

The purpose of User Agreements is to confirm which households will or will not be connected to CDBG funded water and/or sewer improvements, and which households are LMI. They also confirm the owner or renter status of each household. The number of LMI User Agreements signed must be equal to or exceed the number of beneficiaries claimed in the Grant Proposal. LMI households who sign written declination statements to accept water or sewer services are counted as direct beneficiaries at Closeout as the service was made available to them. However, no more than 10% of proposed beneficiaries may decline connection.

User Agreements are not required if a locality has a mandatory hookup requirement, **and a documented history of its enforcement**. In any case, LMI-occupied units may not be charged a connection or tap fee, and must be physically connected to the system free of charge.

Grantees have three (3) options for completing user agreements. These options are described below.

Option 1

Given that substantial household information has already been gathered through the initial survey, the grantee may choose to simply build on that information. This could be done by using one (1) of the samples listed under this option. These samples assume that each project area household completed a survey that can be connected to its original household. Thus, option one contains the following samples:

1. Sample A is for use with LMI owner-occupants. Self-certified (signed) confirmation that the survey information given was correct. Also provides temporary construction easement for installation of a connection.
2. Sample B is for use with owner of LMI-occupied rental property. Signed by owner, provides temporary construction easement for installation of a connection. **Must be accompanied by User Agreement Sample C.**
3. Sample C is for use with LMI renter. Provides self-certification that income information provided in the survey was correct.
4. Sample D is for use with non-LMI owner-occupants *or* non-LMI renter occupied property. Confirms who will be responsible for paying connection fees, etc., and provides temporary construction easement for installation of a connection.

The expectation with use of this method is that original surveys would then be matched to the appropriate signed statements. If a 100% survey was not performed, survey information *and* user agreement information *must* be obtained from those units that did not participate in the initial survey.

Option 2

In this option, previous survey information is not considered. Each unit in the project area is required to complete a full User Agreement. Please see User Agreement Sample E. Please modify this sample as needed.

Option 3

Some Grantees may have included information on their initial surveys that would allow the surveys to also serve as User Agreements. To qualify, your survey must have been a 100% survey with 100% response, and included household size and income, the approximate minimum monthly charge for the new or improved service(s), an opportunity to decline the service(s), and the signature of a responsible adult in the household. If you believe that your surveys may also serve as user agreements, please bring this to the attention of your Community Development Specialist. **He or she will do a 100% review of surveys, matching survey forms to houses both on a map and in the field. If your Community Development Specialist concurs, and no additional information is needed, a waiver of this requirement will be provided by the Associate Director. Please note that it is extremely rare for surveys to be entirely sufficient to serve as User Agreements.**

Grantees Receiving Rural Development Funds

While CDBG requirements forbid the payment of connection fees by LMI households, Rural Development (RD) has a policy that requires payment of connection fees by every household. To resolve this conflict in policies DHCD and RD have agreed to have LMI households pay a \$50 “connection fee.” However, this fee paid by LMI households should be treated by the Grantee as a pre-payment of \$50 toward the first \$50 of water or sewer to be used when the system goes on line. Once this “line of credit” is exhausted the LMI customer then begins paying for all water or sewer use thereafter the same as all non-LMI users.



Call your Community Development Specialist for a sample user agreement for this situation.

FOR USE WITH LMI OWNER-OCCUPANT (SAMPLE A)

STATEMENT OF PARTICIPATION AND AUTHORIZATION

Property Address: _____

Property Owner: _____

Property Resident: _____

1. I certify by my signature herein, that the household income information I submitted by survey dated _____ is true and accurate.
2. I understand that if I participate in the *(Project Name)* by hooking onto the system before the *(Grantee's Name)* will install a service line connecting this house to the *(water or sewerage)* system, the cost of which will be paid by the *(Grantee's Name)*.
3. I further understand that if I choose to hook onto the *(water or sewerage)* system after the deadline, said hook up fees and service line costs will be borne by me and not the *(Grantee's Name)*.
4. Therefore, I hereby authorize the *(Grantee's Name)* to connect this house to the *(water or sewerage)* system including the construction of a service line from the house to the collector line.
5. I also hereby grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said *(water or sewerage)* service line work.
6. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
7. Any questions or concerns regarding the project will be directed to the *(Grantee's Name)*'s, *(Name of Office)*, and *(Phone and TDD Numbers)*.

Owner's Signature: _____

Date: _____

Owner's Signature: _____

Date: _____

Witness: _____

Date: _____

**FOR USE WITH OWNER OF LMI-OCCUPIED
RENTAL PROPERTY (SAMPLE B)**

STATEMENT OF PARTICIPATION AND AUTHORIZATION

Property Address: _____

Property Owner: _____

Property Resident: _____

1. I understand that if I participate in the *(Project Name)* by hooking the above referenced property occupied by a LMI household onto the system before *(Date)*, the *(Grantee's Name)* will install a service line connecting this house to the *(water or sewerage)* system, the cost of which will be paid by the *(Grantee's Name)*.
2. I further understand that if I choose to hook this property onto the *(water or sewerage)* system after the deadline, said service line costs will be borne by me and not the *(Grantee's Name)*.
3. Therefore, I hereby authorize the *(Grantee's Name)* to connect this property to the *(water or sewerage)* system including the construction of a service line from the house to the collector line.

If the *(Grantee's Name)* is providing indoor plumbing I/we hereby agree to enter into a contract that the house will be rented to LMI household for five years at the current rent plus any increases for taxes and insurance. All future tenants will pay the same rent but no more than 35% of their gross income.

4. I also hereby grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said *(water or sewerage)* service line work.
5. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
6. Any questions or concerns regarding the project will be directed to the *(Grantee's Name)*'s, *(Name of Office)*, and *(Phone and TDD Numbers)*.

Owner's Signature: _____

Date: _____

Owner's Signature: _____

Date: _____

Witness: _____

Date: _____

FOR USE WITH LMI RENTER (SAMPLE C)

STATEMENT OF PARTICIPATION AND AUTHORIZATION

Property Address: _____

Property Owner: _____

Property Resident: _____

I certify by my signature herein, that the household income information I submitted by survey dated _____ is true and accurate.

Renter's Signature: _____

Date: _____

Renter's Signature: _____

Date: _____

Witness: _____

Date: _____

**FOR USE WITH NON-LMI OWNER-OCCUPANTS
OR NON-LMI RENTER OCCUPIED PROPERTY (SAMPLE D)**

STATEMENT OF PARTICIPATION AND AUTHORIZATION

Property Address: _____

Property Owner: _____

Property Resident: _____

1. I understand that if I participate in the *(Project Name)* Project by hooking onto the system before *(Date)*, the *(Grantee's Name)* will install a service line connecting this house to the *(water or sewerage)* system, the cost of which will be paid by the *(Grantee's Name)*.
2. I further understand that if I choose to hook onto the *(water or sewerage)* system after the deadline, said hook up fees and service line costs will be borne by me and not the *(Grantee's Name)*.
3. Therefore, I hereby authorize the *(Grantee's Name)* to connect this house to the *(water or sewerage)* system including the construction of a service line from the house to the collector line.
4. I also hereby grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said *(water or sewerage)* service line work.
5. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
6. Any questions or concerns regarding the project will be directed to the *(Grantee's Name)*'s, *(Name of Office)*, and *(Phone and TDD Numbers)*.

Owner's Signature: _____

Date: _____

Owner's Signature: _____

Date: _____

Witness: _____

Date: _____

SERVICE USER AGREEMENT (SAMPLE E)

The *(Grantee's Name)* has been awarded a Community Development Block Grant to provide assistance to your neighborhood. Under this grant, the following facilities will be provided free of charge to those households which meet income criteria established by the U. S. Department of Housing and Urban Development, and you will be billed for a minimum monthly fee. You will then be a customer of the *(Grantee or Locality's service authority)*.

Service	Minimum Monthly Fee
Water	\$ _____
Sewer	\$ _____
Complete indoor plumbing	NONE

(Grantee should include only those services included in the grant)

Please indicate below whether or not you wish to have these service(s) provided:

- ☐ Yes, I accept a *(description of services provided)*. I understand that I will receive a monthly bill for the service(s).
- ☐ No, I do not accept *(description of services provided)*.

OCCUPANT: To confirm eligibility for a free hookup, I certify by my signature below that my household consists of ____ persons as of this date and that my household gross income in 20____ was \$_____. This is subject to verification by *(Locality)* prior to construction.

IMPORTANT: If you are renting, what is the cost of your monthly rent **plus** utilities? \$_____. This agreement must be signed by the OWNER of the house.

OWNER: By my signature below, I, as the owner of this property, authorize the *(Grantee's Name)* to connect this house to the *(water or sewerage)* system including construction of a service line from the house to the collector line. I also grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purpose of constructing and inspecting said construction of said *(water or sewerage)* service line work. This permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced. If the work to be performed is only for construction of a *(water or sewerage)* service line, no additional documentation of my authorization is necessary. If the work to be performed includes construction of a bathroom or other indoor plumbing facilities, my signature on an additional contract will be required prior to the commencement of work.

WARNING: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or administer to any Department or Agency of the U.S. as to any matter within its jurisdiction.

Occupant

Owner (if different)

Name_____

Name_____

Signature_____

Signature_____

Name_____

Name_____

Signature_____

Signature_____

Address_____

Address_____

Date_____

Date_____

Please return to _____ by _____