



2024

## CDBG Owner-Occupied Housing Rehabilitation Program Guidelines

The City of DeKalb Owner-Occupied Rehabilitation Program is designed to assist low—to moderate-income families in securing and maintaining safe, sanitary, and decent housing. The program's objective is to provide families or individuals with insufficient resources or who cannot obtain necessary credit at affordable costs an opportunity to repair their homes. Priority must be given to emergency situations, as funds are limited.

The City administers the Owner-Occupied Private Property Rehab Program, funded through a Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD). Federal Guidelines are set annually and must be adhered to fund these programs.

### **FAIR HOUSING**

This program will be implemented consistently with the City's commitment to Fair Housing. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development Block Grant (CDBG) funds based on their religion or religious affiliation, age, race, color, creed, ancestry, national origin, gender, marital or familial status, physical or mental disability, medical condition, sexual orientation, or other arbitrary cause.

### **PROCESSING APPLICATIONS**

- Applications will be received and processed in the order they are received. Applicants will be notified of their eligibility status as soon as possible.
- Eligible applicants shall be placed on the Applicant List when they apply for the program.
- Applicants shall provide timely information for the income and property verification process and any needed improvements.

- If information is not forthcoming in a reasonable time, the Applicant shall be informed that their position on the Applicant list may be affected and will be provided technical assistance with the completion of required documents.
- Unless emergency conditions warrant more immediate action, projects will be funded based on the order in which the applications are received and deemed eligible.

**APPLICANT ELIGIBILITY**

To qualify for the program, the applicant must meet the following criteria:

- Reside in the property as their primary residence
- Have owned the property for at least two years
- Provide proof of ownership
- Show all sources of household income (all Homeowners over 18 must provide income documents) and all household assets.

The City of DeKalb will use the most current income limits to calculate household incomes consistently. The CDBG income limits are updated annually. Income eligibility is determined by the occupant’s gross annual income, which must be less than 80 percent of the area’s median income, falling within the following income limits:

<u>Family Size</u>	<u>Maximum Income</u>
1	\$51,900
2	\$59,300
3	\$66,700
4	\$74,100
5	\$80,050
6	\$86,000
7	\$91,900
8	\$97,850

The applicant must also have paid all bills due to the City and be in good standing on all accounts with no outstanding liens, judgments, open collections, or overdue bills pending.

No member of the City's governing body may apply for this program. Previous recipients of the program shall not be eligible for assistance through the CDBG grant program until the five (5) year recapture period has expired. Recipients of repayable loans will not be eligible until past loans are paid in full.

Properties in substandard condition will not be eligible for the program if the maximum loan amount does not provide sufficient funding to complete the work required to improve the property to a value that will be sustained over time to allow repayment of the loan or when the

severity of the code deficiencies is too great to be corrected by the maximum amount of loan funds available.

## **ENVIRONMENTAL REVIEW**

The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies). Every project must comply with the [National Environmental Policy Act \(NEPA\)](#) and other Federal and state environmental laws. The environmental review must be completed before any loan approval.

## **HOW TO APPLY**

To apply for assistance through this program, the applicant must submit the following items to the Community Development Department:

1. Submit the completed Owner-Occupied Rehabilitation Program application.
2. Last 60 days of consecutive Pay stubs
3. Most recent federal Tax returns, including all W2s, 1099's, etc. (Two years if seasonal or self-employed)
4. Proof of child support or maintenance, if applicable
5. Benefit Award Letter from any of the following: social security, pension, disability, unemployment, workman's compensation, or public assistance.
6. Bank statements for all accounts (all pages, even if blank): Checking accounts: Most recent 6 Months Savings accounts: Most recent 3 months (Includes CDs, Money Markets, etc.).
7. Most recent quarterly retirement account(s) Statement(s)
8. Copy of Recorded Warranty Deed to the property
9. Copy of the current homeowner's insurance declaration page
10. Current mortgage statement(s) from ALL mortgages on property (including any home equity loans)

## **PROPERTY ELIGIBILITY**

1. The structure must be within the City of DeKalb's corporate limits.
2. The applicant must own the property for a minimum of two years before the application for assistance.
3. The structure must comply with proper zoning standards.
4. The structure must be owner-occupied as the owner(s) 's primary residence.

5. The project must be feasible within the program's funding limits.
6. The owner must show proof of all assets indicating the project is not affordable with current available resources. (Income Eligible)
7. The property may not be for sale or purchase under contract.
8. Must be current on mortgage, insurance & property taxes.
9. No outstanding debts to the City of DeKalb
10. Mobile homes are not eligible.

## **ELIGIBLE ACTIVITIES**

Repairs necessary for the property to meet minimum code standards as determined by the Building and Code staff may be eligible. These may include:

Roof Replacement	Gutters, Soffit and Facia	Window Replacement
Accessibility Modifications	Interior wiring	Furnace/Water Heater
Plumbing repair	Sewer lateral replacement	Water line replacement

The maximum grant per project is \$5,000; however, acceptance into the program does not guarantee a total of \$5,000. A scope of work will determine project eligibility and the grant amount. Additional \$5,001 to \$15,000 funding *may be available* for qualified applicants as a no-interest repayable loan. All funding is dependent upon available funds.

## **INELIGIBLE ACTIVITIES**

Ineligible activities include but are not limited to:

- Aluminum siding
- Painting
- Sandblasting of exterior
- Remodeling and additions
- Central air conditioning
- Supplies or reimbursement for Do-It-Yourself projects or improvements
- Luxury improvements such as decks, pools, or fences

## FINANCING TERMS

All loans made under the Program are deferred and forgivable if the owner/Homeowner(s) meet the primary residency requirements, as listed in the table below.

<b>The owner maintains primary residency.</b>	<b>Percentage of Loan Forgiven</b>
<b>0-5 years</b>	<b>0%</b>
<b>5 years</b>	<b>100%</b>

Loans are due and payable in full upon the sale, transfer of title, or death of the Homeowner(s).

## GRANT APPROVAL

The City of DeKalb will prepare a loan package that confirms the Applicant and property eligibility, documents the equity and the encumbrances on the property, lists the estimated loan and construction costs, and includes any other information about the loan. By preparing a loan package using all the income and property eligibility, the determination of the amount rates and terms of the CDBG loan will be outlined for the *Community Services Coordinator* to review.

To obtain CDBG financing, Applicants must meet all property and eligibility guidelines in effect at the time of loan approval. Applicants will be provided with written notification of approval or denial. Reason for denial will be included in a denial letter to the Applicant.

### Grant Settlement

1. The Applicant shall sign the following: the Promissory Note, Mortgage, Owner-Occupied Rehabilitation Declaration of Understanding, Rehabilitation Program Agreement, Recapture Agreement, Notice of Lien (if applicable), and the Owner-Occupied Rehabilitation Program Final Inspection Report.
2. The Community Services Coordinator, acting on behalf of the City of DeKalb, shall sign the loan documents as required.
3. The original loan documents, including the Mortgage and the Notice of Lien (if applicable), shall be filed with the DeKalb County Recorder.

## DISPUTE RESOLUTION/APPEALS PROCEDURE

Any person or household applying for a Rehabilitation Loan through the CDBG program can appeal if their application is denied. In addition, during pre-construction, construction, or post-construction periods, the Homeowner has a similar right to have any disputes heard and resolved.

The Community Services Coordinator is responsible for ensuring that the program is implemented in compliance with state and federal regulations promptly and responsibly. This includes developing accurate and professional files, work write-ups, and contract documents. The Community Services Coordinator attends the meeting between the homeowner and the contractor when the contract documents are signed and facilitates clarification and/or corrections of proposed work so that both parties understand clearly. The City of DeKalb will try to provide language assistance for non-English speakers when signing a contract.

During and after construction, the City of DeKalb's Building Inspector and the Housing Rehabilitation Inspector monitor the contractor's work for code compliance and quality.

The contractual obligation for rehabilitation is ultimately between the contractor and the homeowner. If the two parties have a conflict, the following procedure will occur:

Before any intervention occurs, the homeowner or contractor shall communicate perceived problems or complaints directly to the other party. Each will allow the other to respond or correct the problem to resolve the differences.

If the first attempt fails, the homeowner or contractor may ask the *Community Services Coordinator to intervene informally*. This intervention might include a telephone call(s) to the contractor or homeowner, a meeting(s) at the job site or office, or other appropriate actions, such as establishing written working guidelines or other post-contractual agreements.

If the *Community Services Coordinator cannot satisfactorily resolve the homeowner-contractor differences, the homeowner, contractor, or Community Services Coordinator will contact the City Manager to detail* the problem. In cases of building code compliance or questions of construction quality, the building inspector might also be contacted.