Norristown Owner-Occupied Housing Rehabilitation Program

PROGRAM INFORMATION HANDOUT

INTRODUCTION

The Owner-Occupied Housing Rehabilitation Program (HRP) was created by the Municipality to provide funds to assist income eligible owner-occupied single-family homes correct existing interior and exterior health, safety and code substandard conditions of major housing systems in conformity with the standards of the Municipality's Code of Standards, as well as, Pennsylvania Uniform Construction Code. The Municipality of Norristown has contracted with Community Grants, Planning & Housing LLC (CGP&H), a private consulting firm specializing in the implementation of publicly funded housing rehabilitation programs, to manage and administer the Owner-Occupied Housing Rehabilitation Program. Funding for the Owner-Occupied Housing Rehabilitation Program is provided through the Municipality's Community Development Block Grant and/or the HOME Investment Partnership Program from the U.S. Department of Housing and Urban Development (HUD).

CATEGORIES OF PARTICIPANTS

Only owner-occupied single-family homes may receive funding for rehabilitation provided, the household and property meet the Program eligibility requirements.

APPLICATION SELECTION

The program will process new applicants added to the waiting list/applicant pool on a first-come, first served basis, to qualified applicants. There is no cost to apply.

Eligibility Requirements

- Household occupants are within the income limit.
- Must be the program participant's primary residence.
- The house must need substantial repair or replacement of at least one eligible item in ELIGIBLE ACTIVITIES.
- Property taxes, and if applicable, mortgage and any municipal utilities must be paid current.
- Any previous or current bankruptcies must be discharged, on record, prior to applying to the Program. Please note the Program pulls a title search on all properties and a clean title search is required for Program participation.
- If any living quarters (bedrooms, kitchen or bathroom facilities) exist in the basement or attic and/or if there is any secondary kitchen in any unit, the homeowner will be required to provide evidence (closed out permit, certificate of occupancy, etc.) that it was permitted by the Township of Abington, prior to being able to proceed with program assistance. If there are any repairs or renovations currently being undertaken on your home by others or yourself or done within the last few years that require or required municipal permits, the work must be completed, and the permits closed out prior to applying to the Program. Contact the municipal Building and Code Enforcement office if you have questions regarding construction permit requirements.

INCOME LIMITS

Household income is defined as the combined annual gross income of all family members 18 years of age and older. Gross income is defined as current combined incomes before deduction including wages, Social Security, disability insurance, unemployment insurance, pensions, dividend/interest income, alimony, etc. The full list of possible income is in the application's enclosure checklist. Each home's total household income must fall below federal HUD regional metropolitan area income limits based on family size.

ELIGIBLE ACTIVITIES

For clarification of eligible work items, be advised that funds may be used only for work and repairs required to make the unit standard and abate interior and exterior violations of the Municipality's Code of Standards, as well as, Pennsylvania Uniform Construction Code and/or any other applicable housing codes; conserve energy and remove health and/or safety hazards; and any other work or repairs, including finishing and painting, which are directly related to the above listed objectives. The Program must install smoke and CO detectors as required by applicable codes in all houses assisted with program funds. If funding permits, driveways and appliances are eligible under certain conditions allowable by HUD. If the owner sells the property after improvement, appliances purchased with the program funds must remain in the property.

A. Eligible Improvements

In order to qualify for participation in the program, at least one of the following major systems must be in need of replacement or substantial repair:

- Roof
- Electrical
- Heating
- Lead Paint Remediation
- Plumbing (including sanitary plumbing)
- Load bearing structural systems
- Window, Doors, Insulations

The Program Inspector will visit the home to perform the property inspection and, if appropriate, issue a Certification of Substandard.

B. Ineligible Improvements

Work not eligible for program funding includes but is not limited to luxury improvements (improvements which are strictly cosmetic), carpets, additions, conversions (basement, garage, porch, attic, etc.), repairs to structures separate from the living units (detached garage, shed, barn, etc.), furnishings, pools landscaping, solar panels and generators. Rehabilitation work performed by property owners shall not be funded under this program. The cost of removing any illegally converted living space (e.g., illegal bedrooms in the basement) are not eligible for assistance. Please note that the Program does not reimburse for previously completed work or for work that is currently underway.

FUNDING TERMS

Funds to all program loans are in the form of a zero percent (0%) forgivable ten (10) year loan. There are no monthly payments. The loan is forgiven after 10 years if the property owner complies with the program guidelines.

Applying to this program DOES NOT affect your credit score.

Mechanism for Securing the Loan

Program controls are secured by a Program Mortgage and Mortgage Note for the terms of the full lien period as specified under the FUNDING TERMS section.

When Repayment Occurs

If the owner decides to sell the property, transfer title, or if the owner should die before the end of the ten-year loan period, the owner, heirs, executors or legal representatives must repay loan at title transfer. Please refer to the Funding Terms section for more information. When recapture of the loan amount is required due to aforementioned conditions, 100% of the determined repayment amount is due and payable in its entirety at zero-percent interest. The Program can use the returned funds to finance the rehabilitation of another eligible house.

Exceptions to Loan Repayment Terms above during the lien period

1. If the loan transfers due to inheritance of immediate family member Class A beneficiary who will take occupancy upon death of program mortgagee and assume the balance of the lien,

Overview of Administrative Process

You submit your completed application to the Program. The Housing Rehabilitation Specialist reviews the application package and determines eligibility/ineligibility. Once your eligibility has been established, the Program will conduct a comprehensive house inspection. The purpose of the comprehensive inspection is to detail any health, safety or substandard code items that exist on your property. At least one major system has to be substandard in code for the property to participate in the Program and the house must be repaired. Dependent on the funding source, the Program may be required that the house be brought up to code to participate in the program. Please be prepared to have your property survey available for the inspection for the inspector's review, and afterwards for municipal permit application requirements, if needed.

If the house was built prior to 1978, a lead paint risk assessment will also be performed. Lead-based paint hazards identified by the assessment will be remediated through the Program.

The Program Inspector will create a Work-Write-Up and Cost Estimate for your home's rehabilitation, based upon the comprehensive inspection and, if applicable, the lead risk assessment report findings. A copy of the Work Write-Up, along with a contractor list, will be provided to you for approval.

The Program will solicit bids via the Municipality by circulating bid packages to registered general contractors. If you know of a contractor that would like to submit a bid on the job, they must contact the Program to request a bid package.

The submitted bids will be reviewed by the Program Inspector and the homeowner. Generally, the lowest responsible bid from a qualified contractor will be chosen. The homeowner may select a contractor with a higher bid but must pay the difference between the contractor chosen and the lowest responsible bid. Your contribution of the cost difference is to be provided at the pre-construction meeting.

The Program is not guaranteeing to rehabilitate all the work listed in the work write-up. Code, safety, and health related work items identified by the program inspector will take precedent over non-code work if elimination of work items is necessary. The homeowner has the option of contributing personal funds for any work that exceeds the funding limit. A preconstruction conference/loan closing is conducted at which time the construction agreement, program mortgage and mortgage note are executed. The contractor will obtain the permits (as necessary) and the construction phase will begin. Program personnel will manage the construction process which will include progress and final inspections. The contractor will close out construction permits; provide warranty information and case closeout documentation. The Municipality will pay the contractor directly upon program inspection approval of work completed. Program participants will adhere to the Program's decisions.

Homeowners' Responsibility:

- All areas of the house must be readily accessible, uncluttered, and clean. This is in anticipation of the Program Inspector and contractors needs of proper and sanitary access for inspections and construction work progress. Program work including inspections, program loan closing and construction are conducted during normal weekday business hours. Please be prepared to plan accordingly.
- All household members must be disclosed in your application. If evidence of any additional undisclosed household members is discovered during case processing, the Program has the right to terminate your case for falsifying information and the Township has the right to penalize you for related case administration cost. It is your responsibility to call the Program if you need clarification on household members.

Questions

If you have any further questions, please contact Community Grants, Planning & Housing, LLC, Program Administrators, Monday through Friday between the hours of 9:00 A.M. and 5:00 P.M. at (609) 664-2769 ext-9. Feel free to also visit www.hip.cgph.net for frequently asked questions.

