

Columbia City Housing Authority Owner Occupied Rehabilitation (OOR) Program

Overview

The Columbia City Housing Authority (CCHA) seeks to assist low and moderate income residents of Columbia City, or within the City's two-mile jurisdictional boundary, in rehabilitating their homes. The CCHA will use available tax/grant dollars in a 90/10 program, in which a no-interest loan is provided to the homeowner for rehabilitation activities. This is an open round application process without deadlines on its submittal to the Authority. The CCHA will meet regularly to review any emergency OOR applications. The goal of the CCHA is to identify and assist in the rehabilitation efforts of up to 5 homeowners per round (or as funds allow).

Application Process

The grant application searches for clients that meet the income and age restrictions set by the CCHA. Individuals interested in the program can pick up applications in the Columbia City Mayor's Office. The Housing Authority Representative, Community Development Director Jeff Walker, can be contacted by potential and future applicants with questions about the process. Completed applications will be accepted year-round in the Mayor's Office, and will be reviewed on a first-come, first-serve basis. The maximum OOR request considered will be \$20,000 per address/per homeowner.

After an application is received with income verification from the household, the following will occur:

1. The City staff will begin processing the application. This process will include a review of the nature of the property, the historic attributes of the property, the proposed activities by the applicant, the financial capabilities of the applicant to pay for the project, and the availability of city dollars to fund the project, or other funding sources.
2. If the application meets the guidelines of the program, a staff member will meet with the participant at the residence and discuss the application request, review the work that the applicant would like completed, and conduct an assessment on the home. A focus will be on making sure the home is safe, sanitary, and secure.

3. The staff member will meet with the CCHA to determine if the applicant meets the criteria and all thresholds. They will then give additional details and assist the CCHA in scoring the application.
4. If the applicant meets all criteria, the CCHA may request a lead-based paint (LBP) risk assessment and may request a personal needs assessment from Aging and In-Home Services of Northeast Indiana. The lead-based paint risk assessment will define any LBP hazards. If required, the personal needs assessment will determine if additional services and modifications may be required by the participants.
5. Using the application, LBP risk assessment and personal needs assessment, the CCHA will put together a bid package that is agreed upon by the CCHA and the Applicant.
6. The CCHA will provide the bid package to prospective reputable contractors to perform the work necessary to meet the needs of the participant.
7. After a reasonable period of time, the CCHA will verify the bids, review the reputation of the contractors through the Indiana Better Business Bureau (BBB) or other applicable agency, and award the work to the lowest responsible, responsive bidder.
8. The low bid contractor and the homeowner will be brought together with the Community Development Director and a CCHA member to do the following:
 - a. Between the Contractor and Homeowner
 - i. Sign the construction documents and accept the bid package
 - b. Between the CCHA and Homeowner
 - i. Amortization Schedule
 - ii. Contractor Agreement
 - iii. Promissory Note
 - iv. Sign a Real Estate Mortgage (10% of loan may be forgiven, see chart on page 5)
 - v. Mortgage Subordination Agreement (if applicable)
 - vi. Homeowner will record the mortgage and mortgage subordination agreement and return a copy to the City.
9. The CCHA will be responsible for verifying the work is done to specifications as well as handling any conflicts that arise between the homeowners and the contractor.
10. Upon Completion of the work and approval from both the homeowner and the CCHA, invoices will be processed by the City and the contractor will be paid at the next city billing date.

Household Income Verification & Client Screening

1. Households must be inside the City of Columbia City, Indiana or the City's 2-mile jurisdictional boundary.
2. The House must be owned by the person(s) living in the house and it must be that person's main residence.
3. The family income may not exceed 100 percent of the median income for Whitley County.
4. The applicant must submit the previous 2-years of tax returns and 30-days of paystubs. IRS Tax Transcripts may also be required for submission.

Selection Criteria

The Household selection criteria for the program will be as follows:

- Applications must be completed in their entirety and meet the income guidelines.
- Some households *may not* be eligible for the following reasons:
 - The amount of work needed to complete the house is more than the amount of grant money allowed for the house.
 - The applicants may not own the home.
 - The applicant's house may be in the middle of foreclosure proceedings.
 - Applications may be received after the funds have been spent.
 - Other reasons deemed reasonable by the CCHA, which shall have the final say regarding which houses will be assisted.
- Scoring will be as follows per household:
 - 40 points – Households making less than 30% of the median income
 - 35 points – Grandparents 55 years of age or older and raising grandchildren
 - 30 points – Persons disabled and/or at least 55 years of age
 - 30 points – Households making between 30% and 39.99% of the median income
 - 25 points – Households making between 40% and 49.99% of the median income
 - 20 points – Households making between 50% and 59.99% of the median income
 - 15 points – Households making between 60% and 69.99% of the median income
 - 10 points – Households making between 70% and 100% of the median income

Eligible Repairs

Because of the nature of the OOR program, certain repairs may carry more importance than others. Safety Hazards, which will include lead-based paint, will be the number one priority of the program followed by home modifications. Most homes need repairs, but do not have true

safety hazards other than lead-based paint. Most of the houses will hopefully have few if any true hazards. Furthermore, the CCHA will take into account common sense repairs that are needed. Thus, the priorities of the program will be as follows:

1. Safety Hazards
2. Senior Home Modifications
3. Weatherization Priorities
4. Repairs and Improvements

Some eligible repairs include, but are not limited to:

- Lead-based Paint Hazards
- Replacing or Repairing Roofs
- Insulation
- Energy related Thermostats (programmable)
- Furnaces
- Air Conditioners
- Water Heaters
- Electrical
- Plumbing- (Sanitary/Domestic)
- Interior Water Damage
- Mold
- Windows/Doors
- Siding
- Flooring
- Painting
- Ceiling Repairs
- Drywall Repairs
- Gutters/Soffit

Unless otherwise approved by the CCHA for a specific applicant's special needs, the following repairs shall be deemed ineligible:

- Cabinets
- Expanding the Size of a Building
- Swimming Pools
- Hot Tubs
- Sidewalks
- Garage Repairs (unless attached to the House)
- Painting to change colors of a room
- Decorative Windows

Recapture Process

All houses receiving assistance will be required to sign a note and mortgage agreement with the CCHA. The agreement will be for the amount of funding received by the household. The CCHA will make a determination if the mortgage will be for a 12, 18, 24, 30, or 36-month period. Each month, the note will be paid as set forth in Schedule A. In the event all payments are being made pursuant to the Schedule, the final 10% of the loan will be forgiven. A 15-Day grace period from the due date will be allowed before a payment is considered late. The guidelines

include CCHA recapturing any of the funds that have not yet been forgiven. This could include, but is not limited to a Mortgage or Lien foreclosure process. *NOTE: A CCHA mortgage may not be subordinated without the written approval and consent of CCHA.*

For any questions on the program, please contact:

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Community Development Director
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260.248.5114

Bryan Graham
CCHA President
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Loan Term Chart

<u>% of Median Income</u>		<u>Length of Loan Term</u>
<30%		36 Months
30% - 39.99%		30 Months
40% - 49.99%		24 Months
50% - 59.99%		18 Months
60% - 100%		12 Months

Payment Schedule A

Length of Loan		12 Mos	18 Mos	24 Mos	30 Mos	36 Mos
Payment	1	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	2	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	3	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	4	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	5	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	6	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	7	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	8	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	9	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	10	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	11	8.33%	5.56%	4.17%	3.33%	2.78%
Payment	12	8.37%	5.56%	4.17%	3.33%	2.78%
Payment	13		5.56%	4.17%	3.33%	2.78%
Payment	14		5.56%	4.17%	3.33%	2.78%
Payment	15		5.56%	4.17%	3.33%	2.78%
Payment	16		5.56%	4.17%	3.33%	2.78%
Payment	17		5.56%	4.17%	3.33%	2.78%
Payment	18		5.48%	4.17%	3.33%	2.78%
Payment	19			4.17%	3.33%	2.78%
Payment	20			4.17%	3.33%	2.78%
Payment	21			4.17%	3.33%	2.78%
Payment	22			4.17%	3.33%	2.78%
Payment	23			4.17%	3.33%	2.78%
Payment	24			4.09%	3.33%	2.78%
Payment	25				3.33%	2.78%
Payment	26				3.33%	2.78%
Payment	27				3.33%	2.78%
Payment	28				3.33%	2.78%
Payment	29				3.33%	2.78%
Payment	30				3.43%	2.78%
Payment	31					2.78%
Payment	32					2.78%
Payment	33					2.78%
Payment	34					2.78%
Payment	35					2.78%
Payment	36					2.70%

Schedule A Examples

- **12 month repayment schedule (Loan: \$5,000)**
 - Payments 1-11: \$416.40 each
 - Payment 12: \$418.50
 - 10% = \$500
 - If all payments up to the 10% (\$500) are made pursuant to the loan repayment schedule, payment 11 will be \$335 and there will be no payment 12.

- **18 Month repayment schedule (Loan: \$5,000)**
 - Payments 1-17: \$278 each
 - Payment 18: \$274
 - 10% = \$500
 - If all payments up to the 10% (\$500) are made pursuant to the loan repayment schedule, payment 17 will be \$52 and there will be no payment 18.

- **24 Month repayment schedule (Loan: \$5,000)**
 - Payments 1-23: \$208.50 each
 - Payment 24: \$204.50
 - 10% = \$500
 - If all payments up to the 10% (\$500) are made pursuant to the loan repayment schedule, payment 22 will be \$121.50 and there will be no payments 23 and 24.

- **30 Month repayment schedule (Loan: \$5,000)**
 - Payments 1-29: \$166.50 each
 - Payment 30: \$171.50
 - 10% = \$500
 - If all payments up to the 10% (\$500) are made pursuant to the loan repayment schedule, payment 28 will be \$4.50 and there will be no payments 29 and 30.

- **36 Month repayment schedule (Loan \$5,000)**
 - Payments 1-35: \$139 each
 - Payment 36: \$135
 - 10% = \$500
 - If all payments up to the 10% (\$500) are made pursuant to the loan repayment schedule, payment 33 will be \$52 and there will be no payments 34, 35, and 36.

**Columbia City Housing Authority
Owner Occupied Rehabilitation Application**

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Applicant Information Sheet

Homeowner/Applicant Name(s): _____

Applicant Address: _____

Contact phone number: _____

Current Whitley County Median Income

<i>1 Person</i>	<i>2 Persons</i>	<i>3 Persons</i>	<i>4 Persons</i>	<i>5 Persons</i>	<i>6 Persons</i>	<i>7 Persons</i>	<i>8 Persons</i>
\$42,300	\$48,300	\$54,360	\$60,360	\$65,220	\$70,020	\$74,880	\$79,680

Circle the option that best describes your financial situation:

1. Based on the chart above, my income is: *Above Equal Below* the median income.

2. Do you have a mortgage on the residence? *YES NO*

If YES, how much was the original loan? _____; Current payoff of loan _____

3. Are you purchasing this home on contract? *YES NO*

4. Are you a Grandparent, currently raising your grandchildren in your home? *YES NO*

5. How many people permanently live in your home? *1 2 3 4 5 6 7 8*

Describe the Reason you are Applying for the OOR Program:

Please provide the following income verification documents:

1. The past *two years* of tax returns
2. 30 days of paystubs
3. IRS tax transcripts
4. Mortgage paperwork from lending institution showing original loan amount
5. Most recent deed of record
6. Copy of applicant's recorded mortgage/s

Return Application to: Columbia City Mayor's Office, 112 S. Chauncey Street, Columbia City, IN 46725