

Camanche Housing Rehabilitation Program Guidelines

1) **Program Objectives**

1.1 Program Designation

The program referred to herein shall be known and referred to as the City of Camanche Housing Rehabilitation Program.

1.2 Introduction

The Primary objective of the City of Camanche Housing Rehabilitation Program is to preserve and extend the life of the housing stock in the community by assisting eligible families in upgrading the condition of their homes. Funds will be used to assist low and moderate income families who have difficulty finding the necessary resources to make needed home repairs on their own.

1.3 Purpose

The purpose of this program is to implement the City of Camanche's Residential Urban Revitalization Plan which was adopted by the City of Camanche in 2015. This involves creating a housing rehabilitation program for assisting low and moderate income homeowner.

2) **Program Information**

2.1 Rehabilitation Process

Rehabilitation refers to the repair and structural alteration of building. Rehabilitation is more than the routine of minor improvements that are part of the normal process of property maintenance.

2.2 Included Costs

- a) The provision, rehabilitation, or removal of structural elements of the dwelling, including the repair or replacement of basic equipment. The term "basic equipment" refers to such items as HVAC, plumbing, electrical, and structural (including but not limited to roof, girders, foundation).
- b) The provision of fire protection and carbon monoxide devices.
- c) The grading, filling or landscaping of the lot if necessary, to keep water from entering the basement, which could cause further damage.
- d) The provision of insulation.
- e) The provision of storm windows and doors.
- f) The elimination of leaks in structural opening through the installation of weather stripping, caulking, etc.
- g) The provision of rehabilitation or other necessary improvements for making a residence handicapped accessible when there is a medical necessity and where no other funding is available through governmental or private insurance sources. Proper documentation must be obtained from a physician indicating a medical need for such improvements.

3) Program Eligibility Requirements

3.1 Property Requirements

Property requirements listed below are designed to limit the types of property eligible for rehabilitation under the Housing Rehabilitation Program. In order to be eligible for the program, all of the following requirements must be satisfied:

- a) Within the City limits of Camanche.
- b) Residential in character.
- c) Single family dwelling
- d) Property tax and assessments must be current and paid to date.
- e) The applicant is required to have and maintain insurance coverage on the property providing a replacement value benefit in the event the property is destroyed or damaged.
- f) The expected life of the structure after rehabilitation should be at least 20 year. This determination shall be made by the Housing Rehabilitation Committee.

3.2 Applicant Requirements

The following applicant requirements are included to establish minimum standards for participation in the Housing Rehabilitation Program:

- a) The property must be owner occupied.
- b) One year minimum occupancy in residence is required prior to the date of application.
- c) The applicant may not have received loans exceeding \$8,000 in the last 12 months.

3.3 Income Limits

The income limits for participation in the Housing Rehabilitation Program are as follows. The income limits are based on the United State Department of Housing and Urban Development, Section 8 guidelines. They are subject to revision.

Loans- Amount Available to \$8,000 Maximum

2021 HUD Median Income for Clinton County

<u>Size</u>	<u>100%</u>	<u>80%</u>
<u>Median</u>	<u>\$70,600</u>	
<u>1</u>	<u>\$40,250</u>	<u>\$32,200</u>
<u>2</u>	<u>\$46,000</u>	<u>\$36,800</u>
<u>3</u>	<u>\$51,750</u>	<u>\$41,400</u>
<u>4</u>	<u>\$57,450</u>	<u>\$45,960</u>
<u>5</u>	<u>\$62,050</u>	<u>\$49,640</u>
<u>6</u>	<u>\$66,650</u>	<u>\$53,320</u>
<u>7</u>	<u>\$71,250</u>	<u>\$57,000</u>
<u>8</u>	<u>\$75,850</u>	<u>\$60,680</u>

A **moderate-income** census tract indicates that the tract median family income of the households or residents in the census tract are between 50% and 80% of the HUD area median income for the larger metropolitan statistical area (MSA) where the census tract is located.

3.4 Asset Limits

Upon complete review of the application, the Committee has the power to decline an application when it appears the applicant has non-income producing assets in an amount sufficient to indicate a lack of need for the benefits provided through the Housing Rehabilitation Program.

3.5 Exception to Income Limits

An applicant who has incurred large uninsured medical expenses may be eligible for an exception to the above income limitation. Documentation will be needed to verify such expenses.

4) **Financial Assistance**

The Housing Rehabilitation Program offers financial assistance to eligible applicants in the form of deferred loans.

4.1 Deferred Loans

Deferred loans shall be provided to eligible applicants in an amount not to exceed Eight Thousand Dollars (\$8,000). Each applicant will be required to sign a Promissory Note and Mortgage to secure the full amount of the loan provided. The term of the Note and Mortgage shall be four years, with the principal due decreasing proportionately with the passage of time and bearing no interest. The collection of the Note shall be accomplished according to the following schedule:

- a) If the rehabilitated property is sold, transferred or the homeowner vacates the property prior to the first anniversary of the agreement, one hundred percent (100%) of the Note becomes due.
- b) If the rehabilitated property is sold, transferred or the homeowner vacates the property between the first and second anniversary dates of the agreement, eighty percent (80%) of the Note becomes due.
- c) If the rehabilitated property is sold, transferred or the homeowner vacates the property between the second and third anniversary dates of the agreement, sixty percent (60%) of the Note becomes due.
- d) If the rehabilitated property is sold, transferred or the homeowner vacates the property between the third and fourth anniversary dates of the agreement, forty percent (40%) of the Note becomes due.
- e) If the rehabilitated property is sold, transferred or the homeowner vacates the property between the fourth and fifth anniversary dates of the agreement, twenty percent (20%) of the Note becomes due.
- f) After the fifth anniversary of the agreement, one hundred percent (100%) of the Note is forgiven.

4.2 Forgiveness of Note

There may be some unforeseen circumstances which could warrant forgiving a Note regardless of its age. Such circumstances include:

- a) Damage to the rehabilitated property by an Act of God to an extent that the value of the property is less than the amount payable under the terms of the Note.
- b) Sale or transfer of the rehabilitated property as a result of the death or other extenuating circumstances, as determined by the Committee and reviewed on a case by case basis.

4.3 Intent of Deferred Loans

The primary intent of a deferred loan is to offer assistance, at the same time preventing an assisted property owner from reaping a windfall profit by selling the rehabilitated property shortly after improvements have been made. An additional benefit of the forgivable loan is that it will promote some degree of neighborhood stability as property that changes hands regularly is highly susceptible to deterioration. It shall be up to the City to ensure that the appropriate collections are made when required.

5) **Program Mechanics**

Operation of the Housing Rehabilitation program involves several steps. The purpose of this section is to explain the mechanics of the program.

5.1 Application

The application will determine applicant's eligibility based on income, tenure, etc. Completed applications will be reviewed and evaluated by the Housing Rehabilitation Committee. Applicants who do not meet basic eligibility requirements will be notified in writing, including an explanation why they are ineligible for assistance.

5.2 Property Inspection

When an eligible application is received, an agent of the committee shall inspect the property. The purpose of inspection is to validate and determine the scope of needed repairs for which application has been made.

5.3 Estimate Preparation

Information gathered during the property inspection will be used to prepare the project specifications and other documents.

5.4 Contractor Selection

The homeowner shall obtain two bids from contractors (one bid will be considered if no other bids can be obtained), local if at all possible. The bids shall then be forwarded to the City Administrator's office for approval. At this time the work to be completed will be discussed to make sure all parties are in agreement. Actual contracts and related documents will be signed by all parties.

5.5 Construction Monitoring

Frequent inspection will be necessary during the construction phase to process change orders and mediate complaints. The primary purpose of those inspection is to ensure that all work is accomplished in accordance with the bid submitted.

5.6 Project Completion

At the completion of construction an agent of the City will review the work to assure that a satisfactory job has been accomplished. If the quality of work is satisfactory, and all contract conditions have been met, the City will authorize final payment to the contractor. Any deficiencies must be corrected to the satisfaction of the City. All warranties, lien waivers, etc., must be delivered to the City before final payment will be made.

6) **Program Administration**

The purpose of the chapter is to briefly touch on some of the administrative aspects of the Housing Rehabilitation Program.

6.1 Scope of Responsibility

The overall administrative authority for implementing the Housing Rehabilitation Program rests with the City. Due to the necessity of maintaining uniform and accurate record, the City staff will be responsible for the management of the rehabilitation account. Checks drawn on the Housing Rehabilitation account will be approved by and processed by the City. The Housing Rehabilitation Committee will have the authority to review application and make decisions on projects.

6.2 Disputes Between Parties

Any disputes arising between the contractor and homeowner will be mediated by the Housing Rehabilitation Committee, who will review the complaint and decide on the proper course of action. This determination will be in writing, and a copy will be provided to both the contractor and the homeowner.

6.3 Appeal Procedure

In the event an applicant, contractor, or other interested individual has been aggrieved by the decision of the committee, he/she shall have the right to appeal the committee's decision to the Camanche City Council. The appeal, in writing, shall be made within ten (10) days of the committee's decision. The council's decision on all appeals shall be final and binding on all parties.