



Ohio Regional Development Corp.

Community Housing Impact & Preservation (CHIP)

Cities of Medina & Brunswick

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Cities of Medina & Brunswick

C.H.I.P

AM I ELIGIBLE?

What are the Requirements?

1. **LOCATION:** Any household in **the cities of Medina and Brunswick**.
2. **OWN YOUR HOME:** The applicant must own the home for which they are applying for repair/rehabilitation. The Deed for the property **MUST** be your name.
3. **PRIMARY RESIDENCE:** Home **MUST** be the applicant's Primary Residence for the owner-occupied activities of Owner Rehabilitation and Minor Home Repair.
4. **INCOME LIMIT:** Total income of all wage earners (18 years or older) falls at or below the income guidelines for the program are eligible to apply. Determining eligibility for assistance, we must project a household's income in the future. To do so, a "snapshot" of the household's current circumstances is used to project future income. In general, we should assume that today's circumstances will continue for the next 12 months, unless there is verifiable evidence to the contrary. Proof of current income must also be provided to ensure eligibility at the time of application and to determine an income projection for the next twelve months.

PROGRAM INCOME GUIDELINES

Household Members	Income Guidelines
1 person	\$ 42,600
2 persons	\$ 48,650
3 persons	\$ 54,750
4 persons	\$ 60,800
5 persons	\$ 65,700
6 persons	\$ 70,550
7 persons	\$ 75,400
8 persons	\$ 80,300

5. **ASSET LIMITATION:** Applicants whose total net assets equal an amount greater than \$100,000 are not eligible. Items considered net assets include but are not limited to: savings accounts, checking accounts, equity in rental property, inheritances, personal valuables, cash value of stocks, bonds and treasury bills, retirement and pension funds, collectables, and payments for mineral rights.
6. **TAXES, INSURANCE, AND MORTGAGE:** Applicants **MUST** carry homeowner's insurance and be current on their property taxes for the home for which repair/rehabilitation is being requested. Additionally, if you have a mortgage on your home, you must be current on your mortgage.

WHAT PROGRAMS ARE CURRENTLY AVAILABLE?

OWNER REHABILITATION: The purpose of the Owner Rehabilitation activity is to improve and protect the supply of sound, serviceable, and affordable owner-occupied housing stock. Through this activity, assistance is provided to homeowners with income levels at or below 80 percent of Area Median Income to correct substandard conditions so that the homes are safe, healthy, durable, energy efficient and affordable. Owner Rehabilitation is intended to address problems throughout the house. In most circumstances, this means that the homes' mechanical systems (electrical, plumbing and heating systems) and exterior and interior structural components (roof, walls, floors and foundation) will be repaired to meet the required standards.

Eligible items for this program include: installation and/or repairs to foundations, roofs, gutters, electrical upgrades, plumbing, furnaces, hot water heaters, insulation, windows, doors, accessibility improvements and lead based paint abatement.

This program provides assistance (in the form of a deferred/recapture loan) in an amount up to but not exceeding \$53,000 to low-income homeowners for the purpose of eliminating existing substandard housing conditions. Because rehabilitation must correct all substandard conditions that adversely affect the occupant's health and safety and the dwelling's structural integrity, the scope of work is generally comprehensive and the cost is usually high.

Applicants interested in participating in the Owner Rehabilitation program must complete an application and call the CHIP office to schedule an appointment to submit their completed application. At that time, the completed application and all necessary documents will be verified to determine eligibility for the program. ***You must have a completed application and all necessary documents with you at this time or your application will be denied.***

The applicant cannot be delinquent or in default on present mortgage payment, homeowners insurance payments or property taxes. Eligible applicants must agree to (1) occupy the home for at least five years after the rehabilitation, (2) reimburse the program 15% of the total grant when the home is sold or vacated after 5 years, (3) reimburse the program on a sliding scale up to the total amount of the grant if the home is sold or vacated before the 5 year anniversary, (4) be willing and able to allow the administering agency to retain a mortgage on the property and (5) be willing and able to reimburse the program as agreed if the home is sold or transferred as part of the current owner's estate.

Each household must be qualified through an income verification process to confirm the household's income level is below the program mandated 80 percent of Area Median Income. Please be mindful, any changes in the household, such as changes in income, in employment or in number of persons in the household, which occur after the verification process but before the program contract are signed, will result in a review of the applicant's eligibility. After completing this verification process, a rehab specialist will visit your home to perform a walk-thru inspection to determine your housing needs.

Eligible applicants will be processed according to the program's priority rating system, designed to benefit the neediest of the current eligible applicants. The system is based upon the applicant's income and quality of life issues, which exist in the housing unit. Following the notification of acceptance in the program, the grantee is responsible for contacting contractors from the *Approved Contactor List*. The lowest bidder will be awarded the contract and approval to begin the repairs to the home.

Eligible homes must meet the Residential Rehab Standards at the completion of the project without exceeding the \$53,000 program limit. If the condition of the home cannot be successfully repaired or renovated to meet these standards without exceeding this maximum, the implementing agency will enforce a "walk-away policy" and the home will be considered ineligible.

MINOR OWNER HOME REPAIR: The purpose of the Owner Home Repair activity is to help preserve the affordable housing stock by providing owner-occupied households with income levels at or below 80 percent of Area Median Income with limited assistance to correct significant problems in the home. Unlike Owner Rehabilitation, which addresses the entire home, the Owner Home Repair activity can address one or more specific problems that adversely affect occupant health and safety and/or structural integrity.

The types of work that are generally considered eligible for the Owner Home Repair activity include:

- **Structural System Repair:** repairs to eliminate hazardous conditions or serious threats to a structural system's integrity. Examples of common structural system repairs include, patching or replacing leaking roofs, rebuilding collapsed foundations and replacing weakened or deteriorated framing components. It may also include replacing individual non-functioning or damaged windows or entry doors.
- **Mechanical System Repair:** eliminate hazardous conditions with the electrical, plumbing or heating systems. Examples of common mechanical system repairs include replacing unsafe or overloaded electrical panels and circuits, repairing or replacing leaking water supply and/or sanitary drain plumbing lines, and repairing or replacing unsafe or inoperable heating equipment
- **Plumbing System Tap-ins:** This type of work involves connecting a home's plumbing system to a public water supply and/or public sewage system and paying associated tap-in fees.
- **Wells and Septic Systems:** repairing or replacing a home's private well and/or septic system that is malfunctioning or has been cited by local or state health departments or the Environmental Protection Agency as outdated and in need of improvement.
- **Weatherization:** utilizing cost-effective measures to improve energy efficiency such as insulating un-insulated attics and sidewalls, and related measures to control air movement, such as sealing holes and bypasses and installing exhaust and ventilation fans.
- **Accessibility:** utilizing measures designed to improve access and mobility for occupants who are physically disabled or infirm. Generally, these measures include exterior ramps, grab bars and specialized bathroom fixtures. In some cases, more extensive work is required to remove architectural barriers, widen doorways, lower cabinets or remodel bathrooms in order to meet household needs. The work completed to improve accessibility must meet or exceed the design and installation standards outlined in the Uniform Federal Accessibility Standards (UFAS).

Applicants interested in participating in the Home Repair program must complete an application and call this office to schedule an appointment to submit their completed application. At that time, the completed application and all necessary documents will be verified to determine eligibility for the program. **You must have a completed application and all necessary documents with you at this time or your application will be denied.** Home repair applications are considered on a **first-come first-served** basis.

The applicant cannot be delinquent or in default on present mortgage payment, homeowners insurance payments. Homes purchased under land contract do not qualify unless steps have been taken to legally record the land contract agreement.

Eligible projects must not exceed the \$14,000 program limit. If the condition of the home cannot be successfully repaired or renovated without exceeding this maximum, the implementing agency will enforce a "walk-away policy" and the home will be considered ineligible.

What else do I need to know?

How much money can I get?

The program does not guarantee funding to everyone who applies...*you may or may not qualify*. However, if you qualify, the program may provide funds up to \$53,000 per home for the Owner Rehabilitation program, and up to \$14,000 per home for the Home Repairs program. Funding priority is determined by program guidelines, which include household income, the priority rating of your home, your housing needs and the availability of funds.

When do I need to apply?

Immediately. Gather ALL required documents and make your appointment to apply right away. Funds are limited and the program is extremely competitive at the local level.

When will I know if I get funded?

Completed applications for Home Repair are processed on a first-come, first-service basis. However, applications for Owner Rehabilitation Projects must be received before the application round deadline. Applications are ranked by priority according to the program guidelines shortly after the verification process. Selected clients will be contacted as soon as possible to schedule an evaluation of the condition of your home. The work will be performed by local contractors according to their schedule, usually within 30-60 days after signing the program contract.

Do I have to pay anything?

At this time, No. You will not be required to pay for anything at this time for the work to be completed on your home. However, in the future, you may be required to pay something. With an Owner Rehabilitation Project, you must pay back a percentage of the full grant **if** you move or sell your property before the 5-year promissory note expires. You must **pay back 15%** of the grant you receive when you vacate your property or transfer after the 5-year promissory note expires.

Owner Rehabilitation Mortgage Example:

The terms of the mortgage become due the DAY the applicant no longer resides in the home as their primary residence.

Construction Contract Amount = Mortgage = \$20,000

Part 1: Deferred (15%) = \$3,000

- This portion will ALWAYS be paid back to the community, without interest.
- Will NOT be forgiven, MUST always be paid back!

Part 2: Declining (85%) = \$17,000

- Declines equally over a 5 year period.
- Annually on the Anniversary Date of the Mortgage/Contract signing, the declining portion of the mortgage is forgiven 15% per year.
- In this example, \$3,400 is forgiven each year.

	20% Forgiven Annually	Balance Due
Contract Signing to Year 1 =	\$ 0	\$ 17,000
Year 1 =	\$ 3,400	\$ 13,600
Year 2 =	\$ 3,400	\$ 10,200
Year 3 =	\$ 3,400	\$ 6,800
Year 4 =	\$ 3,400	\$ 3,400
Year 5 =	\$ 3,400	\$ 0

Ohio Regional Development Corporation Medina County/City of Wadsworth CHIP Office

CHIP APPLICATION REQUIRED DOCUMENTS

HOW DO YOU APPLY?

1. Complete the application form.
2. Gather all required documents (see list below).
3. **Schedule an appointment** at the above phone number, to review and verify the application.
4. Obtain and submit any other documentation required, based upon guidance from the staff.

NOTE: No application will be accepted as being complete until all required documentation has been received and verified by the Staff.

REQUIRED DOCUMENTATION

(The following list reflects what is typically required to process your application. Other documentation may be required, as determined by the Staff.)

- ☐ Evidence of **ALL Sources of Income** (gross income for all residents, 18 and older)
(e.g. pay stubs or wage statements for most recent 2-month work period; the award letter for Social Security, ADC, or other Government programs (you should have received this in December or January); pension benefit statements; bank interest statements; etc.)
- ☐ Evidence of **ALL Sources of Assets** (IRA accounts, CD's, inheritance benefits, Property(ies) other than your primary resident you are living in, Checking and Savings Accounts, etc.)
- ☐ **Deed** (must be in applicant's name)
- ☐ **Insurance Declaration** (must be current; and reflect the amount of coverage, dates of coverage and amount of premium)
- ☐ **Mortgage(s)**, and either payment books or bank statements reflecting the original amount, payments, and current balance.
- ☐ Most recent **Property Tax statement**