

**HURON COUNTY
COMMUNITY HOUSING IMPROVEMENT PROGRAMS
(FY 2008 CHIP)**

PROGRAM SUMMARY

Thank you for your interest in Huron County Community Housing Improvement Programs (CHIP). The attached information will briefly describe the following programs and the requirements for participation: 1. Owner-Occupied Private Rehabilitation Program, 2. Home Repair Program, 3. Private Rental Rehabilitation, 4. Down payment/Rehab Assistance Program, Emergency Monthly Housing Program, and Habitat Program. Included are the household income guidelines that apply for all of the programs. An application is attached for those interested in submitting an application. Please indicate the assistance you are applying for.

1. OWNER-OCCUPIED PRIVATE REHABILITATION PROGRAM

The purpose of the housing rehabilitation program is to correct basic building code violations, health and safety issues including lead based paint hazards for qualified homeowners with household incomes at or below 80% of median income in Huron County. **Eligible repairs can include roof, gutters, windows, doors, furnace, electrical, hot water tanks, structural deficiencies and plumbing.** Only single-family, owner-occupied housing units within the County (excluding City of Norwalk and City of Bellevue) are eligible for this program. The County's Rehab Inspector will contact you to evaluate your home as part of the application process. Upon final ranking of applications, homeowners in Huron County will be selected for assistance.

Assistance will be in the form of a 5 year deferred loan at **0% interest** and **NO PAYMENTS**. This loan will reduce each year by 17% with 15% remaining due upon transfer of the property. **No payment will be required so long as the applicant continues to live and own the home.** The loan will be secured by a mortgage and promissory note with a declining repayment agreement.

The amount of the financial assistance for each house will vary depending on needed improvements; however, the average amount of assistance per unit is expected to be \$34,166.00. In no instance will the amount of assistance exceed the following limits.

Minimum Assistance: \$1,000.00

Maximum level of assistance: \$30,000.00

Approximate Number of Households to be Assisted: 7

Maximum level of assistance with lead based paint hazards present: \$35,000.00

Finance Mechanism: 5 year 0% interest deferred partially forgivable loan (85% forgiven over time)

A walk away policy has been established by the County. Should your home be considered a walk-away, you will be notified. Work on all homes must be competitively bid. The County expects work on the selected homes to begin in the spring of 2009.

2. HOME REPAIR PROGRAM

The intent of this program is to assist those homeowners that lack the resources to address a housing problem that poses an immediate threat to the health and safety of the occupant. The County will use OHCP Residential Rehabilitation Standards to prioritize work. No general property improvements will be undertaken. The Home Repair Program will only assist eligible homeowners with repair or replacement of electrical, plumbing, heating or mechanical systems, prevention of further structural damage or elimination of other threats to health and safety. This could also include handicapped accessibility and tap-ins. This program is available County-wide (excluding cities of Norwalk and Bellvue) for those households that have incomes of less than 50% of the area median income. Huron County hopes to be able to assist at least 11 homeowners under this program. Other key features include:

- Minimum level of assistance:** \$250.00
- Maximum level of assistance:** \$8,000.00 (\$5,000.00 if paint will be disturbed)
- Approximate Number of Households Assisted:** 11
- Eligible Properties:** Single-family, owner-occupied units in Huron County (excluding Cities of Norwalk and Bellevue)
- Financing Mechanism:** Grant

3. PRIVATE RENTAL REHABILITATION PROGRAM

The purpose of the rental rehabilitation program is to correct basic building code violations, health and safety issues including lead based paint hazards for qualified tenants in Huron County. Huron County will implement a client-based single family renter occupied housing rehabilitation program, making available rental rehabilitation assistance to qualified tenants and participating landlords. All of the tenants must have total household incomes at or below 80% of median income to qualify the home. The County's Rehab Inspector will contact you to evaluate the unit as part of the application process. Upon final ranking of applications, rental units in Huron County will be selected for assistance. The County hopes to provide rehabilitation funds to approximately 2 units in Huron County (excluding the Cities of Norwalk and Bellevue) under this program.

Landlords wishing to participate will be required to pay 25% of the rehabilitation costs (estimated to be \$7,500.00 per unit) if no lead based paint hazards are found. Those units selected will receive assistance (75% of the rehabilitation cost) in the form of a ten (10) year, zero percent interest, non-amortized loan. This loan is secured by a second Mortgage against the property and recorded. At any time during the ten-year period the housing unit is sold or the landlord fails to make an effort to rent to a low-moderate income tenant, the full principal amount must be paid back to the County unless and except in the case of a sale, the buyer of the property agrees to assume the terms and conditions of the loan and execute a promissory note and mortgage to that

affect. After the ten-year period, 95% of the deferred loan will be forgiven. The County upon sale or transfer of the housing unit will recapture the remaining 5% of the loan as program income.

The amount of the financial assistance for each house will vary depending on needed improvements, however, the average amount of rehabilitation per unit is expected to be \$26,250.00. In no instance will the amount of assistance exceed the following limits:

Minimum Assistance: \$1,000.00

Maximum level of assistance: \$22,500 (75% of maximum rehab of \$30,000.00)

Maximum level of assistance with lead based paint hazards present: \$26,250 (75% of max with lead of \$35,000.00)

Approximate Number of Households Assisted: 2

Finance Mechanism: Owner to contribute 25% of contract amount up front. Remainder to be provided as a 10 year 0% interest deferred loan with 95% of the amount financed forgiven after 10 years.

A walk away policy has been established by the County. Should your home be considered a walk-away, you will be notified. Work on all homes must be competitively bid. The County expects work on the selected homes to begin in the spring of 2007.

4. DOWN PAYMENT/REHAB ASSISTANCE PROGRAM (DPA)

Key features include:

Minimum Down payment Assistance: \$1,000.00

Maximum Down payment Assistance: 10% of the purchase price with a maximum of \$6,000.00.

Approximate Number of Households to be assisted: 1

Minimum Rehabilitation Assistance: \$1,000.00

Maximum Rehabilitation Assistance: \$34,000.00

**Maximum assistance inclusive of Down payment and Rehabilitation Work: \$35,000.00
(The total of both elements may not exceed the maximum of \$35,000.00)**

Eligible properties: Single-family homes in Huron County excluding the Cities of Norwalk and Bellevue.

The intent of the DPA Program is to provide gap financing for down payment assistance to those potential homeowners lacking sufficient funds. The program operates on a first-come, first-serve basis. The CHIP Down payment/Rehab Assistance Program can provide 10% of the purchase price with a maximum of \$6,000.00 per home. Homebuyers selected for assistance will be required to attend a series of Homebuyer counseling sessions which will be paid for by the program. All homes must be inspected prior to closing.

All homes must meet local building codes and Residential Rehabilitation Standards within six months of close. To address these requirements, a rehabilitation element is included which allows up to \$34,000 to address code violations. The combination of the down payment element and the rehabilitation element may not exceed \$35,000.00.

Both the Down payment assistance and the rehabilitation assistance will be provided in the form of a 5 year deferred loan, partially forgivable, i.e. for every year of occupancy the loan balance will be reduced by 17%. At the end of the 5th year 15% will remain due upon transfer of the property, if borrowing \$14,999 or less. If borrowing \$15,000 or more, the down payment assistance will be in the form of a 10 year deferred, partially forgivable loan, reduced by 8.5% for each year of occupancy until the end of the 10th year when 15% will remain due upon transfer of the property. **No interest. No payments until transfer.** As this program is done in two parts, two mortgages (1 for the down payment and 1 for the rehabilitation component) will be necessary. This loan will be in the form of a mortgage and promissory note with a declining payment agreement.

A walk away policy has been established by the County. Should the home you are purchasing be considered a walk-away (not able to be brought up to code within the funding available), you will be notified.

Work on all homes must be competitively bid.

5. EMERGENCY MONTHLY HOUSING ASSISTANCE

Huron County has partnered with WSOS to assist three (3) families. The purpose of these funds is to prevent residents from experiencing a crisis and/or becoming homeless in the event they are unable to pay for mortgage, utility payments, etc. WSOS is a HUD Approved Foreclosure Prevention Counseling Service and will refer eligible families to the County for assistance.

6. NEW CONSTRUCTION – HABITAT

By using up to \$20,000 of CHIP Funds per home, Habitat will build and sell one affordable home to a very low income first time buyer who will contribute at least 500 hours per household of volunteered “sweat equity” to the Project. Participants of the Project shall be those selected through the Habitat application process and who additionally satisfy all applicable CHIP program requirements, including those rules and regulations of HOME. Huron County hopes to assist one (1) partner family under this program.

Please contact the program administrator for additional information, eligibility requirements and income limits.

Household Income Limits by Family Size FOR ALL APPLICANTS

Family Size (Persons)	Low Income (80% of MI)	Very Low Income (50% of MI)
1	\$30,800	\$19,250
2	\$35,200	\$22,000
3	\$39,600	\$24,750
4	\$44,000	\$27,500
5	\$47,500	\$29,700
6	\$51,050	\$31,900
7	\$54,550	\$34,100
8	\$58,100	\$36,300

Source: HUD FY 2008

All Owner-Occupied and Rental Rehabilitation applications must be completed in full with all requested documentation and returned to the County Commissioner's Office, County Administration Building, 180 Milan Ave., Norwalk, Ohio, by 4:00 p.m., January 31, 2009 to be considered for the program. The order of receipt of applications will be considered as a final factor when all other factors are equal.

The Home Repair Program and Homebuyer Down payment / Rehab Assistance Program Applications must be completed in full with all requested documentation and will be considered on a first come first serve basis.

Questions regarding the program should be directed to the attention of the Program Administrator, Mrs. Phyllis A. Dunlap at (440) 530-2230.