COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

OWNER-OCCUPIED HOUSING REHABILITATION
PARTICIPANT GUIDELINES

<u>Funded By:</u>
New York State Office of Community Renewal (OCR)

<u>Sponsored By:</u>
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 been awarded a Community Development Block Grant (CDBG) by New York State. These funds will be used for the rehabilitation of substandard properties owned and occupied by low-to-moderate income households. This program is known as the "Waterville Village Rehabilitation Program" and is being administered by the Village with the assistance of Thoma Development Consultants. If you own and occupy a home within the Village's boundaries, and meet all the qualifications described herein, financial assistance may be available for the rehabilitation of the participating property in accordance with New York State's definition of rehabilitation provided below. The goal of the rehabilitation is to remedy code violations and hazardous situations, and to provide adequate weatherization for homes owned and occupied principally by persons of low-to-moderate income. Eligible improvements are included in Section G. Please 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. Day to day implementation of the program will be undertaken by the Village's consultant (Program Administrator), with oversight by the Village of Waterville, which is ultimately responsible the program.

B. ELIGIBILITY

Eligible owner-occupied property owners are those who:

(1) have household incomes below 80% of the county median income adjusted for family size;
(2) own and reside in the subject single-family structure (excluding manufactured homes) within the Village of Waterville at the time of application. Manufactured homes are not eligible for assistance with the exception of ADA compliance.
(3) live in a home that has been deemed substandard in accordance with the Village's Definition of Substandard (a Village representative will determine if a home is substandard);
(4) are current on all Village taxes and/or charges and mortgage payments;
(5) have appropriate homeowner's insurance coverage;
(6) are in compliance with all Village ordinances;
(7) are willing to improve their property to levels which meet New York State's and Village program standards; and
(8) agree to abide by all the terms and conditions set forth in the program documents.

Income - The income limits and related household size qualifications are listed 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).

The household is responsible for providing all information requested to verify income level. This information will be used only for verification of income and will be reviewed by the Village and the program administrator.

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 applicants to bring the taxes current. Additionally, applicants 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 within a reasonable time period.

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 forgivable loan secured by a Declaration of Interest. There are no repayments required unless the participant defaults under the terms of the agreements. Assistance to individual participants is secured by the signing of a Grant Agreement and a Declaration of Interest prior to the start of construction. 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 original participant reside in the home to be rehabilitated for a period of five years (the "regulatory period") after which the lien is completely forgiven. If the original participant does not reside in the home for the full regulatory period, they will be required to pay a portion of the grant back to the Village. Repayment may also be required in the event of sale, transfer of ownership, change of use, or failure to comply with program requirements during the regulatory period. The participant will receive credit for each year they reside in 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 recaptured by the Village.

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

Repayment is not required in the case of the death of the participant or permanent confinement in a facility such as a nursing home.

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. Assistance levels typically range between $30,000 - $40,000 per structure for single-family homes. Projects involving asbestos removal or lead based paint abatement may have higher project costs. The maximum level of assistance is $75,000. Properties that cannot be brought into compliance with building codes and Housing Quality Standards within those limits will not be eligible for assistance.

D. <u>REHABILITATION</u>

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
- Blacktopping driveways/Sidewalks
- Washers and dryers
- Skylights
- Fireplaces/Woodstoves
- New decks or porches (not including ramps)
- Window walls
- Room additions

Ineligible work includes (continued):

- Moving houses to new foundations
- Detached garages/outbuildings

E. NON-DISCRIMINATION REQUIREMENT

Prior to provision of assistance, the participant 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. The Village will affirmatively further Fair Housing through all of its programs and will work to support Fair and Equitable Housing Opportunities in accordance with all New York State and federal laws and regulations.

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 at: 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

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 the property. 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.