SELF-HELP GRANT RECIPIENT and approved by Rural Development.

2. Direct, control, and implement construction on all of the members' houses.
3. Teach tasks to the members as necessary to build the houses according to the plans and specifications, within the allowed budgets.
4. To initiate contracts in the name of the members for materials and services to be purchased in accordance with the plans and specifications.
5. Provide bookkeeping services to maintain individual group member accounts, and to pay bills on behalf of group members from these accounts.
6. Lease power tools and special equipment as required on the job. (See Section VIII).
7. Present to the building group for approval, bids from outside contractors and suppliers to provide the materials and contracted work necessary to build the homes according to plans and specifications. The selection of a supplier or contractor should be made only on the basis of quality, experience, completeness of bid, price, and past performance. (See Section VIII).

II. GROUP MEMBER COMMITMENT

The undersigned BUILDING GROUP MEMBERS agree to the following:

- A. To build their own homes in the SELF-HELP GRANT RECIPIENT'S construction program, using Rural Development and/or alternative financing.
- B. To use their labor to the extent required and to pay for all materials and contracted labor and services used in the construction of their home, according to the directions of the SELF-HELP GRANT RECIPIENT, including costs associated with lot development and costs shared with other participants.
- C. To purchase materials and contracted labor on a group basis whereby the building group utilized the same suppliers and contractors.
- D. To use their best efforts to meet construction goals and objectives established by the group and the SELF-HELP GRANT RECIPIENT in performance of this agreement.
- E. To work at all times in a safe manner, and to follow the Construction Supervisor's instructions in this regard.
- F. To work on any house in their group and at any job as required by the Construction Supervisor.
- G. To cooperate with other group members and the SELF-HELP GRANT RECIPIENT in the performance of the requirements as set forth in this agreement, and to conduct themselves at all times in a manner that will not disrupt or interrupt other group members in their performance of assigned tasks. It is agreed the Construction Supervisor has the authority to require removal from the job site of any individual whom the supervisor deems to be a disruptive influence to work requirements.
- H. To follow the plans, budgets, blueprints, specifications and instructions of _____ the SELF-HELP GRANT RECIPIENT and Rural Development in construction of their houses. (Change orders will only be allowed in accordance with Section XI following.)
- I. To allow the SELF-HELP GRANT RECIPIENT to solicit bids and not to negotiate with or direct the work, or otherwise interfere with subcontractors and suppliers, unless authorized to do so by the Construction Supervisor.
- J. To provide the SELF-HELP GRANT RECIPIENT written schedules of the hours they are available to work and to work the hours as assigned by the Construction Supervisor.
- K. To review requests for payment as submitted by the SELF-HELP GRANT RECIPIENT and to sign checks for payment, acknowledging that if legitimate bills are not paid, property is subject to liens in accordance with state law. (See Section III, A.10. following.)

- L. Not to move into the house that will become theirs or move personal property into that house until all the homes in the group are finalized by Rural Development and/or other appropriate officials.
- M. To purchase (Builder's Risk) Homeowners Insurance as required by Rural Development, to be in force beginning with the date of loan closing. (See Section XIII following)
- N. To attend all scheduled meetings as directed by the SELF-HELP GRANT RECIPIENT. (See Section V.D.4. following.)
- O. To work as directed by the Construction Supervisor.
- P. To attend all pre-construction training meetings offered by the SELF-HELP GRANT RECIPIENT.
- Q. To close their loan account within (30) days of final inspection by Rural Development, unless otherwise extended by Rural Development.
- R. To meet all other requirements as set forth in this agreement.

III. CONSTRUCTION RESPONSIBILITIES

A. Labor Exchange Commitment

The building group members agree to exchange work labor in a cooperative manner, and to work jointly on all members' houses.

1. Each household will be required to put in a minimum of 30 hours productive hours per week, or as many as necessary, as directed by the Construction Supervisor, to complete construction of the homes on schedule. Equal time will be allowed for labor performed by members regardless of the approved type of work involved. It is further agreed that only the work hours of person's 16 years and older may count towards the 30 hours. We require that any delinquent hours be made up the week following their accrual unless prior arrangements have been made with the Construction Supervisor.
Accumulation of hours – Families who accumulate more than the 30 hours required per week, may accumulate limited hours in a "family reserve." The accumulated hours may not exceed _____ hours per week above and beyond the _____ required hours. Families are only allowed to draw hours from the "family reserve" if they first clear it with the Construction Supervisor. The decision will be made on the basis of the nature of the request and the progress of the project. Additionally, families may donate any excess hours to other participating families with the approval of the construction supervisor.
2. Labor hours that count towards the minimum 30 hours per week requirement per household is labor that contributes to the construction of houses in the group. Labor hours do not include lunch breaks, coffee breaks, travel time, childcare for your own family, time away from the job site not on construction business, or time spent involved in non-productive conversation with others. One hour of credit per household will be allowed for each of the following: selection of finish flooring and counter tops, lighting fixtures, and landscaping. Work from non-group members must be scheduled by the Construction Supervisor prior to performance of the work. Any vacation or time off from construction must be pre-approved by the group and the Construction Supervisor. No previously earned labor hours in excess of the 30 hours per week requirement can be used towards the current 30 hours per week requirement, without prior approval of the BUILDING GROUP MEMBERS and the SELF-HELP GRANT RECIPIENT.
3. Volunteer hours – Volunteers who perform work at the site, will work as scheduled by the Construction Supervisor. Volunteers will work on all houses in the group.
4. Labor that must be performed by building group members is listed as "Homeowner Labor" on the following chart, amounting to at least 65% of the total work tasks. Group members

must perform a majority of the work for each task listed, in order to receive the percentage credit shown.

CONSTRUCTION LABOR DIVISION – SELF-HELP HOUSING

	Subcontract	Homeowner
	Labor	Labor
Excavation	x	
Footings, Foundations, Columns	x	
Floor Slab or Framing		x
Subflooring		x
Wall Framing, Sheathing		x
Roof & Ceiling Framing, Sheathing		x
Roofing		x
Siding, Exterior Trim, Porches		x
Windows and Exterior Doors		x
Plumbing Rough-In	x	
Sewage Disposal	x	
Heating Rough-In	x	
Electrical Rough-In	x	
Insulation		x
Dry Wall		x
Basement or Porch Floor, Steps		x
Heating Finish		x
Flooring	x	
Interior Carpentry, Trim, Doors		x
Cabinets and Countertops		x
Interior Painting		x
Exterior Painting		x
Plumbing Finish	x	
Electrical Finish	x	
Finish Hardware		x
Gutters and Downspouts	x	
Grading, Paving, Landscaping		x
Totals	35	65

5. If a household becomes _____ hours behind during any three-week period or for the total minimum number of hours required at that period of construction, without approval of the Construction Supervisor, no additional materials will be ordered for their house. At this time, the member is required to meet with the Construction Manager and the Group Coordinator for approval of a written plan submitted by the member to bring labor hours current. When labor hours are brought current, the SELF-HELP GRANT RECIPIENT will again be authorized to purchase materials for their house.

If a household becomes _____ hours behind the total minimum number of labor hours, all work and associated activities on their house will stop. At this time the member is required to meet with the SELF-HELP GRANT RECIPIENT’S Housing Program Director and the Group Coordinator, with a written plan to bring labor hours current. Work may again start on their house when the household is no more than _____ hours delinquent, although no additional material is to be ordered for their house. When labor hours are brought current, the SELF-HELP GRANT RECIPIENT will be authorized again to purchase material.

If a household becomes _____ hours behind the required number of labor hours, expulsion from the group may occur, in accordance with Section VII of this agreement.

6. The Construction Supervisor will decide what work is to be completed by the members each day. The members agree to perform the work assignments made by the supervisor. Any member who performs work not assigned by the supervisor may not receive credit for labor hours, at the discretion of the Construction Supervisor. The Construction Supervisor may ask a member who refuses to perform an assigned task to leave the job site. Continued refusal may result in implementation of Section VII of this agreement. A member may not work alone unless the task can safely be done alone and he/she has the consent of the Construction Supervisor.
Any work by a member devoted exclusively toward that member's own house will not be credited toward the weekly work requirement, unless such work has been assigned or approved by the Construction Supervisor. (Mutual self-help of an organized work team is stressed, not individual home building.)
7. If the household becomes verifiably disabled after construction starts, the group agrees to continue to help the participant construct its house, subject to the following provisions:
 - a. Disability claims must be verified in writing by a licensed M.D., stating specifically those construction tasks the claimant cannot perform. Tasks not prohibited in writing by the M.D. will be expected to be performed by the claimant, as assigned by the Construction Supervisor. Such tasks may not have been required prior to the claimed disability, and time worked on these tasks may or may not be included as contributing in their entirety to the required minimum hours to be worked each week by each member household subject to the discretion of the Construction Supervisor.
 - b. The household claiming to be incapacitated must provide the Construction Supervisor a written plan stating the name and the hours to be worked by those individuals who contribute the required make-up hours, to assure the household maintains its required work responsibility. All individuals thus named must sign an agreement to work the specified hours. The plan must be approved by a majority vote of the group members. The substitute labor must also be approved by the SELF-HELP GRANT RECIPIENT and the Rural Development State Director.
8. Action to be taken by the group following death of a head-of-household or spouse is to be determined by majority agreement at a meeting of the group, and is to include plans for completion of the group member's house. The plan is subject to approval by the SELF-HELP GRANT RECIPIENT prior to enactment.
9. Each household will complete a "Weekly Work Availability" form in which each household will plan their weekly minimum 30 hour work schedule at the construction site. Completed schedules will be given to the Construction Supervisor one week or more in advance and all schedules will be posted at the construction site. The Construction Supervisor shall specify which of the available hours are required to meet the construction goals for the week. The intent is to have a well-organized flow of work utilizing the best-varied abilities of the group members in order to assure proper job, contractor and material supplier scheduling. Group members will record their work hours and tasks daily at the job site, under the supervision of the Construction Supervisor and timekeeper, who will maintain records of such hours and jobs. Any conflict over work schedules or hours worked will be resolved by the Construction Supervisor.
10. Each member agrees individually, and all members agree collectively as a group, to abide by the purchase order system for ordering materials. The only persons authorized to order materials shall be designated by the SELF-HELP GRANT RECIPIENT.
11. If a household becomes _____ days delinquent in approving construction invoices, all work on the house will stop. No additional materials will be ordered until outstanding invoices

are paid and the SELF-HELP GRANT RECIPIENT has assurance that delinquencies will not reoccur.

12. Each member agrees individually, and all members agree collectively as a group, to work on each other's houses together as a work team, as assigned by the Construction Supervisor. Group members may perform extra work in addition to that required by the Construction Supervisor, and will receive credit for this work, so long as it is for the benefit of the entire group, and is assigned by the Construction Supervisor.
13. If for any reason, families are not able to perform the required 30 hours of work, because of snow, storm, tornado, flood, or any other "acts of God," penalties listed in Section III, part A, number 4 will not be automatically enforced. Rather the participants will work with the Construction Supervisor to find a solution that is mutually acceptable.

IV. ELECTION OF OFFICERS

In order to function as a group, the following procedures will be followed:

- A. Officers shall be elected by the group for the life of the project and their duties shall include the following:
 1. Group Facilitator – Shall chair all group meetings, and act as the main representative of the group.
 2. Assistant Group Facilitator – Shall act for the Group Facilitator in his/her absence.
 3. Timekeeper – Shall keep a record of all group members' timesheets and shall be responsible for submitting timesheets to the SELF-HELP GRANT RECIPIENT'S office on a weekly basis. An additional and very important responsibility would be that of "material checker," to accept and check all supplies delivered to the group. This may be an elected position, or the duty of each member present.
- B. Officers may be recalled or replaced by a majority vote of the households.

V. GENERAL RULES OF THE GROUP

- A. In consideration of safety issues, children under the age of 16 shall not be allowed on the construction site without prior approval of the Construction Supervisor for each individual occurrence.
- B. Each member agrees that no member of the group may hire or pay anyone to do their work for them.
- C. Hours shall be recorded by the timekeeper after approval of the Construction Supervisor. Any conflict over number of hours worked will be resolved by the Construction Supervisor and/or Group Coordinator.
- D. The building group shall have a group meeting at least once every _____, as called by the Construction Supervisor, the majority of the group members, or the Group Coordinator. At least one the SELF-HELP GRANT RECIPIENT'S staff member will attend each meeting, and this may be the Construction Supervisor. Time spent at the group meeting will count towards the required labor hours only if required by the SELF-HELP GRANT RECIPIENT. Group membership meetings may also be called by the Program Director. Notice of any meetings shall be given to one of each household at least _____ hours in advance.
 1. One vote per house in construction is allowed and each household shall cast one vote. The head-of-household or co-applicant may cast the vote.
 2. A quorum consists of at least one vote per household at meetings in which half or more of the households are represented. When a quorum is present, the majority vote shall carry all motions, except as stated differently in the Agreement.

3. Each household has the responsibility of having at least one voting member of the household attending each group meeting, and any member household that misses more than two meetings may be subject to disciplinary action by the group, up to and including termination of the households voting rights.
4. The meeting location shall be assumed to be the job building site and all relevant conditions of this agreement shall apply at these meetings.
- E. No one will be allowed on the building site while under the influence of alcohol or illegal drugs, nor will the drinking of alcoholic beverages or the use of illegal drugs at the job site be tolerated. Any incident involving alcohol or illegal drugs on the job is cause for automatic expulsion of the participant by the Program Director and termination of this agreement.
- F. Each member agrees that they will be responsible for all materials, supplies, and other items purchased for their house regardless of the location of such materials, supplies or other items. Any theft, loss, breakage or damage is the responsibility of the member and replacement or repair will be made out of their loan funds.
- G. The group members and families shall pay for all materials and contracted work purchased for benefit of their homes, including extra materials or overruns. The Construction Supervisor will allocate all materials, equipment, purchases, and contracted work between the households and this allocation shall be binding on each household.

VI. GRIEVANCE PROCEDURE

- A. Any claim, dispute or question raised by any group member or BUILDING GROUP MEMBERS shall be first brought to the attention of the Group Facilitator, discussed in a group meeting and settled then.
- B. If no resolution can be accomplished through the group meeting, the following grievance procedure shall be followed.
 1. Before Construction

The grievance should be brought to the attention of the Group Coordinator assigned to the group. If no resolution can be made, the Program Director must receive the grievance in writing. If a resolution is again not reached, then the written grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Executive Director. If a resolution is again not reached, then the written grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Board of Directors for final resolution.
 2. During Construction

The grievance should be brought to the attention of the Construction Supervisor. If a resolution does not follow then the grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Program Director. If a resolution is not reached again, then the written grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Executive Director. If a resolution is again not reached, then the written grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Board of Directors for the final resolution.
- C. If a claim is brought prior to completion of construction and occupancy of the residence by the group member(s), the foregoing shall be conditions precedent to arbitration. In any event, any claim, dispute, or question arising between the SELF-HELP GRANT RECIPIENT and the parties shall be subject to arbitration at the choice of any party. In the event either party elects arbitration, it shall serve a notice on the other party or parties, stating their grievance and desire to arbitrate, and the parties shall proceed in accordance with state law. A decision of the

arbitrator shall be a condition precedent to the right of any other legal action. The cost of the arbitrator shall be born equally by all parties to the dispute.

- D. The SELF-HELP GRANT RECIPIENT has agreed to provide technical assistance to the group members in construction of their housing. The SELF-HELP GRANT RECIPIENT does not charge group members for this service, and in return the group members agree that the SELF-HELP GRANT RECIPIENT shall have no liability for acts and omissions done in good faith. The SELF-HELP GRANT RECIPIENT shall have no liability of consequential or delay damages resulting from any act, omission, breach of contract, or negligence.

VII. TERMINATION PROCEDURE

Violations of the terms of this agreement will result in all expenditures for materials/labor being immediately halted until a satisfactory resolution is reached. If a satisfactory resolution cannot be reached or the same problem continues, expulsion from the group will be determined by the Grantee. Expulsion results in the loss of any rights under the terms of this agreement and the loss of building privileges under the SELF-HELP GRANT RECIPIENT'S self-help program. After expulsion, the member's rights concerning their house will be determined by Rural Development. In the event a group member, family or group members fail to meet the requirements of this agreement, the remedies afforded the BUILDING GROUP MEMBERS and Rural Development in this agreement are cumulative, and in addition to any other remedies afforded by law or otherwise.

VIII. CONTRACTS AND OBLIGATIONS

The group members and spouses are jointly and severally bound by the contracts they enter into, and agree to the terms thereof. The group members may not elect to exclude themselves from such contracts, but are irrevocably committed to them.

IX. SUPERVISION OF ACCOUNTS AND PAYMENT OBLIGATIONS

The undersigned families and group members agree to place their Rural Development loan proceeds and other funds into a designated bank account which is managed by the (SELF-HELP GRANT RECIPIENT). (Borrower Name) is authorized to approve of all labor, materials, contracts, sub-contracts, liens, expenses, taxes, and other costs incurred for building their house. Only (SELF-HELP GRANT RECIPIENT) may request draws on the group member's Rural Development loan account and prepare checks for payment of all costs and charges attributable to construction of the participant's home. These payments are to be authorized by the designated participants and Rural Development with supporting documentation provided by (SELF-HELP GRANT RECIPIENT). The group members and families agree to execute and deliver to (SELF-HELP GRANT RECIPIENT) any other document necessary to implement this agreement.

X. LEVY OF DUES

The group may agree by a majority vote to levy dues upon its members. Further, the group has sole custody and responsibility for any money, which it may earn or collect from its members for purposes of the group. These funds may be disbursed in any manner as determined by a majority vote of the group. The SELF-HELP GRANT RECIPIENT will not be accountable in any way for these funds.

XI. SUCCESSORS AND ASSIGNEES, JOINT AND SEVERAL LIABILITIES

The parties bind themselves, their spouses, heirs, successors, assignees, partners, and representatives to this agreement. The undersigned group members agree that this agreement is jointly and severally binding upon them, and that any liabilities and obligation, rights and duties created hereunder shall be joint and several to each signatory.

The undersigned families and group members agree to build according to blueprints and specifications provided by SELF-HELP GRANT RECIPIENT and approved by Rural Development. No change will be made in these plans without prior approval of Rural Development. Change order approval by participant or group members requesting the same hereby holds harmless its agents, employees and officers for any liability resulting there from.

XII. INSURANCE

Each group member or participant agrees to purchase Builders Risk Insurance as required by Rural Development and other lending institutions to be in force from the date of loan closing. This policy shall include sufficient individual liability coverage in an amount not less than _____. However, the SELF-HELP GRANT RECIPIENT may require a higher amount if it determines that this is necessary. The SELF-HELP GRANT RECIPIENT shall be given proof (binder) of insurance.

XII. ACCEPTANCE OF HOUSING/RELEASE

At the time of completion of the participant or group member's home, the head-of-household must inspect the home and at that time make any claim against SELF-HELP GRANT RECIPIENT or waive the right to do so by signing the Release and Hold Harmless Agreement attached to this agreement. (Addendum #3) SELF-HELP GRANT RECIPIENT will not approve the closing of an account prior to receiving the release. A participant or group member may not occupy their home prior to inspection and accepting the home, and delivering the executed Release and Hold Harmless Agreement to SELF-HELP GRANT RECIPIENT. It is agreed that any claims against SELF-HELP GRANT RECIPIENT will be made at this time, or will be forever barred.

XIV. TERMINATION OF AGREEMENT

This agreement shall be terminated with regard to each member and SELF-HELP GRANT RECIPIENT by the following conditions:

- A. After all families' houses have been completed, received final inspection and approval by Rural Development, all bills and credits have been settled, and the supervised bank accounts are closed.
- B. By signing below, I agree to all conditions of this Membership and Labor Agreement. I also declare that no statements, representatives, or any express or implied warranties of any nature whatsoever have been made to me by the SELF-HELP GRANT RECIPIENT. I further acknowledge that the SELF-HELP GRANT RECIPIENT agrees only to provide technical assistance and construction supervision set forth in this agreement, and shall have no liability for any damage, error or construction defect. In the event that damage or defect must be remedied, the group members agree to repair the same using their own "self-help" and/or subcontractor labor, and to pay for materials and/or labor as required. I also acknowledge receipt of a copy of said Agreement for my personal files.

GROUP MEMBERS

Date _____ Borrower

Date _____ Co-Borrower

By signing below, _____ agrees to all conditions of this
(SELF-HELP GRANT RECIPIENT)

Building Group Membership and Labor Agreement. _____ also
(SELF-HELP GRANT RECIPIENT)

declares that no statements, representations or any express or implied warranties of any nature whatsoever have been made to this building group.

Date _____
Construction Supervisor

Date _____
Program Director

Appendix D2: Release and Hold Harmless Agreement

I have inspected or had an opportunity to inspect my house and property, legally described as

Lot _____, _____.
(Address, City/Town/County, State)

I hereby release _____, its agents
and
(SELF-HELP GRANT RECIPIENT)

employees, of any claim or liability with respect to the construction of said residence, whether
known, or arising in the future.

I agree to indemnify and hold
(SELF-HELP GRANT RECIPIENT)

and its agents and employees harmless for any claim made against them by a third party with
respect to construction of said residence.

Dated this _____ day of _____ 20_____.

By:

By:

The above information was explained to us and I/we understand and accept these conditions.

NAME

DATE

NAME

DATE

NAME

DATE

NAME

DATE

NAME

DATE

Appendix D3: Recommended tools

(One Set per Household)

25' to 30' – 1" measuring tape

Speed square

Hammer – 16 or 20 oz., straight or curved claw

Nail set

Chalk line and chalk

Nail apron/Tool bag

Work gloves

Safety glasses & earplugs

Flat pry bar

Utility knife with extra blades

Carpenter's pencils

Screwdrivers – flat and Phillips head

Shovel – round point

Construction shoes (good quality)

Cat's-paw (nail puller)

Appendix D4: Cost Estimate Summary example

COST ESTIMATE SUMMARY

Name: _____
 Date: _____
 Proposed Location: _____
 Model: _____ Bedrooms: _____
 Baths: _____
 Phone: _____
 Fax: _____

<u>Category</u>	<u>Sub-Category</u>
<u>Estimate Cost</u>	

1. General Requirements	Temporary Utilities _____ Tap-On Fees _____ Dumpster/Disposal Fees _____ Portable facilities _____ (1.) \$ _____
-------------------------	--

2. Land/Site Improvement	Lot Clearing/Earthwork _____ Site Utilities _____ Excavation foundation _____ Final grading/ Seeding _____ Planting(shrubs/trees) _____ (2.) \$ _____
--------------------------	--

3. Masonry	Foundation Footings _____ Foundation Walls _____ Basement Floor _____ Driveway _____ Walkways/ Pads _____ (3.) \$ _____
------------	--

4. Framing/Sheathing	Floors _____ Walls _____ Roof _____ Porches/Decks _____ (4.) \$ _____
----------------------	---

5. Exterior Finishes	Roofing Mat./ Shingles _____ Siding _____ Gutters/ Downspouts _____ Shutters/Vents _____ Mailbox/hardware _____ (5.) \$ _____
----------------------	--

6. Windows/ Ext. Doors	Windows _____ Entry Doors _____ Patio Doors _____ Garage Doors _____
------------------------	---

		(6.) \$ _____
7. HVAC	Rough-In _____ Final _____	
		(7.) \$ _____
8. Plumbing	Rough-In _____ Final _____ Fixtures _____	
		(8.) \$ _____
9. Electrical	Rough-in _____ Final _____ Fixture Allowance _____	
		(9.) \$ _____
10. Insulation	Walls _____ Ceiling _____	
		(10.) \$ _____
11. Drywall	Materials _____ Installation _____ Finishing _____	
		(11.) \$ _____
12. Interior Finishes	Interior Doors _____ Interior Trim _____ Kitchen Cabinetry _____ Bath/Powder Room Cabinetry _____ Counter / Vanity Tops _____	
		(12.) \$ _____
13. Hardware	Locksets/Doorstops _____ Bathroom Accessories _____ Shelving _____	
		(13.) \$ _____
14. Floor Coverings	Sub-Floor _____ Carpet/Pad _____ Vinyl _____ Hardwood/Laminate _____	
		(14.) \$ _____
15. Appliances	Range _____ Range Hood _____ Dishwasher _____ Disposal _____	

Refrigerator _____

(15.) \$ _____

16. Utilities/Soft-Hard Costs

Permanent Electric _____

Impact Fees _____

Permits _____

Well/Pump _____

Septic System _____

Plans/ Specs. _____

Survey _____

Insurance _____

* Monthly Service Fees

Electric/water (during construction) _____

Taxes _____

Lot Costs _____

Closing Costs _____

Contingency (%) _____

16.) \$ _____

TOTAL COST ESTIMATE:

\$ _____

_____ Date _____

_____ Date _____

_____ Date _____

_____ Date _____

(Applicant)

(Representative)

Appendix D5: Description of materials

Form RD 1924-2

www.rdinit.usda.gov

Appendix D6: Invitation for bid

Form RD 1924-5

www.rdinit.usda.gov

Appendix D7: Sub-Contractor Selection Questionnaire

General Information

Contractor Name: _____

Business Address: _____

Business Phone/Fax/Email _____

Owner(s) Name: _____

Is this company a: **Corporation** _____ **Partnership** _____
 Owner Operator _____ **Joint Venture** _____ **Other** _____

Organization

1. Are you a general contractor? _____ or Sub-Trade contractor? _____
2. How many years have you been in the construction business? _____
3. How long under the present name? _____ years.
4. Have you worked under a different name? If so, please list name, dates and places where business was conducted? _____

5. How many full-time employees do you have on staff? _____

Licensing & Bonding

1. Contractor's License # _____.
2. What Trade Categories is your company legally qualified to work under:

<u>Trade</u>	<u>License/ # of</u>	<u>Years of experience</u>
A. _____		
B. _____		
C. _____		
D. _____		
3. Is your organization in good standing with the Contractor's License Board? _____
4. Does your company have any outstanding or pending citations filed with the Contractor's License Board? _____
If so explain:

5. Has your organization ever been bonded? _____

6. Maximum amount of Performance Bond \$ _____.

7. Name and address of your most recent Bonding Company: _____

8. Insurance Coverage:

Company/	Type /	Limits
_____	_____	_____
_____	_____	_____

Experience

1. Have you been sued in the last five years for breach of contract, default or any other cause of action with regard to your business activities? _____

If so, explain: _____

2. What categories of work does your company perform with its own staff?

3. Has your organization ever failed to complete any work awarded? _____

4. Has your organization filed any lawsuits or requested arbitration with regard to construction contracts within the past five years? _____.

5. Are you familiar with the Mutual Self-Help Program? _____

6. Have you ever worked on a Self -Help Housing project? _____

If so, When & Where? _____

7. What projects do you currently have under construction?

<i>Project</i>	<i>Location</i>	<i>Type</i>	<i>Scheduled Completion Date</i>
A. _____	_____	_____	_____
B. _____	_____	_____	_____
C. _____	_____	_____	_____

8. Please list three local trade references that would vouch for your quality of workmanship and contracting ability?

A. _____

B. _____

C. _____

9. Please list three completed and one in-progress projects that we may visit?

A. _____

B. _____

C. _____

D. _____

General Questions

1. What experience do you have in working with non-profit organizations? _____

2. If selected as a contractor to bid on this project, can you deliver an accurate cost estimate within 7 days of receipt of bid documents (Plan Specifications)? _____
3. If you are the selected sub-trade contractor for this project, what percentage of time will you (owner) be onsite supervising the project _____

Contract Requirements

1. Describe your billing and payment requirements? _____

2. Will you be able to obtain material and supplies on trade credit? If so, what payment terms are required?

3. If selected as the contractor for this development project, describe how and under what conditions you would ensure:
 - A. Adequate supervision of work activity
 - B. Adequate Workforce present on the job
 - C. Timely completion of work activities
 - D. Scheduling of work to be performed, material delivery and inspections_____

FOR INTERVIEWER’S USE ONLY

DATE: _____ **INTERVIEWER:** _____

RANK: _____

COMMENTS:

**Appendix D8: Construction Contract
RD Form 1924-6**
<https://www.rd.usda.gov/files/>

**Appendix D9: Contract Change Order
RD Form 1924-7**
<https://www.rd.usda.gov/files/>

**Appendix D10: Development Plan
RD 1924-1**
<https://www.rd.usda.gov/files/>

**Appendix D11: Builders Warranty
RD 1924-19**
<https://www.rd.usda.gov/files/>

**Appendix D12: Release of Claimants
RD 1924-10**
<https://www.rd.usda.gov/files/>

**Appendix D13: Contractors Release
RD 1924-9**
<https://www.rd.usda.gov/files/>

**Appendix D14: Inspection Report
RD 1924-12**
<https://www.rd.usda.gov/files/>

**Appendix D15: Plan Certification
RD 1924-25**
<https://www.rd.usda.gov/files/>

Appendix D16: Checklist to Construction – Mutual Self-Help Housing

CONGRATULATIONS for being selected for self-help funding by Rural Development!

Here is a Checklist to follow through Construction Start---doesn't need to be in this exact order, but a good list of items to complete:

_____1. ***Ask Rural Development if they would set up a teleconference (within the next 2 weeks) with you, the State Office staff, local RD Office staff, and NCALL, to discuss this Checklist, timelines, applicant eligibilities and what will be needed in Appraisal Packages to RD.

_____2. Subdivision Development---This is a **high priority item** prior to Grant closing-- - determine the timeline for infrastructure development, and readiness of the subdivision to create lot options and start construction. Water, sewer, electricity, gas, streets, storm sewer, street lighting, etc. Will this take 6 months? Or longer?

_____3. Follow-up with Rural Development on Group #1's eligibility. Are they all still eligible? Contact each applicant in Group #1 letting them know the status of your self-help program---they will be starting Construction in a few months. Schedule a meeting to meet with Group #1 (within 30-60 days) to show them lots, house plans, signing the Membership Agreement, homebuyer education, etc.

_____4. Set up timeframes for advertising for your self-help staff i.e. Construction Supervisor, and Group Coordinator/Recruiter.

_____5. The Construction Supervisor cannot be paid out of organizational funds and this cost cannot be reimbursed from Grant funds. This person would be valuable in developing Cost Estimate Summaries, reviewing the Plans and Specs for detail, plot plans, etc. If cost can be paid from organizational funds then advertising, interviews, and selection of a Construction Supervisor would help you greatly.

_____6. Once the subdivision is developed to the point that accurate legal descriptions and Lot addresses are known, then you should meet with the 1st Group again to select their lot. The lot they select needs to make sense for the home you may have them select at this meeting---from the house plans you are offering. After this meeting you should be ready to prepare Lot Options for each one to sign. Make sure you have included all development costs into each lot, and they will be supported by a market value at least equal to the Option. It would be helpful if your Construction Supervisor or Self-Help Project Director could be there to guide them in their lot and home selections.

NOTE: This could be **Preconstruction Meeting #1**---Lot selection and house plan selection. It would be important to start talking about a “no changes/no upgrades” policy.

_____7. Finalize 24 month Self-Help Budget and Construction Timeline spreadsheet.

_____8. Set Agendas for Preconstruction Meetings (**Preconstruction Meeting #2** could be a meeting with each homeowner to go over the plans and specs in detail and have them sign these).

_____9. Advertise for sub-contractor bids and material bids.

- _____10. Work on completing all Conditions in RD’s Letter of Conditions.
- _____11. Construction Supervisor develops plot plans and finishes Cost Estimate Summary---don't forget the cost of house plans and Contingency of 4-5%. Develop a List of Subs.
- _____12. Appraisal Package---Send complete plans, specs, plot plan, Cost Estimate Summary, and signed lot option for each applicant to RD as the Appraisal Package. RD will order the appraisals.
- _____13. **Preconstruction Meeting #3**---See Agenda---ideas could be 502 Loans, volunteers, mutual self-help, bill paying, no changes/upgrades, cell phone numbers and who to contact.
- _____14. Construction Supervisor Training, Group Coordinator Training, Project Director Training and SHARES Training by NCALL.
- _____15. Loan approvals and obligations---determine 502 funds needed for closing.
- _____16. **GRANT CLOSES---PR EVENT WITH STATE DIRECTOR, RH PROGRAM DIRECTOR, AREA DIRECTOR, RD STAFF, HOMEOWNERS AND MEDIA.** Set up QRM dates, Homeownership Week Event---workday
- _____17. **Preconstruction Meeting #4**---See Agenda---ideas could be no changes, safety, reporting hours, productive hours, bill paying.
- _____18. Construction Supervisor finalizes critical path and construction timeline.
- _____19. Applicants get Builders Risk Policy with liability (RD will direct this).
- _____20. **Loan closings**
- _____21. **Start construction**---permits and excavation.
- _____22. **Preconstruction Meeting #5, #6, etc**---See Agenda---ideas could be no changes/no upgrades, safety, using power tools, critical path and construction timeline, bill paying again, communication tree, etc.

Appendix D17: Final Inspection Check List

EXTERIOR

COMMENTS

- Garage doorjamb sealed _____
- Trim cut properly _____
- Flashed properly at roof and windows _____
- Trim and windows caulked properly _____
- Concrete clean
- Siding properly nailed _____
- No bird holes
- Utility penetrations caulked _____
- Weather-strip on doors _____
- Graded properly _____
- (Need 6" fall in first 10") _____
- Trash removed _____
- Seams on siding joined properly _____
- Gutter extensions installed to grade _____
- All forms removed from concrete _____
- 15. Landscaping _____
- 16. Driveways/Walkways _____

ADDITIONAL COMMENTS:

ENTRY

COMMENTS

- 1. Front door jamb sealed _____
- 2. Door operates properly/square _____
- 3. Thresholds clean _____
- 4. Door bump stops installed _____
- 5. Brass trim at door clean _____
- 6. Entry fixture clean _____
- 7. Closet pole/shelf installed _____
- 8. Entry floor

ADDITIONAL COMMENTS:

LIVING ROOM

COMMENTS

- 1. Carpet _____
- 2. Windows open/lock properly _____

ADDITIONAL COMMENTS:

DINNING ROOM

COMMENTS

- 1. Carpet _____
- 2. Windows open/lock properly _____

ADDITIONAL COMMENTS:

KITCHEN

COMMENTS

- 1. Back door
 - Clean and operable _____
 - No dings _____
 - Thresholds clean and adjusted _____
- 2. Windows open/lock properly _____
- 1. Cabinets _____
- 2. Doors adjusted
 - Shelves installed _____
 - Bumps and handles installed _____
- 3. Appliances operate properly _____
- 5. Sink _____
- 6. Counter top free of chips and scratches _____
- 7. Shoe installed and filled _____
- 8. Vinyl _____

ADDITIONAL COMMENTS:

UTILITY ROOM

COMMENTS

- 1. Catch-A-Drip clean _____
- 2. Vinyl _____

ADDITIONAL COMMENTS:

MASTER BEDROOM

COMMENTS

- 1. Windows open/lock properly _____
- 2. Carpet _____
- 3. Bath
 - Tissue holder w/spool installed _____
 - Towel rack secure _____
 - Toilet _____
 - Vanity top and cabinet _____
 - Vinyl _____
 - Privacy lock/key _____

ADDITIONAL COMMENTS:

HALL BATH

COMMENTS

- 1. Shower/Tub _____
- 2. Toilet _____
- 3. Tissue holder w/spool installed _____
- 4. Towel rack secure _____
- 5. Vanity top and cabinet _____
- 6. Vinyl _____
- 7. Privacy lock/key _____

ADDITIONAL COMMENTS:

BEDROOM # 2

COMMENTS

- 1. Windows open properly/lock properly
- 2. Carpet
- 3. Doors

ADDITIONAL COMMENTS:

BEDROOM # 3

COMMENTS

- 1. Windows open properly/lock properly
- 2. Carpet
- 3. Doors

ADDITIONAL COMMENTS:

BEDROOM # 4

COMMENTS

- 1. Windows open properly/lock properly
- 2. Carpet
- 3. Doors

ADDITIONAL COMMENTS:

GARAGE / CARPORT

COMMENTS

- Steps
- Threshold supported
- Floor clean

ADDITIONAL COMMENTS:

BASEMENT

COMMENTS

- 1. Sheetrock clean and dry _____
- 2. Steps secure and clean _____
- 3. Floor clean _____
- 4. Tabs removed _____
- 5. HVAC (new filter & clean) _____
- 6. Water heater (lit & clean) _____
- 7. Rim insulation _____
- 8. Sump discharge secure _____
- 9. Excess paint under stairs _____

ADDITIONAL COMMENTS:

GENERAL INTERIOR

OK

COMMENTS

- 1. Floor squeaks _____
- 2. Doors and windows operable _____
- 3. Carpet _____

ADDITIONAL COMMENTS:

Appendix D18: Release and Hold Harmless Agreement

I have inspected or had an opportunity to inspect my house and property, legally described as

Lot _____,

(Address, City/Town/County, State)

I hereby release (SELF-HELP GRANT RECIPIENT)

_____, its agents and

employees, of any claim or liability with respect to the construction of said residence, whether known, or arising in the future.

I agree to indemnify and hold (SELF-HELP GRANT RECIPIENT)

and its agents and employees harmless for any claim made against them by a third party with respect to construction of said residence.

Dated this _____ day of _____ 20_____.

By:

By: