

**OWNER-OCCUPIED
HOME REHABILITATION REGULATIONS**

The ultimate goal of the Home Rehabilitation Program is to bring affected structures into compliance with all City of Elyria Housing Codes. This can be accomplished by a combination of making repairs to, altering, replacing or simply maintaining the electrical, heating, plumbing, roofing or structural elements of the home.

The City of Elyria offers 0% loans based on an approved estimate of repair. This loan does not have to be repaid to the City until the property in question changes title, the homeowner moves out of the property, or an estate of the property is probated. In effect, a mortgage is filed against the property in the exact amount of the loan with no interest charge added. This is called a 0% deferred payment loan.

DEFERRED-PAYMENT LOANS ARE AVAILABLE IN THE FOLLOWING AREAS:

- (1) Electrical - Service changes; conversion from fuse boxes to circuit breaker panels; complete or partial rewiring, additional convenience outlets or lighting; and other repairs as approved by the Community Development Department. A 100 ampere circuit breaker panel with cover and all necessary breakers will be provided by the City at no cost to the homeowner or contractor.
- (2) Heating - Furnace replacement, maintenance or cleaning; additional ductwork; chimney or flue repair or replacement; and other repairs as approved by the Community Development Department.
- (3) Plumbing - Replacement of gas or water lines; replacement of hot water tanks; repair or replacement of kitchen and bathroom plumbing fixtures and drains; water line conversion from galvanized to copper; sewer and drain cleaning; and other repairs as approved by the Community Development Department.
- (4) Roofing - Replacement or repair, as approved by the Community Development Department.
- (5) Gutters & Downspouts - Replacement or repair, as approved by the Community Development Department.
- (6) Structural I - Porch and stair repair or replacement; prime window and door repair or replacement; floor underlayment replacement (i.e. around toilets); floor covering replacement (linoleum, tile or other approved impervious materials) in kitchens and bathrooms; roof sheathing replacement; and other repairs as approved by the Community Development Department. (NOTE: Labor costs for painting and the cost of paint (if necessary) may be included in the mortgage. There will be no guarantee by the City against peeling paint due to poor paint, poor preparation, installation of insulation, etc.)
- (7) Structural II - Masonry and concrete related repairs or replacements such as: Foundation repair or replacement; chimney repair or replacement; public and service sidewalk replacement; pre-cast concrete step installation and other masonry step construction or repair, and other repairs as approved by the Community Development Department.
- (8) Insulation - Insulation of attics, sidewalls and flooring; installation of roof, soffit or gable vents; storm windows and doors; and other areas of insulation as approved by the Community Development Department.
- (9) Minor Home Repair - Installation of interior and exterior handrails; installation of weatherstripping; exterior caulking; window glass replacement and glazing; repair of porch deck and steps; and other repairs as approved by the Community Development Department. (NOTE: All repairs to be made by the Community Development Department are dependent upon the availability of labor.) Material costs for minor home repair items will not be part of the mortgage agreement. See section entitled "0% Interest Loans Available".
- 10) Lead Based Paint Hazard Compliance

0% INTEREST LOANS AVAILABLE:

- (1) \$25,000.00 (If lead hazard reduction work is not needed); \$30,000.00 (If lead hazard reduction work is needed); \$10,000 for CHIP First-time Homebuyer participants.
These amounts cannot be exceeded under any circumstances.
- (2) Contingency Fund: A contingency fund will be available for paint and cost increases due to unforeseen rehabilitation problems. The amount of the contingency fund will be 10% of the original rehabilitation cost, not to exceed \$2,500.00. If the total contingency amount needed is \$300.00, or less, then the contingency amount used will be in the form of a grant. However, if the total contingency amount needed exceeds \$300.00, then the participant will be required to sign a 0% deferred loan, for the full contingency amount, with the same terms for repayment as the City's original rehab mortgage.
- (3) Because funds are limited, applications must be accepted on a "first come, first served" basis.

ELIGIBILITY REQUIREMENTS:

- (1) The applicant must be the owner-occupant of the affected dwelling and live within the City of Elyria corporate boundaries. Persons with a Lease-Option agreement are deemed ineligible for participation. Land contract ownerships are deemed eligible to participate only if the "buyer" and "seller" involved in the agreement sign the required mortgage documents.
- (2) Household income for full and emergency rehab participants will be annualized over a 12 month period from the date of application and must be within the very low income guidelines of the Cleveland-Lorain-Elyria PMSA. Household income will be evaluated and calculated based upon Section 8 regulations and definitions for annual (gross) income. Persons participating in the City's CHIP First-time Homebuyer program are also eligible to participate in this program if repairs are needed in the homes they have purchased.

All sources of income will be verified with documentation from the income source. This documentation will be made a permanent part of the case file.

- (3) The City reserves the right to reject the applicant if:
 - (a) the total amount of loans, liens or assessments against the property, including our proposed Rehab Mortgage, exceed 90% of the "after rehab" appraised value of the property. This would not apply to loans made under the "emergency" provision of the regulations.
 - (b) the cost of rehabilitation would exceed 100% of the current value of the home.

PROCEDURE:

- (1) The Rehab regulations and procedures are explained to the applicant and copies of the Loan Agreement, Promissory Note and Mortgage Deed are left with the applicant. At this same time, the applicant is instructed to obtain the required income verification. (NOTE: The applicant will have thirty (30) days from the date of this initial visit to provide all necessary income verification. Failure to do so will result in disqualification.) Finally, the applicant will sign the lead-based paint form certifying that he has received the information pamphlet on the dangers of lead-based paint.
- (2) Once all income verification has been received, the application is completed, signed by the applicant and City official and processed for approval.
- (3) After the application has been approved, thorough housing and electrical inspections are made of the premises. (NOTE: The participant will not be instructed to move on to the next step unless the property is in a clean and sanitary condition.)
- (4) The inspection reports and rehab requirements are discussed with the participant.

- (5) The participant is instructed to secure at least two (2) written proposals for all repairs. Proposals will only be accepted from contractors who are licensed as required by the Elyria Building Department. (NOTE: The proposals must be obtained within sixty (60) days of the "Notice to Obtain Proposals" date, or the application will be disqualified.)
- (6) The proposals chosen by the participant will be reviewed and either approved or disallowed by the Community Development and/or Building Department. No work may begin until the City authorizes the contractor to proceed and the Mortgage documents are signed by all parties. The City reserves the right to reject any or all proposals received.
- (7) A Limited Abstract is ordered to verify ownership before the Mortgage papers are prepared and signed. The cost of the Limited Abstract will be borne by the City.
- (8) After all proposals have been approved and ownership verified, the participant must sign all Mortgage documents with the City which will allow the City to place a mortgage against the property for the full amount of the loan. (NOTE: These Mortgage documents must be signed within thirty (30) days from the date that the Limited Abstract is received, or the application will be disqualified.)
- (9) The participant will be given a written guarantee from the City which states the specific amount of Federal funds that will be paid to each contractor upon completion of their jobs. This letter will also instruct the participant to contact the City so that arrangements can be made to begin making repairs. Once this is done, the City will authorize the contractor to proceed.
- (10) After completion of the job, and before payment is rendered, the Community Development and/or Building Department will make a final inspection to assure compliance with the City Codes.
- (11) Payment will be made to the contractor based upon the approved written proposal, unless a change order has been approved by the City.
- (12) All contractual rehabilitation must be completed within twelve (12) months of the mortgage date.

SPECIAL CONSIDERATION:

- (1) Installations, repairs or alterations required to remove architectural barriers to handicapped or disabled applicants will be given special consideration by the Community Development staff.
- (2) Decisions regarding eligible activities will be determined on a case-by-case basis.
- (3) The requirement of two (2) written proposals may be dropped by the Community Development Department in emergency situations, or for minor repairs.
- (4) Emergency Repairs - If, in the opinion of a Community Development Housing Inspector, a property owner has a need for emergency rehabilitation assistance (e.g. no heat, gas leak, no water), he may obtain a loan for the full cost of the items involved without being required to bring the entire structure up to code.
 - a. A request for assistance is received.
 - b. A preliminary verification of ownership is completed. (The computer records at the County will be checked.)
 - c. A representative from the Department of Community Development will visit the property to:
 1. Inspect the property to verify that an emergency does exist.
 2. Explain the program and begin income verification.

3. Obtain the signature of the owner on a document which states that he understands that he will have to abide by the Home Rehabilitation regulations, that he will have to sign mortgage papers for the cost of the repairs and that if he refuses to sign the papers or is found to be over the income limits, a lien will be placed against the property in the amount of the cost of repairs.
 4. Prepare estimate forms which are given to the owner. These estimate forms will then be returned to Community Development.
- d. Once the owner has chosen a contractor to complete the repairs, an emergency purchase order number will be requested so that the contractor can be authorized to proceed with the repairs.
 - e. A Limited Abstract is ordered.
 - f. Once the Limited Abstract and income verification papers are received and approved, the mortgage papers will be prepared and signed. If there is a problem with the signing of the papers, a lien will be placed against the property for the cost of repairs.
- (5) Installations, repairs or alterations required as a result of code enforcement efforts will be given special consideration by the City. However, applicants will be required to meet the same requirements and follow the same procedures as full rehab participants.

GENERAL:

- (1) Repairs may only be completed by contractors who are licensed and registered as required by the Elyria Building Department.
- (2) The City of Elyria administers all programs without regard to race, creed, color, sex, ancestry, national origin, or handicap.

**Home Rehabilitation Program Income Limits
(Very-low Income)**

# in Household							
1	2	3	4	5	6	7	8
\$21,500	\$24,550	\$27,650	\$30,700	\$33,150	\$35,600	\$38,050	\$40,500