

CITY OF GREENSBORO
NEIGHBORHOOD DEVELOPMENT
DEPARTMENT
HOUSING REHABILITATION PROGRAM
GUIDELINES

GREENSBORO, NC

Revised 2015



HOUSING REHABILITATION PROGRAMS

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PART I – HOUSING REHABILITATION PROGRAMS

GENERAL QUALIFICATIONS

I.A. General Purpose:

The purpose of the City's Housing Rehabilitation Programs is to provide housing rehabilitation services to residents in need and to protect the quality of the housing stock in Greensboro neighborhoods.

I.B. Funding Sources

The Housing Rehabilitation Programs are funded from several sources. These sources may include, but are not limited to:

1. Department of Housing and Urban Development (HUD) Community Development Block Grant funds (CDBG)
2. HUD HOME Program funds (HOME)
3. Nussbaum Housing Partnership Fund (NHPF)
4. HUD Lead-Based Paint Grant Funds
5. Other sources as applied for and awarded

Each funding source is administered and regulated by a set of guidelines that is particular to that source.

The provision of loans or grants under any of the City's Housing Rehabilitation Programs is dependent on the availability of funds.

I.C. General Criteria

The following general criteria apply to all Housing Rehabilitation Programs:

1. Applications are accepted and screened on a continual basis. Highest priority is given to applicants referred from other governmental agencies or medical providers for those with special needs due to a physical disability, or for a home that has a condition that constitutes an imminent-identified threat to health or safety.
2. Procedures for securing contractors and vendors shall conform to all local, State and Federal requirements. The "Rehabilitation Contractors Handbook" dated January 2011, and as amended, sets out the procedures for securing bids, loan processing, change orders, partial payments and other requirements specific to the Housing Rehabilitation Programs.
3. Residents of the City of Greensboro shall not be excluded from participation in, or be denied the benefits of program services under the agreements of the program on the grounds of sex, race, gender, color ethnicity, national origin, age, familial status, marital status, military status, political affiliation, religion, physical or mental disability, genetic information, sexual orientation, gender expression, or gender identity unless the activity

limits the type of beneficiary.

I.D. General Qualifications

The following general qualifications apply to all Housing Rehabilitation Programs unless specifically augmented or modified within a program description:

1. The property shall be located within the corporate limits of the City of Greensboro and be in an area of predominately residential use.
2. The property shall not be located within the right-of-way of any future street or highway or other public improvements contemplated within a reasonably foreseeable time.
3. Property located in a flood hazard area as identified by the City shall be subject to the mandatory purchase of flood insurance for the duration of the loan term period as a condition of Housing Rehabilitation Program assistance.

4. Prior to execution of loan documents or rehabilitation agreements, the City will ensure that the applicant has an ownership interest in the property and is legally authorized to place debt on same. Legal ownership may be established by the applicant being the principal owner with their name on the deed or with a legally recorded "Life Estate." If the "Life Estate" does not specify the right to encumber, a "Power of Attorney" signed by all owners of record may be required. This information must be retained in the applicant's permanent file.

4.5. Limited grant funds may be available to assist owner occupants under 80% of area median income with resolution of title issues who would otherwise be eligible for and proceeding with any program loans.

5.6. A review of the applicant's credit is performed to establish if there are past due mortgage payments, ~~or~~ property taxes, or unpaid municipal liens or assessments. A property may not be in foreclosure or have pending foreclosure action. Any bankruptcy must have been discharged. There may not be unpaid individual past due credit balances or collections greater than \$5,000 aggregated, excluding medical. A signed statement establishing a repayment plan is necessary for any unpaid medical collections or immediate preceding year taxes.

7. For programs involving City loans, there may not be judgments from any owner or more than one lien that would impact the City's lien position. The city will not take a 3rd lien position on any property considered for assistance with any program; which would be secured by a lien, without specific City Council approval. Multiple consecutive City program liens may be considered one lien position.

6.8. Property value, as determined by tax value or appraised value done within prior 12 months, whichever is greater, shall not exceed program maximums.

7.9. The equity in the property, as determined by property value less outstanding liens or

mortgages, must exceed the combined total of City repayment loans or deferred loans. Forgivable loans may exceed equity. Exceptions may be made by the Loan Committee for repayment or deferred loan cases where loans total up to 125% of property value for properties where the property value is less than the program assistance limit.

10. All property improvements shall be carried out in a professional, workmanlike manner, and shall be of such quality as to be durable and long lasting.
11. Out buildings or detached garages will not be eligible for rehabilitation repair funds with the following exception: Removal of an "unsafe, dilapidated and deteriorated" detached structure from the property is considered an eligible expense when conducted in conjunction with a Housing Rehabilitation Program or Homeowner Code Compliance project where it has been identified as a code issue.
12. When HOME Program assistance is provided, the rehabilitation shall meet or exceed the City of Greensboro's written rehabilitation program standards. HOME funds may not be used for special purpose repair programs unless the property will be brought up to applicable HOME property standards and applicable state or local codes.
13. Additional HOME program rental requirements shall apply to any units which are not the principal residence of the owner.
14. A HUD environmental review shall be completed by the City reviewing possible environmental considerations such as floods, noise, proximity to other hazards, and conditions on the site, such as underground oil tanks or other toxins. Properties identified in the environmental review as historic may be subject to additional requirements for allowable materials and design options.
15. All homes constructed prior to 1978 will be tested for the existence of lead-based paint hazards. All lead-based paint remediation work must meet HUD's lead-based paint regulation of September 15, 1999 and as amended. Lead Paint and other Program loans/grants may be available (see Part V "Other Programs").
16. The Housing Rehabilitation Program may provide for temporary relocation, including site protection of personal property and/or on-site storage of furniture and personal items if the scope of work contains Lead Based Paint remediation work. Other cases in which relocations may be made are based on health and/ or age of the occupants. If bathroom facilities are not in working order at the end of a work day, the Rehab Administrator may authorize temporary relocation until such time as necessary facilities are available. All temporary housing arrangements are subject to approval in advance of any move. Accommodations will be made by the Community Services Specialist based on a relocation request completed by the Rehab Advisor, signed by the Contractor and Homeowner and must then be approved by the Rehabilitation Administrator.
17. The following forms of housing will not be addressed through any programs: Condominiums, Townhomes (as legally owned and defined and recorded); nor manufactured homes that are held with Title and not a recorded deed. Manufactured housing must be owned as Real Property.

18. Only approved and certified contractors on Neighborhood Development's Contractor List may bid on program work. In order to comply with HUD's requirements to avoid conflicts of interest regarding procurement procedures, a contractor may not bid on work for their own property nor the property owned by a member of his/her immediate family or his/her business.

PART II -CITYWIDE HOMEOWNER HOUSING REHABILITATION PROGRAM

II.A. Program Purpose

The Citywide Housing Rehabilitation Program is designed to rehabilitate owner occupied housing to quality standards for long-term use.

II.B. Program Qualifications

1. The property shall be owner-occupied. If vacant the first occupant following the rehabilitation shall be the owner. The owner will sign a statement certifying that the property is the owner's principal residence.
2. The property shall contain one and not more than four dwelling units in a single or attached structure. If more than one dwelling unit exists, and is occupied, the owner will be responsible for necessary tenant relocation costs.
3. All CDBG-funded rental units receiving assistance must have a monthly rent at or below the current Fair Market Rent level as established by HUD. Low and moderate-income families whose income does not exceed 80% of the median family income for the city must initially occupy a minimum of 51% of the rental units. All HOME-funded rental units receiving assistance must have a monthly rent at or below the High HOME rents as established by HUD, inclusive of utility allowances. Households whose income does not exceed 60% of the median income for the City must occupy the HOME-funded rental units. Additional HOME rental requirements may apply for the length of the affordability period.
4. Rehabilitation shall comply with the Neighborhood Development Program's Rehabilitation Standards as adopted and amended from time to time, subject to any limitations imposed by funds available. Rehabilitation shall without exception meet Minimum Housing Code as defined in the City Of Greensboro Housing Ordinances and any applicable minimum State or Federal standards, and shall contribute to the safety and livability of the property. No unit can retain imminent threats to health or safety. The property must also be in compliance with the City of Greensboro's Housing and Nuisance Ordinances to receive Housing Rehabilitation Program funds.
5. Replacement of manufactured homes is not included within the scope of the Housing Rehabilitation Program. Repair or replacement of modular homes will be considered only if the unit is held and owned with a Deed and there is sufficient equity to support a loan.
6. For severely dilapidated properties which cannot be rehabilitated, reconstruction or replacement is an eligible option, so long as the number of units on the site does not increase and the program cost remains under the maximum assistance limit.
7. The property shall be capable of being brought into compliance with applicable City Minimum Housing Codes at a cost not exceeding the maximum assistance available

through the program.

8. The property must have at least \$10,000 in equity to be considered for the program.
9. Maximum value of a property to be rehabilitated cannot exceed HUD program maximums.
10. This program will allow the owner(s) or heir(s) of a property that previously received rehabilitation assistance through the program to reapply for assistance a second time if the following provisions are fully met.
 - (a). The homeowner and property must meet all of the eligibility requirements of the Citywide Housing Rehabilitation Program.
 - (b). At least 15 years have elapsed since the date of the initial Contract for Rehabilitation Assistance.
 - (c). The property must be able to support the current and proposed debt including all previous loan and/or grant balances and the new loan and/or grant.
 - (d). No special priority will be given to applications for homes previously rehabilitated.
11. Connection of Water and Sewer Lines including assessments and fees for connection to water and sewer lines are eligible for Citywide Housing Rehabilitation loans under the following circumstances:
 - (a). The assessment and connection fees are levied against property owned and occupied by low-and-moderate income households which are also to receive Housing Rehabilitation assistance; and
 - (b) The capital cost of the public improvements was financed solely from sources other than CDBG funds; and
 - (c) The assessed cost represents the properties pro rata share of the capital cost of the improvement; and the amount does not include taxes or user charges.
12. Lead-based paint assessment costs including lead-based paint inspections, risk assessments, bid and project management, clearance testing, soil and wipe samples shall be a program soft cost and will not be part of the homeowner contract (costs) amounts.
13. All homes constructed prior to 1978 must be tested for the existence of lead-based paint. Any home that tests positive for lead-based paint may have a lead-paint remediation grant approved that will not exceed \$20,000. If the cost to remediate lead is greater than \$20,000, the additional cost would be a part of the rehabilitation loan and must be approved by the property owner.

I1.C. Income Eligibility for Citywide Rehabilitation Loans

1. The maximum income ceilings for qualification under the citywide loan program shall not exceed 80% of the median income, adjusted for household size, as defined and provided to the City by HUD. These income ceilings are set by HUD to define "low and moderate income households and persons."
 - (a). Low income households are defined as having a combined income of less than 50% of the median income, adjusted for family size and persons, as defined by HUD. With approval, low income households may finance rehabilitation costs through a 3% interest rate deferred payment loan.
 - (b). Moderate income households are defined as having a combined family income of between 50% and 80% of the median income, adjusted for family size and persons, as defined by HUD. With approval, moderate income households may finance rehabilitation costs through a 3% interest rate amortizing loan for a term of up to 20 years.
2. Any applicant(s) classified as moderate income must have sufficient income to repay the loan without undue hardship. The Loan Committee shall have decision making authority for creditworthiness and borrower's debt capacity. However, a maximum debt to gross income ratio of 45% will be allowed.

I1.D. Loan Terms:

1. Loans for moderate income households will be made at a 3% interest rate for terms up to 20 years, shall be fully amortizing, and shall be obligated by a promissory note and deed of trust.
2. Loans for low income households will be made at a 3% interest rate with payment deferred until a change in owner's status, as outlined in Part II.D.6., and shall be obligated by a promissory note and deed of trust.
3. The maximum amount of a loan shall be \$60,000. The maximum contract for actual Rehabilitation work cannot exceed \$52,173 to allow for a 15% contingency fund for unforeseen expenses. Any bid that exceeds the contract maximum will need to be reduced to an acceptable level. The Rehab Administrator will work with the owner to eliminate certain line items from the scope of work and/or also negotiate with the low (winning) bidder in an attempt to reduce the bid cost of line items that exceeded the staff estimate by 15% or more.
4. All projects will be approved with a 15% contingency. Contingency funds cannot be used for items deemed to be cosmetic or decorative in nature.
5. Exceeding loan limits must carry the recommendation of the Rehabilitation Team and be forwarded to the loan committee for approval. Additional funds to correct unforeseen or unknown items that may cause the home to not be imminently safe and structurally sound are the only cases where an additional loan amount may be approved. The Rehab

Administrator will document the condition and prepare a staff and owner approved change order for review by the Loan Committee.

6. Transfer of Deferred Payment Loans:

(a) Deferred loans shall be repaid when the owner's status changes from that of owner-occupant, or upon the sale or transfer of the property, or upon the death of the sole owner or owners in entirety.

(b) Deferred loans, when due, shall be repaid in full at 3% simple interest per annum plus the principal amount borrowed.

(c) Deferred loans may ~~not only~~ be assumed by heirs and devisees, ~~except that~~ in the event of the death of the applicant sole owner or both owners in entirety. Heirs or devisees ~~occupying the home as a principal residence~~ must convert the loan to an amortizing monthly repayment loan at 3% interest rate. Modification and conversion is subject to the approval of the Loan Committee and the payment of conversion fees. ~~The converted loan is subject to the same recapture provisions for owner occupancy, transfer or sale as described above.~~ Under extenuating circumstances of personal hardship, the Loan Committee may recommend an amendment to the loan terms.

7. Transfer of Amortizing Loan:

(a) In the event the owner's status changes from that of owner-occupant or the property is transferred or sold, the outstanding balance of the loan shall be immediately due and payable in full.

(b) Loans may ~~not only~~ be assumed by heirs or devisees, ~~except that~~ in the event of the death of the applicant sole owner or both owners in entirety. Heirs or devisees may assume the existing or modified terms of a loan ~~when an heir or devisee occupies the residence as his/her principal residence~~ and pay any loan assumption fees, ~~and is subject to the same recapture provisions for owner occupancy, transfer, or sale as described above.~~ Under extenuating circumstances of personal hardship, the Loan Committee may recommend an amendment to the loan terms.

PART III -FACILITIES FOR THE PHYSICALLY DISABLED

Facilities for the Physically Disabled, as limited below, are eligible for ~~financing a~~ grant separately or in conjunction with other Housing Rehabilitation Programs.

III.A. Program Purpose

Physically disabled household members may be restricted in accessibility and movement, inconvenienced, or endangered by the usual design of housing. Special attention is given to the accessibility needs of the physically disabled in the Housing Rehabilitation Programs. A ~~forgivable loan~~ grant of up to \$10,000 will be available for rehabilitation work specifically designed to make the property accessible and safe for those applicants.

III.B. Eligible Facilities

Special facilities for the physically disabled include:

1. The removal of barriers that render housing inaccessible or non-functional (in whole or in part) to the physically disabled person.
2. The provision of facilities for the mobility, accessibility, safety, and convenience of such persons.
3. Alterations needed due to issues of accessibility must comply with the Uniform Federal Accessibility Standards for residential structures.
4. The program does not provide equipment and personal property that is not a permanent fixture.

Examples of eligible special facilities include, but are not limited to: ramps, driveway access, special handrails, specially designed accessible kitchen and bathroom facilities.

III.C. Qualification

1. For purposes of the program, physically disabled persons are those owner occupants of the property, immediate heir residents, or relatives of the owner-occupants in residence, who have permanent physical impairments which restrict mobility or require structurally-related alterations. Physical disabilities shall be certified as permanent by a qualified medical doctor.
2. Physically disabled persons, either owners or residents in an owner occupied housing as described above, with total household incomes under 80% of median income may qualify for special facilities.
- ~~2.3.~~ Maximum value of a property to be rehabilitated cannot exceed HUD program maximums

III.D. Eligibility under the Facilities for the Physically Disabled Program

1. Special facilities for the physically disabled as described herein will be considered eligible work under the Housing Rehabilitation Programs, and may be installed as a part of these programs.
2. The installation of facilities for the physically disabled requiring no other work under the standards of the housing programs, will be considered rehabilitation ~~and will be financed under the provisions of the Housing Rehabilitation Programs~~. A property in which there is no work other than installation of facilities for the physically disabled can have no major structural defects and must be in compliance with the City of Greensboro's Housing and Nuisance Ordinances.

III.E. Terms

Facilities for the Physically Disabled (FPD) ~~Forgivable Loan~~Grant Terms and limitations:

- (a). The residential structure will be eligible for only one FPD ~~forgivable loan~~grant over the life of the structure.
- (b). The maximum income ceiling for qualification under the FPD ~~forgivable loan~~grant, for the total household, shall not exceed 80% of the median income, adjusted for family size and persons, as defined and provided to the City annually by HUD.
- (c). The FPD ~~forgivable loan~~grant is limited to the actual cost of repairs not to exceed \$10,000.00.
- (d). The FPD ~~forgivable loan~~grant will not be repayable and will not constitute any claim upon the owner of the property, ~~except as follows:~~
 - ~~(i) The actual forgivable loan amount shall become repayable if within three years after receipt of the forgivable loan any of the following circumstances occur:~~
 - ~~A. Sales: The property is sold~~
 - ~~B. Change of Status: The Owner's status changes from that of owner-occupant.~~
 - ~~C. Transfer of the property, excluding the death of the sole owner or all owners in entirety.~~
 - ~~(ii). The FPD forgivable loan shall be obligated by a deed of trust for three years, after which time the deed of trust shall be canceled if all other terms of the forgivable loan have been met.~~

PART IV - RENTAL HOUSING IMPROVEMENT PROGRAM (RHIP)

IV.A. General Purpose

The Citywide Rental Housing Improvement Program is designed to assist owners of individual rental housing properties of seven (7) or less units. The RHIP provides a subordinated, deferred payment loan for a portion of the cost of rehabilitating eligible rental housing properties.

IV.B. General Criteria

The following criteria for qualification under the Rental Housing Improvement Program apply to all citywide applicants for the program.

1. The property shall be located within the corporate limits of the City of Greensboro and be in an area of predominantly residential use. Applications shall be administered on a first come/first serve basis.
2. The property shall contain one and not more than seven dwelling units in a single or attached structure.
3. The property shall not be located within the right-of-way of any future street or highway or other public improvements contemplated within a reasonably foreseeable time.
4. Property located in a flood hazard area as identified by the City shall be subject to the mandatory purchase of flood insurance as a condition of the Rental Housing Improvement Program. Flood insurance has to be maintained for the duration of the loan.
5. Rehabilitation shall comply with the Department of Neighborhood Development Housing Rehabilitation Standards and Specifications as adopted, and amended from time to time, subject to any limitations imposed by funds available. Rehabilitation shall without exception meet minimum housing code standards and any applicable minimum Federal standards on material safety, and shall contribute to the safety and livability of the property.
6. The property shall be capable of being brought into compliance with applicable City housing related codes at a cost not exceeding the after rehabilitation appraisal.
7. All properties constructed prior to 1978 will be tested for the existence of lead-based paint. All lead-based paint remediation work must meet HUD's lead-based paint regulation of September 15, 1999 and as amended.
8. All property improvements shall be carried out in a professional, workmanlike manner, and shall be of such quality as to be durable and long lasting.
9. Property must have fire and hazard insurance policy with the City of Greensboro listed as

a loss payee for the life of the loan.

10. An application fee will be charged to help offset environmental and other soft costs.

IV.C. Assistance Available

Loans are available for rehabilitation of existing residential rental properties. Property owners must provide evidence of financing to cover the balance of the total project or rehabilitation cost.

1. For rehabilitation of owned properties, assistance is available for 50% of total rehabilitation cost up to a maximum assistance amount of \$20,000.00 per housing structure containing 1-3 units, or \$7,500 per unit for housing structure containing 4-7 units.
2. All structures constructed prior to 1978 must be tested for the existence of lead based paint. Any structure that tests positive for lead-based paint may have a lead-paint remediation grant approved that will not exceed \$20,000. If the cost to remediate lead is greater than \$20,000, the additional cost would be a part of the RHIP loan and must be approved by the property owner.

IV.D. Loan Terms

1. Payments deferred for 36 months from the initial closing date.
2. During deferral period, interest will accrue at a rate of 3%.
3. At end of deferral period, loans shall be payable monthly based on a 20 year amortization schedule at a rate of 3%.
4. Loans may be subordinated to other owner financing as long as total property debt, including RHIP assistance, does not exceed 100% of the property value.
5. City can approve transfer or assumption of loans only during the first 36 months. All other program requirements must be met. Loans are not transferable after 36 months.
6. Failure to meet the annual inspection and reporting requirements, or correct any reported deficiencies within 30 days, can result in termination of the loan and payment of all loan balances to the City of Greensboro.

IV.E. Property Eligibility Requirements

1. All units receiving RHIP assistance must have a monthly rent at or below the current Fair Market Rent level as established by HUD.
2. All properties must be used exclusively for rental housing units.
3. All units must include individual eating, sleeping and bathroom facilities (no boarding units or rooming houses are eligible for assistance unless an existing boarding or rooming

- house is to be converted into individual rental housing units).
4. Single family housing conversions to multi-units are not eligible.
 5. All housing units must require a minimum of \$5,000.00 of structural or other code repairs to be eligible for assistance.
 - ~~5.6.~~ Maximum value of a property to be rehabilitated cannot exceed HUD program maximums

IV.F. Owner Financing Requirements

1. Owner must show a commitment letter from a private lender with funds fully dedicated to the project, including contingency funds, for all private loan funds.
2. Owner personal financing shall be held in the City's non-interest bearing account that is fully dedicated to the project, including contingency funds.

IV.G. Incentive Grant

1. Certified properties that have been vacant for the preceding 12 months or more prior to request for assistance are eligible for a 10% Incentive Grant.
2. Incentive Grant shall be equal to 10% of the total rehabilitation cost, not to exceed \$2,000, per unit.
3. Incentive Grant will be applied as a reduction to the deferred loan at acceptable completion of the rehabilitation work.
4. Incentive Grant is counted as part of the per structure assistance limit.
5. If the rehabilitation work is not completed within the time frame as stated in the "Contract for Rehabilitation" or approved time change order then the incentive grant is no longer available. Exceptions are conditions outside the control of the owner and contractor.

IV.H. Property Standards

1. All units must be brought up to the City of Greensboro Housing Rehabilitation Standards.
2. Owner must submit to the City an annual property inspection report, performed by a City Minimum Housing Code Enforcement inspector, or a private housing inspector, for each unit assisted for the term of the loan.
3. The report must list all violations as well as any other conditions detrimental to the occupants or surrounding properties.
4. Owner ~~has~~will have 30 days to correct all violations or problems.

Failure to correct these findings within 30 days can result in termination of the loan and payment of all loan balances to the City of Greensboro.

IV.I. Project Plan and Contractual Agreements

1. City staff shall prepare an itemized work plan and cost estimate with approval of property owner.
2. The Department of Neighborhood Development will bid the job to the Rehabilitation Programs' approved, qualified and licensed contractors. The cost of the work must be within + / -15% of the City's estimated cost.
3. There must be a signed contract for the scope of work. The contract cost must be based on the line items, which make up the scope of work.
4. Contingency: The contract must reflect a minimum of fifteen (15%) contingency funds to cover cost overruns. The 15% contingency shall be included in the total developmental cost.
5. Owner is required to submit a signed construction contract with the general contractor that includes all applicable federal requirements.
6. Owner must provide fire and hazard coverage equal to all loans on the property. City shall be listed as a loss payee. The general contractor must submit an insurance certificate verifying the following coverage:

Comprehensive General Liability \$1,000,000
Bodily Injury Liability \$500,000
Property Damage Liability \$500,000

7. Time periods will be identified for starting and completing projects.
8. Projects should be started within 21 days from issuance of proceed order.
9. Job completion will be based upon amount of contract:

Under \$10,000 45 days
10,000-20,000 60 days
20,000-30,000 75 days
30,000-40,000 90 days
40,000 or more 115 days
10. Owner must provide a relocation statement that details permanent and/or temporary relocation of tenants and will work with staff relocation specialist to determine process and payments.
11. City staff will prepare an environmental and historic checklist where applicable.

12. City staff will provide lead based paint testing and analysis.

IV.J. Income Certification for First Occupants

1. Property owner is required to document and provide to the City the income level of the first occupant of each rehabilitated unit. After the first occupancy, no further income certifications are required.
2. Low and moderate-income families whose income does not exceed 80% of the median family income for the City must initially occupy a minimum of 51% of the units in each project. (see Approved HUD low to median income levels).
 - a. For single unit projects, the first occupant must meet the income requirements.
 - b. For 2 unit projects, the first occupant in at least one unit must meet the income requirements.
 - c. For 3 through 7 unit projects, at least 51% of the units must meet the income requirements.

IV.K. Other Federal Requirements

If a RHIP loan is funded from a source other than CDBG or NHPF, such as HOME, additional program requirements may apply in accordance with those program guidelines.

PART V -OTHER HOUSING REHABILITATION PROGRAMS

Program 1: Homeowner Emergency Repair Program

V.I.A. Program Purpose

The purpose of the Homeowner Emergency Repair Program is to remove conditions that constitute an imminent identified threat to the health and/or safety of the residents in substandard housing structures. It is not the intent of this program to rehabilitate structures to the City's Minimum Housing Code. It is also not the intent of this program to address accumulated deferred maintenance or repairs necessitated by a lack of homeowners insurance. Assistance is targeted to addressing issues or items identified by the referring agency. Homeowner Emergency Repair is a forgivable loan program.

V.1.B. Qualifications

In order to receive assistance under this program, each of the following requirements must be met:

1. The recipient must be an owner occupant of a one-family residential structure within the City limits of Greensboro.
2. An occupant of the household has a verified emergency situation caused or exacerbated by a specific element of their housing condition. Verification includes referral from another government agency, or medical documentation from a physician or hospital either directly or through the OneTouch referral system. Examples include, but are not limited to:
 - a) asthma or other breathing condition triggered by mold, mildew, roaches, smoke or other home-based triggers;
 - b) elevated blood lead levels of a child residing in the home determined to be coming from a specific home based hazard(s);
 - c) fall, burn or other serious injury to occupant due to identified housing hazard;
 - d) repairs necessary to accommodate emergency placement of a child in the home by the Guilford County Dept of Social Services;
 - e) other emergency situations as approved by the City's Loan Committee.
3. The property has been inspected by the Housing Program staff or their designated representative and classified as having identified conditions that present ~~an~~ imminent threat to health and or safety.

~~For the duration of the City's participation in the HUD Lead Safe Housing Program the following requirements must be met for a lead paint hazard:~~

- ~~4. The residential structure has been tested by a state certified lead inspection firm and determined to have lead paint hazards.~~

- ~~5. The household must have a child under the age of 6 that meets the EPA or HUD definition of child occupation. This rule may be waived as determined by lead grant program staff in accordance with Housing Program guidelines.~~

V.1.C. Eligible Costs

Eligible costs are those costs directly related to the correction or abatement of housing conditions that constitute an imminent-identified threat to the health and safety of the occupant are eligible for assistance under this program. If estimated costs to correct health or safety hazards exceed the \$15,000 program limit, the Rehabilitation staff may request approval from the Loan Committee to exceed the limit.

V.1.D. Income Eligibility for Homeowner Emergency Repair Program

The maximum income ceilings for qualification under the Homeowner Emergency Repair program shall not exceed 80% of the median income, adjusted for household size, as defined and provided to the City by HUD. These income ceilings are set by HUD to define "low and moderate income households and persons."

V.1.E. Loan Terms

1. Homeowner Emergency Repair Forgivable Loan Terms and limitations
 - (a). The residential structure will be eligible for only one Homeowner Emergency Repair forgivable loan over the life of the structure.
 - (b). The maximum income ceiling for qualification under the Homeowner Emergency Repair forgivable loan shall not exceed 80% of the median income, adjusted for family sizes and persons, as defined and provided to the City annually by HUD.
 - (c). The Homeowner Emergency Repair forgivable loan is limited to the actual cost of repairs not to exceed \$15,000.00, unless the limit is waived.
 - (d). The Homeowner Emergency Repair forgivable loan will not be repayable and will not constitute any claim upon the owner of the property, except as follows:
 - (i). The actual forgivable loan amount shall become repayable if within ten years after receipt of the forgivable loan any of the following circumstances occur:
 - (A). Sales: The property is sold
 - (B). Change of Status: The Owner's status changes from that of owner-occupant.
 - (C). Transfer of the property, excluding the death of the sole owner or all owners in entirety.
 - (ii). The Homeowner Emergency Repair forgivable loan shall be obligated by a deed of trust for ten years, after which time the deed of trust shall be canceled if all other terms of the forgivable loan have been met.

2. If an eligible person later applies and qualifies for other forms of City rehabilitation assistance on a structure that has received an Homeowner Emergency Repair forgivable loan, the total forgivable loan amount shall be subtracted from any other rehabilitation forgivable loan, deferred loan and/or loan assistance for which the person may be eligible.

V.1.F. Emergency Repair Definitions

~~Conditions which constitute an imminent threat to the health and/or safety of residents include, but shall not be limited to:~~

- ~~1. The repair or replacement of an electrical system that has been inspected and has been determined to be a serious fire hazard or an electrical shock hazard.~~
- ~~2. The repair of a heating/AC system, or replacement of a heating system that is not repairable and has been determined to be a hazard or will not operate.~~
- ~~3. Correction of roof leak including, flashing, damaged sheathing, rafters, areas of deteriorated roofing, or replacement of entire roof system as determined by the rehabilitation specialist. Repairs will be made to existing systems if determined feasible.~~
- ~~4. The replacement of dilapidated steps, landings and/or porches, and handrails/guardrails, if condition significantly increases possibility of injury or eliminates a means of egress.~~
- ~~5. The replacement of sewer line under structure or from house to street if waste is being emitted creating a health hazard or water lines that are leaking or badly corroding and the rehabilitation specialist determines that the condition could affect structural components, or health and safety of occupant(s).~~
- ~~6. The repair, replacement or additional support of a floor system that has been determined structurally deficient as determined by the rehabilitation specialist or other city inspectors. If the condition of the floor covering is such that an imminent safety hazard exists, the rehabilitation specialist may recommend repair, or replacement.~~
- ~~7. Repair or replacement of foundation wall or crawl space piers when the condition renders part or all of a structure unsafe.~~
- ~~8. Correcting surface water infiltration through the envelope of the home, affecting the structural integrity of the building or causing health and safety issues for the occupant(s).~~
- ~~9. Any condition as determined by rehab staff and applicable City Inspections personnel which renders a structure dangerous or injurious to the health or safety of the occupants.~~
- ~~10. Any window or door condition that may constitute an imminent threat to health and safety of the occupant(s).~~

V.I.G. Non-eligible Types of Repairs

Conditions that do not constitute a threat to the health and/or safety of the occupants of a structure include, but shall not be limited to:

1. Storm windows and storm doors.
2. Insulation, unless it can be shown that the lack of insulation would cause a threat to the health or safety of the occupant.
3. Interior and/or exterior painting.
4. Aluminum siding or vinyl siding.
5. Gutters and downspouts.
6. Replacement of the furnace/central AC system that is repairable with 3 or more years of useful life remaining.
7. Soiled or deteriorated floor coverings, unless a trip hazard exists.
8. Site improvements.
9. Any additional item that would be considered a cosmetic repair, or a repair that would not add to the structural integrity of the building, or that is not addressing a health and/or safety hazard as determined by rehabilitation staff or city inspections personnel.

V.I.H. Subsequent Rehabilitation Program Application

If a Homeowner Emergency Repair Program participant wishes to have additional work done to their residential structure after emergency repair work is completed, they may request to be put on the Rehabilitation Program list. Once on the Rehabilitation list, eligibility is determined through the Rehabilitation Program application process. The total amount of the Homeowner Emergency Repair forgivable loan or deferred loan amount shall be subtracted from any rehabilitation assistance for which the person may be eligible or qualifies for at a later time.

Program 2: Lead-Safe Housing Program

V.2.A. Program Purpose

Grant funding provided by the Department of Housing and Urban Development provides residents of the City of Greensboro with a Lead-Safe Housing Program designed to remove lead-based paint hazards that constitute an imminent health threat in homes built prior to 1978 and to protect young children from lead poisoning. This Lead-Safe Housing Program provides grants to both homeowners and rental property owners who meet eligibility requirements as prescribed by HUD's Lead Hazard Control Program.

V.2.B. Homeowner Eligibility

In order to receive assistance under this program, homeowners must meet all of the following requirements:

1. The recipient must be an owner-occupant of a residential structure within the city limits of Greensboro.
2. The residential structure receiving assistance must have been built prior to 1978 and must contain lead-based paint hazards as identified by a state-certified Lead Risk Assessor after conducting a lead inspection and risk assessment. The scope of the lead remediation work is determined by the results of the lead inspection and risk assessment.
3. The total household income for all occupants in the home shall not exceed 80% of the median income, adjusted for family size and person(s), as defined and provided to the City, from time to time by the Department of Housing and Urban Development. These income ceilings are set by HUD to define low to moderate-income families and persons.
4. The household must have a child under the age of 6 that meets the EPA or HUD definition of a child occupied property. This rule may be waived as determined by lead grant program staff in accordance with lead grant program guidelines.
5. The homeowner agrees to correct any other non-lead housing condition(s) that constitute an imminent threat to health or safety. (see Part V.1.F items 1-10 for definitions). Lead grant assistance will not be provided until all pre-existing housing code violations are satisfactorily addressed.
6. The property must be in compliance with the City of Greensboro's Housing and Nuisance Ordinance

V.2.C. Rental Property Owner Eligibility

In order to receive assistance under this program, rental property owners must meet each of the following requirements:

1. The recipient must be an owner of single-family residential structure(s) or multi-family residential structure(s) within the city limits of Greensboro.
2. Rental owners whose property is under Code Enforcement order to repair, or orders that

have expired without compliance per Chapter 11 of the City Minimum Housing Code, are prohibited from having their property remediated by the Lead-Safe Housing Program until such orders are resolved to the satisfaction of program staff, ensuring that the property is in compliance with the City's minimum housing standards.

3. The residential structure receiving assistance must have been built prior to 1978 and must contain lead-based paint hazards as identified by a state-certified Lead Risk Assessor after conducting a lead inspection and risk assessment. The scope of the lead remediation work is determined by the results of the lead inspection and risk assessment.
4. The total household income for all tenants in at least one-half of all lead program.
5. assisted housing units shall not exceed 50% of the median income, adjusted for family size and persons, as defined and provided to the City, from time to time by HUD and the remaining assisted housing units do not exceed 80% of the median income, adjusted for family size and persons, as defined and provided to the City, from time to time by HUD. Exception: For multi-family buildings with five or more units, 20% of the units may be occupied by families with incomes above 80% of the area median income level.
6. If the rental property housing unit(s) receiving assistance under this program is vacant or becomes vacant within three years following the completion of lead remediation or abatement activities, the rental property owner 1) Must rent to families at or below 80% of the area median income (Exception: For multi-family buildings with five or more units, 20% of the units may be occupied by families with incomes above 80% of the area median income level and 2) Shall give priority in renting units assisted under the lead program to families with children under the age of six.
7. The rental property owner agrees to correct any other non-lead housing condition(s), which constitute an imminent threat to health or safety. Lead grant assistance will not be provided until all pre-existing housing code violations are satisfactorily addressed.
8. The property must be in compliance with the City of Greensboro's Housing and Nuisance Ordinance.

V.2.D. Eligible Costs

Within the legal boundaries of an applicant's parcel, all individual structures that are readily accessible by children under (6) six years of age and have a floor area of greater than 100 square feet will be assessed for lead-based paint hazards. If an accessory structure qualifies as a housing unit it will have to apply to the program and qualify on its own merits.

Under the Lead-Safe Housing Program, eligible costs are those costs directly related to the correction or remediation of lead-based paint hazards. The costs to repair or correct housing conditions that are causing or creating lead-based paint hazards are also eligible. General housing rehabilitation work that is not directly related to lead hazard control is not permitted under the Lead-Safe Housing Program.

V.2.E. Grant Terms

From time to time, the City applies for or receives other Federal and State funds for housing purposes. The administration of these programs and funds shall be governed by the allocating governmental units' statutes and regulations and, where applicable, by City applications.

Program 3: Homeowner Code Enforcement Referral Repair Program

The Homeowner Code Enforcement Referral Repair Program is limited to eligible referrals from the City of Greensboro's Code Compliance Program. Limited funding is available on a first come first served basis. There will be no commitment beyond the available funds.

V.3.A. Program Purpose

The purpose of the Homeowner Code Enforcement Referral Repair Program is to provide assistance for low income homeowners whose principal residence is under an Order to Repair or Demolish; the unit has been brought to substantial completion of ordered repairs; and the homeowner lacks the resources to complete the remaining repairs.

V.3.B. Qualifications

For the duration of the Department of Neighborhood Development's participation in the Homeowner Code Enforcement Referral Repair Program the following requirements must be met:

1. The recipient must be an owner occupant of a one-family residential structure within the City limits of Greensboro.
2. The property must have been owned and occupied by the owner for a minimum of 24 months prior to the date of the Code Enforcement Officer's Order to Repair.
3. The owner must certify that they plan to live in the house after completion.
4. The property has been inspected by the Code Compliance Division, and found to have violations of the minimum housing code, and has been placed under Order to Repair or Demolish.
5. For repairs estimated at less than \$30,000, the homeowner must have completed 50% of the required repairs as defined and certified by the Code Compliance Division.
6. For repairs estimated at more than \$30,000, the homeowner must complete repairs to within \$15,000 of project estimate as defined and certified by the Code Compliance Division.
7. The homeowner must have communicated to the Code Compliance Officer that they have exhausted available resources to complete the required repairs,~~as determined by the Code Enforcement Officer.~~

8. The Code Compliance Division ~~must~~ may refer the case to the Department of Neighborhood Development or an owner under Order to Repair or Demolish may self-refer. Referral documentation will include:
 - Order to Repair outlining completed and remaining work items
 - Certification by Code Compliance Officer that the required level of repairs have been made
 - Referral letter from either the Code Compliance Field Supervisor or Compliance Coordinator or Division Manager.
9. The household must meet income eligibility, ownership and owner occupancy requirements as determined by the Department of Neighborhood Development.
10. Referrals which do not meet the program qualifications will be returned to the Code Compliance Division with an explanation of denial.
11. The Code Compliance Division will determine compliance with the Order to Repair after project completion.

V.3.C. Eligible Costs

1. Eligible costs are those costs directly related to the correction or abatement of housing conditions that are required to be repaired under the Order to Repair or Demolish by the Code Compliance Division.
2. Costs will be determined through the Department of Neighborhood Development's contractor bid process. Homeowners will not be eligible to bid on their own project or to receive funds for doing the repair work themselves.

V.3.D. Income Eligibility for Code Enforcement Referral Program

The maximum income ceilings for qualification under the Code Enforcement Referral Repair Program shall not exceed 80% of the median income, adjusted for household size, as defined and provided to the City by HUD. These income ceilings are set by HUD to define "low income households and persons."

V.3.E. Loan Terms

1. The residential structure will be eligible for only one Code Enforcement Referral Repair deferred loan over the life of the structure.
2. The Code Enforcement Referral Repair deferred loan is limited to the actual cost of repairs not to exceed \$15,000.
3. All remaining work required by the Order to Repair or Demolish must be able to be completed within the \$15,000 limit.
4. The Code Enforcement Referral Repair deferred loan will not be repayable, unless

one of the following circumstances occur:

- (a). Sales: The property is sold
- (b). Change of Status: The Owner's status changes from that of owner-occupant.
- (c). Transfer of the property, excluding the death of the sole owner or all owners in entirety.

5. The Code Enforcement Referral Repair deferred loan will be at 3% interest rate for the life of the owner and shall be obligated by a promissory note and deed of trust.

6. In the event the owner's status changes from that of owner occupant or the property is transferred or sold, or at the owner's death, the outstanding balance of the Code Enforcement Referral Repair loan shall be immediately due and paid in full. Loans may ~~not only~~ be assumed by heirs or devisees, ~~except that~~ in the event of the death of the applicant sole owner or all owners in entirety. Heirs or devisees may assume the existing or modified terms of a loan. ~~This assumption may occur when an heir or devisee occupies the residence as his/her principal residence and pay any loan assumption fees, and is subject to the same recapture provisions for owner occupancy, transfer, or sale as described above.~~ Under extenuating circumstances of personal hardship, the Loan Committee may extend the recapture period for particular cases or recommend an amendment to the loan terms.

V.3.F. Subsequent Rehabilitation Program Application

If a Code Enforcement Referral Repair Program participant wishes to have additional work done to their residential structure after required repair work is completed and the Order to Repair has been cancelled, they may request to be put on the Rehabilitation Program list to be processed. Once on the Rehabilitation list, eligibility is determined through the Rehabilitation Program application process. The total amount of the Code Enforcement Referral Repair deferred loan amount shall be subtracted from any rehabilitation assistance for which the person may be eligible or qualify for at a later time.

Program 4: Housing Reclamation Program

The Housing Reclamation Program is limited to eligible referrals from the City of Greensboro's Code Compliance Division. Limited funding is available on a first come first served basis. There will be no commitment beyond the available funds. Net sale proceeds are intended to revolve back to the Nussbaum Housing Partnership Fund after sale of the properties.

V.4.A Purpose

The purpose of the Housing Reclamation Program is to rehabilitate and sell residential dwellings that are under a Housing Commission Resolution for Demolition in an effort to preserve the City's affordable housing stock in redevelopment areas.

V.5.B Qualifications

Owners of any property under a Housing Commission Resolution for Demolition in a redevelopment area is eligible to voluntarily apply.

1. The property must be a single family structure located within a designated redevelopment area of the City of Greensboro.
2. The property must have been owned by the owner for a minimum of 24 months prior to the date of the Code Compliance Officer's Order to Repair.
3. Banks, investment corporations, real estate holding companies, or other large scale for profit corporations are not eligible to participate.
4. The Minimum Housing Standards Commission must have voted to uphold the inspector and order demolition of the property.
5. The owner must have communicated to the Code Compliance Officer that they lack sufficient resources to complete the required repairs, the property cannot qualify for other existing rehabilitation programs, and that they are unable to sell the property due to outstanding liens that exceed the as is value of the property or other market failure.
6. The Code Compliance Division may refer the case to the Housing Services Division or the owner may self-refer. Referral documentation will include:
 - Order to Repair outlining completed and remaining work items
 - Referral letter from either the Code Compliance Field Supervisor or Compliance Coordinator or Division Manager
7. Owners are limited to 10% of sale proceeds, unless there are remainder net proceeds after all encumbrances, City rehabilitation and sale costs, and any other costs have been paid, in which case the owner would receive the remainder net proceeds.
8. Participating properties are selected based on financial feasibility and suitability of the site for residential use, as determined acceptable by the City.
 - After rehab value minus all encumbrances and owner share of sale proceeds must equal no less than 50% of estimated rehab costs.

- Property must not be impacted by negative environmental factors on the site or in the surrounding area, including but not limited to: underground oil tanks, unsuitable soils or unstable foundation materials, noise, odors or other intrusions from nearby industry, or areas of visibly declining housing quality.
 - Other lien holders must agree to allow the owner to participate in the program.
 - Priority may be given to properties with historic considerations which can meet the above qualifications.
 - Priority may be given to properties donated to non-profit Community Housing Development Organizations [CHDOs] which can meet the above qualifications.
 - If there is not a sufficient supply of eligible units in the redevelopment areas, the City will consider applications from other areas.
9. Referrals which do not meet the program qualifications will be returned to the Code Compliance Division with an explanation of denial.

V.5.C Process

1. Property owners will give limited power of attorney to the City, assigning the right to improve and sell the property, or deed the property into City ownership, or donate the property to a non-profit Community Housing Development Organization.
2. If property is under City control, the City will manage rehabilitation process, develop work write ups, bid the work to the City's Rehabilitation Program contractor pool, and oversee the completion of the work in conformance with other Rehabilitation Program guidelines.
3. Costs will be determined through the Department of Neighborhood Development's contractor bid process. Owners will not be eligible to bid on their own project or to receive funds for doing the repair work themselves.
4. The Code Compliance Division will take action to rescind the demolition order after project completion.
5. The property will be placed on the market for sale by the City pursuant to North Carolina General Statutes for real estate disposition.
6. If the property is heir property, family members may have first option to purchase but must make an acceptable offer to purchase with pre-approved financing letter within 30 days of completion of rehab work. If it is not heir property, no member of the ownership entity or their family or business partners may submit an offer to purchase. No owner or ownership entity that owes fines or monies to the City of Greensboro may submit an offer to purchase.
7. Income qualified owner-occupant buyers may be eligible for City down payment assistance through other program offerings.

8. Owners purchasing for rental property will be required to rent the property for less than the Fair Market Rent limits (established and published annually by the Department of Housing and Urban Development) for a 5 year period.

PART VI -APPEAL PROCESS

VI.A. Appeal/Dispute Resolution Procedure

In the event that there is any question or dispute with respect to the interpretation or the manner or implementation of the program or contractual agreements or related documents with respect to the execution of the application or the progress of the work, said question or dispute shall be reviewed in the following manner.

Level 1 Review: Written documentation of question or dispute shall be submitted to the Rehabilitation Administrator for settlement at the third floor of the City of Greensboro's Melvin Municipal Office Building, Department of Neighborhood Development, 300 W. Washington Street, Greensboro, North Carolina. The Rehabilitation Administrator shall provide a written statement of his/her findings to all parties within ten (10) days after receipt of the disputes.

Level 2 Review: If the Applicant, Owner or subcontractor does not agree with the findings of the Rehabilitation Administrator, a written appeal shall be submitted to the Loan Committee of the City of Greensboro by mailing the appeal to City of Greensboro, Department of Neighborhood Development, PO Box 3136, Greensboro, NC 27402-3136. The appeal shall be filed in writing stating the basis for dispute not less than five (5) days prior to any meeting of the Loan Committee. After considering the basis for the dispute, the Loan Committee shall provide a written statement of findings within five (5) days after consideration of the appeal.

Level 3 Review: If the Applicant, Owner or subcontractor does not agree with the findings of the Loan Committee, a second appeal may be made directly to the Insurance Advisory Committee c/o Neighborhood Development Department, PO Box 3136, Greensboro, NC 27402-3136. This second appeal shall be filed in writing within 30 days after receipt of the Loan Committee's findings. This second appeal shall state the basis for the dispute with the Loan Committee's findings.

PART VII -LOAN COMMITTEE

VII.A. General Purpose

The Loan Committee of the City of Greensboro is responsible for ensuring that sound underwriting standards are followed during the review and approval of applications for rehabilitation assistance. The Loan Committee also reviews proposed program changes, requests for variances from program requirements, and hears disputes that cannot be resolved by the Rehabilitation Administrator.

VII.B. Loan Committee Membership

The Loan Committee is appointed by the City Manager. Membership generally includes representation from various City departments involved in building development and financial management functions, including but not limited to: Neighborhood Development, Financial & Administrative Services, Economic Development and Office of the City Attorney.

VII.C. Responsibilities of the Loan Committee

1. Review and make recommendations to City Council for approval of Housing Rehabilitation Program applications and other City loan programs.
2. Review and act on recommendations from the Rehabilitation Staff to waive program limits and other requirements where necessary to accomplish program goals.
3. Review proposed program changes and interpretations of policy if requested.
4. Hear disputes between affected parties if not resolvable by the Rehabilitation Administrator.

VII.D. Loan Committee Review Process

The loan package is delivered to Loan Committee for a review and approval. Each case shall be evaluated based in part on the following guidelines:

1. Does the equity in property vs. the projected construction costs of rehabilitation work support an investment in the home?
2. Conduct an evaluation and review of the work write up. Does the planned rehabilitation appear reasonable for the property?
3. Will this work meet the special needs of the owners if applicable?
4. If this is a repayable loan (not deferred), does it appear that the homeowner can make payment without creating an undue hardship?

5. Is the pending loan rehabilitation package complete with all required information to conduct a loan review?
6. On occasion, the committee may choose to conduct a field review of the property and look at the house and surrounding area.

VII.E. Approval Process

1. A simple majority of the Loan Committee members are needed to approve or disapprove the application.
2. At the meeting, the Committee members look at the photographs provided by the Inspector and discuss the case as to equity, house value and express their approval or disapproval of the case and the reason for / against approving the application. Each member of the Committee present will sign the application.
3. If disapproved, Committee members will give a reason for the case being disapproved and each member will sign the application.
4. The Community Services Specialist will notify the homeowner that the case has been approved or disapproved. If disapproved provide an explanation of the reasons the case was turned down. A copy of the signed "Application for Rehabilitation Assistance" will be included with the letter.