COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

INCOME PROPERTY REHABILITATION
PARTICIPANT GUIDELINES

Funded By:
New York State Office of Community Renewal

Sponsored By:
Village of Waterville
Ruben Ostrander, Mayor

DISCLAIMER

These guidelines outline the basic requirements and regulations for the CDBG Housing Rehabilitation Program. Other rules and regulations may apply. In the case of any conflict between these guidelines and any NYS and/or federal laws or regulations governing the program, the NYS and federal regulations shall prevail. Neither the Village nor its representatives shall be held responsible for any inaccuracies in these program guidelines. These guidelines may be subject to change.

A. INTRODUCTION

The Village of Waterville has recently been awarded a Community Development Block Grant (CDBG) by New York State. A portion of these funds will go toward the rehabilitation of income properties in the Village. If you own a one to four-unit income property structure in the Village; it is determined to be substandard in accordance with the Village's definition; and at least 51% of the units are occupied by persons/families low-to-moderate in income (50% for a two-unit structure), financial assistance may be available for the rehabilitation of property in accordance with New York State's definition of rehabilitation provided below The goal of the rehabilitation program is to remedy code violations and hazardous situations, and to provide adequate weatherization for income properties occupied or available to persons of low-to-moderate income. Eligible improvements are included in Section G. Please note that there may be other laws, rules, regulations, or guidelines that apply to this program that are not detailed in these guidelines. State and/or federal rules and regulations will control if they conflict with these guidelines. Additional information regarding processes and requirements will be provided upon selection to participants in the program.

B. ELIGIBILITY

Eligible income property owners are those who:

(1) have at least 51% of the units tenanted by low-to-moderate income individuals below 80% of the county median income adjusted for family size;

(2) own a one to four unit income property within the Village of Waterville at the time of application.
Manufactured homes are not eligible for assistance with the exception of ADA compliance.

(3) have a valid, current rental permit for the property;

(4) own a property that has been deemed substandard in accordance with the Village's Definition of Substandard (a Village representative will determine if a home is substandard);

(5) are current on all Village taxes and/or charges and mortgage payments;

(6) have appropriate homeowner's insurance coverage;

(7) are in compliance with all Village ordinances;

(8) are willing to improve their property to levels which meet New York State's and Village program standards; and

(9) agree to abide by all the terms and conditions set forth in the program documents.

Income - Tenants will be determined to be low/moderate income if their gross household income does not exceed the amounts for household size identified below in Table 1 for the program offered. Income limits for the program will be increased in accordance with periodic increases allowed by HUD. Per Section 570.3 of the CDBG regulations, the income of a household will be determined based upon the current gross household income and family size projected over a 52-week period. The Village will calculate household income using the Section 8 Definition of Income (24 CFR Part 5).

Each tenant will be required to verify their income on the tenant information forms provided. This information will be used only for verification of income and will be reviewed by the Village.

Table 1 **HOUSING REHABILITATION INCOME LIMITS (05/1/26)**								
HOUSEHOLD SIZE (# of persons)	1	2	3	4	5	6	7	8
GROSS ANNUAL INCOME	$54,800	$62,650	$70,500	$78,300	$84,550	$90,850	$97,100	$103,400

Taxes, Mortgage, and Insurance – All local, school and county property taxes must be current. If the taxes are not current, the Village may provide an opportunity for the applicant to bring the taxes current. Additionally, property owners are required to provide a copy of the property's Abstract or Deed as part of their application and must carry adequate insurance on the property with the Village listed as a mortgagee. If the property is located in a floodplain, the applicant is required to carry flood insurance. If there is an outstanding mortgage on the property, all mortgage payments must be current. The Village will provide applicants an opportunity to bring their mortgage payments current.

Village Ordinances/Code Violations – The property/applicant must not be in violation of any local laws or Village ordinances. The property must not have any outstanding code violations, although the Village may allow such code violations to be corrected as part of the rehabilitation program.

Compliance with Program Regulations – The applicant must agree to comply with all program regulations and processes, and sign all required documents related to the program including, but not limited to, a commitment letter, deferred loan agreement, declaration of interest, and construction contracts. The applicant further agrees to allow necessary work on their home to address outstanding issues.

C. FINANCIAL ASSISTANCE PROGRAM

Financial assistance is provided as a grant, with no repayments required unless the participant defaults under the terms of the agreements. Assistance to individual homeowners is secured by the signing of a Grant Agreement and a Declaration of Interest. The Grant Agreement and Declaration of Interest obligate the participant to certain promises and stipulate the terms of the participant's agreement with the Village. The agreements require that the property is owned and maintained by the original participant for a period of ten years (the "regulatory period") after which the lien is completely forgiven. If the original participant does not own the property for the full regulatory period, they will be required to pay a portion of the grant back to the Village. The participant will receive credit for each year they own the home once the project starts. The grant funding is secured by a Declaration of Interest that will be recorded in the County Clerk's Office as a lien against the property. This Declaration of Interest will be executed at the start of the project and will be re-executed at the end of the project to account for any changes in the project cost. Failure to re-execute a Declaration of Interest may result in funds being repaid to the Village.

The time period ("Period of Affordability" and "Regulatory Period") is based on the total amount of assistance (per unit if an income property) provided to the owner through the CDBG program.

Non-Owner Housing Rehabilitation (1-4 units)

Period of Affordability (Rehabilitation Per Unit):

Less than $15,000 Investment: 5 years

$15,000 - $40,000 Investment: 10 years

Greater than $40,000 Investment: 15 years

The amount to be repaid and recaptured is determined in accordance with the following Recapture Schedule.

FIVE (5) YEAR PERIOD OF AFFORDABILITY:

Months	Amount of Recapture
0-12	100% of Grant Assistance
13-24	80% of Grant Assistance
25-36	60% of Grant Assistance
37-48	40% of Grant Assistance
49-60	20% of Grant Assistance
60+	0% of Grant Assistance

TEN (10) YEAR PERIOD OF AFFORDABILITY:

Months	Amount of Recapture
0-12	100% of Grant Assistance
13-24	90% of Grant Assistance
25-36	80% of Grant Assistance
37-48	70% of Grant Assistance
49-60	60% of Grant Assistance
61-72	50% of Grant Assistance
73-84	40% of Grant Assistance
85-96	30% of Grant Assistance
97-108	20% of Grant Assistance
109-120	10% of Grant Assistance
120+	0% of Grant Assistance

IF FIFTEEN (15) YEAR PERIOD OF AFFORDABILITY:

Months	Amount of Recapture
0-12	100% of Grant Assistance
13-24	93% of Grant Assistance
25-36	89% of Grant Assistance
37-48	80% of Grant Assistance
49-60	74% of Grant Assistance
61-72	67% of Grant Assistance
73-84	60% of Grant Assistance
85-96	54% of Grant Assistance
97-108	47% of Grant Assistance
109-120	41% of Grant Assistance
121-132	34% of Grant Assistance
133-144	27% of Grant Assistance
145-156	21% of Grant Assistance
157-168	14% of Grant Assistance
169-180	8% of Grant Assistance
181+	0% of Grant Assistance

The actual amount of rehabilitation assistance will be the lowest amount of funding needed to bring the house into compliance with HUD's Housing Quality Standards, as determined by the Village or its representative. It is the Village's policy to limit the level of assistance to $25,000 per unit. However, if necessary, under extraordinary circumstances and in order to address serious code violations or dangerous living conditions, the Village may waive its $25,000 limit. The amount will be determined by the Village to assure the property is no longer substandard upon completion of rehabilitation. Houses that cannot be brought into compliance with building codes and Housing Quality Standards within those limits will not be eligible for assistance.

In an effort to achieve its goals of affordability and availability, the Village will adhere to the following practices for all income property grant agreements:

1. Rents must be documented and deemed affordable to persons and families low-to moderate in income. Rents will be deemed affordable if:

   (a) the subject property's rental unit(s) is occupied by a low/mod household and the current rent does not exceed the current Fair Market Rate (FMR) as established by HUD. FMR includes utilities but will be adjusted accordingly for utilities paid directly by the tenant;

   (b) the subject property's rental unit(s) is renting above the FMR and is occupied by a low/mod household(s), the property owner agrees to immediately reduce the rent for said unit(s) to the established FMR at the time of signing the agreement to participate in the rehabilitation program.

   (c) the unit(s) is renting above the FMR and is occupied by a non-low/mod tenant, the property owner will not be required to reduce the rent nor be required or allowed to displace the non-low/mod tenant(s). The property owner agrees to comply with the FMR requirements when and if the non-low/mod tenant(s) first vacate the property.

   (d) the unit(s) is vacant, the property owner agrees to rent to a low/mod household and to comply with the FMR requirements immediately upon occupancy.

2. The owner must maintain Fair Market Rents for the regulatory period following the completion of rehabilitation. Rent limits are not to exceed the fair market rent limits listed below, less the approved Utility Allowance, if applicable.

ONEIDA COUNTY
FAIR MARKET RENTS (FY 2026)

Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
$899	$926	$1,172	$1,405	$1,623

D. REHABILITATION

Eligible Work- Work is limited to that which is necessary to correct deficiencies in the home, address code issues, improve weatherization, or address accessibility issues. Specifically, rehabilitation work may include but is not limited to, the following:

- Correction of building code violations
- Structural repairs
- Insulation and Weatherproofing
- Roofing
- Siding repair/replacement
- Porch repairs
- Painting
- Lead-based paint hazards
- Handicapped accessibility
- Plumbing
- Heating
- Electrical

Ineligible Work - Rehabilitation <u>does not</u> include the completion of a shell, new construction or repartitioning, additions, or cosmetic improvements that are not related to the overall substandard nature of the unit or needed to correct a substandard situation.

Ineligible work includes, but is not limited to:

- Landscaping – except for flood remediation
- Installation of new kitchen appliances
- Air conditioners
- Luxury items (swimming pools, saunas, whirlpools)
- Luxury finishes (ceramic tile, stone, hardwood etc.)
- Garbage Disposals
- Room partitions
- Moving houses to new foundations
- Blacktopping driveways/Sidewalks
- Washers and dryers
- Skylights
- Fireplaces/Woodstoves
- New decks or porches (not including ramps)
- Window walls
- Room additions
- Detached garages/outbuildings

E. NON-DISCRIMINATION REQUIREMENT

Prior to provision of assistance, the homeowner will sign an agreement with the Village outlining the owner's responsibilities and obligations with respect to the assistance. This agreement includes language that the owner will not discriminate in the sale, rental or financing of said assisted housing on the basis of race, color, religion, sex, national origin, familial status, and handicap. Although all persons, in most cases, are prohibited from discriminatory housing practices, program participants will actually sign a document agreeing to abide by Fair Housing Laws.

F. SECTION 504 GRIEVANCE PROCEDURE

Section 504 of the Rehabilitation Act of 1973 (the "Act") as amended, prohibits discrimination on the basis of disability in programs and activities conducted by the U.S. Department of Housing and Urban Development (HUD) or that receive financial assistance from HUD. The Act provides that no qualified individual shall, solely by reason of his or her handicap, be excluded from program participation, including employment, be denied program benefits, or be subjected to discrimination. The Programs covered by Section 504 include the New York State Community Development Block Grant Program (CDBG) and the HOME Program. The assistance provided by the program for which you are applying has been either directly or indirectly provided by HUD and is, therefore, subject to the requirements of Section 504.

It is the policy of the Village of Waterville not to discriminate on the basis of disability. Towards that end, the Village of Waterville has adopted by resolution an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) of the U.S. Department of Health and Human Services regulations implementing the Act. The subject law and implementing regulations may be examined in the office of the Village. This information can also be accessed on the World-wide Web at the following address: http://www.ada.gov/taman2.html#II-8.2000. The Section 504 Grievance Coordinator's office is located at 800 Park Ave. 9th floor, Utica, NY 13501.

Any person who believes he or she has been subjected to discrimination on the basis of disability may file a grievance under the procedure adopted by Village by contacting the Village Office at (315) 841-4221.

EQUAL HOUSING OPPORTUNITY

Appendix A
IMPORTANT NOTICE

Amanda's Law
Carbon Monoxide Alarms

Amanda's Law was named in honor of Buffalo resident Amanda Hansen, a teenage girl who lost her life to carbon monoxide (CO) poisoning from a defective boiler when sleeping over at a friend's house in January 2009. On February 22, 2010, a new law went into effect in New York to help protect your family from carbon monoxide poisoning.

The new law requires the following:

- CO alarms must be installed in all new and existing one and two-family dwellings, multifamily dwellings and rentals having a fuel-burning appliance, system or attached garage.

- The National Fire Protection Association (NFPA) recommends CO alarms be installed in a central location outside each sleeping area and on every level of the home.

- CO alarms must be listed to comply with UL (Underwriters Laboratories) 2034 or CSA (Canadian Standards Association) 6.19 and installed in accordance with manufacturer's instructions.

For more information on CO, visit www.dhses.ny.gov/ofpc

Notice: This information is a summary interpretation of NY Law 2009, Ch. 367 and was prepared as general reference material only. This summary is not authoritative. For your specific compliance requirements, please refer to the actual language of NY Law 2009, Ch. 367 or consult legal counsel.

Appendix B

HOUSING REHABILITATION PROCESS

Following is a brief summary of the steps involved in the housing rehabilitation process. This summary is not all inclusive and is intended solely to provide participants with a better understanding of what to anticipate during the course of the Program.

1. **Application Submission** - Fully complete a program application with all required documentation and submit it to the program administrator. Please note that an application cannot be considered for approval until all necessary documentation is provided.

2. **Application Review and Scoring** – Each application will be reviewed and scored to verify eligibility. Those applications with the most severe housing conditions and lowest household incomes will be prioritized for assistance.

3. **Approval/Denial/Notice of Waitlist** – If a participant is determined eligible for the program and is a priority, a Housing Rehabilitation Specialist will schedule an inspection. Otherwise, lower-ranking, eligible applicants will receive a waitlist letter, and ineligible applicants will receive a denial letter.

4. **Inspections –** Upon approval, a Housing Rehabilitation Specialist will schedule an inspection of your home. A lead-based paint risk assessment will be completed as well as a Radon test. An energy auditor will also be in touch to schedule an energy audit. Asbestos testing may be required.

5. **Work Scope –** Utilizing the inspections completed and data gathered, the Housing Rehabilitation Specialist will develop a draft work scope for review. Participants will have the opportunity to review the draft work scope and provide comments prior to finalization.

6. **Bidding/Contractor Selection** – The project will be bid to appropriate contractors. Typically, bids are awarded to the lowest responsible bidder. More than one contractor may be selected.

7. **Municipal Approval** – Once a final project cost is determined, the local municipality will approve or deny participation in the program.

8. **Execution of Agreements –** The participant will execute agreements related to the program, including a grant agreement, Declaration of Interest, and construction contracts.

9. **Notice to Proceed –** Contractors will be provided a Notice to Proceed once all agreements are in place and all relevant documentation has been provided.

10. **Construction, Inspection, and Payment** – The Rehabilitation Specialist will inspect construction progress during the course of the project. Contractors are typically limited to four payment requests.

11. **Completion** – The participant will sign a "Certificate of Satisfactory Completion" documenting that all work included in the work scope is completed. Lead paint clearance testing will be completed and a final radon test taken.

12. **Project Closeout** – Once all work is completed, participants will execute a new Declaration of Interest to account for any changes in project costs as a result of change orders. The Declaration will be filed with the County Clerk and the project will be closed out.