

# CITY OF YOUNGSTOWN

COMMUNITY DEVELOPMENT BLOCK GRANT  
(CDBG)

**LIMITED REPAIR PROGRAM**



Community Development Agency  
Housing Division  
*CITY OF YOUNGSTOWN*  
*Mayor Jay Williams*

**SUMMARY**  
**of the**  
**CDBG**  
**LIMITED REPAIR PROGRAM**  
**City of Youngstown, Ohio**

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**Purpose:** To provide assistance to low income households for the correction of code violations and deficiencies which are a serious threat to health and safety of the occupants.

**Eligibility:** Low income homeowners below sixty percent (60%) of the area median income as established by HUD. See attached income limits.

**Income:** Income of a household is the income of all persons living in that household.

**Program**

**Assistance:** The program will provide Deferred Loans to owner occupants of single-family residential units. The Deferred Loan limits are for the cost of the repair and cannot exceed a maximum of \$10,000 per unit. A Five (5) year deferred loan will be made and the owner must agree to live in house for the five (5) year period. If property transfers within the five (5) year period, a portion of the loan is due and payable to the City.

**Ownership:** Only owner-occupants of single-family units located in the City of Youngstown are eligible. Owner-occupant must **own** and **inhabit** home for 1 (one) year prior to being eligible.

**Property Standards:** All housing units rehabilitated through the Community Development Block Grant (CDBG) Limited Repair Program must meet the City's Residential Rehabilitation Standards (RRS) for work performed.

**HUD  
HOUSEHOLD INCOME LIMITS BY FAMILY SIZE**

<b>Family Size (Persons)</b>	<b>60% Maximum</b>	<b>Monthly Income</b>
1	\$22,800	\$1,900
2	\$26,100	\$2,175
3	\$29,300	\$2,442
4	\$32,600	\$2,717
5	\$35,200	\$2,933
6	\$37,800	\$3,150
7	\$40,400	\$3,367
8	\$43,000	\$3,583

\*Source: Based upon HUD 2009 Income Limits

**Purchase Price/After Rehab Value Limits For Housing Units\*\***

**Number of Units in Structure**

**Maximum Price/Value per Unit**

One Family Structure

\$271,050

\*\*Source: HUD Section 203 (b) Limits

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**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
(CDBG)  
LIMITED REPAIR PROGRAM  
GUIDELINES**

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**INTRODUCTION**

The City of Youngstown, through its Community Development Block Grant (CDBG) Program, is undertaking a Limited Housing Repair Program designed to assist eligible low-income households to correct building code violations. The goal of the City's program is to eliminate serious threats to health and safety of an immediate nature.

**A. REHABILITATION PROGRAM DESCRIPTION**

The Limited Repair Program will be utilized to address housing problems that may constitute a serious threat to the health and safety of the occupants, or those problems cited by a code enforcement official. All qualified low-income households living in an owner-occupied, single-family dwelling will be eligible for this program. The program will provide a Five Year (5) zero percent (0%) deferred-loan for the actual cost of repairs (not to exceed \$10,000 per unit).

The Limited Repair funds may only be used to correct health and safety violation such as: **Electrical, Heating, Mechanical and Plumbing Systems** as well as problematic and/or cited problems with **Siding, Roof Repair** and/or replacement, and possibly any collateral damage resulting from the problem being addressed, pending fund availability. All work must meet the Residential Rehabilitation Standards (RRS). The Housing Rehabilitation Inspector (s) will make the final decision as to whether work is undertaken.

**B. APPLICATION PRIORITY AND SELECTION**

All applications will be reviewed as follows:

**1.0 Priority:**

Priority may be given to households in target areas. Target Areas are defined in the Community Development Agency Five Year Consolidated Plan and the current years' Action Plan. However, households anticipated to be assisted within twelve (12) months through the HOME Housing Rehabilitation Program will not be served.

**1.1 Selection Criteria:**

Notification of program assistance will be on a first-come-first-served basis taken from the Homeowner Rehabilitation Eligibility Database. The priority may change from time-to-time based upon community goals to assist low-income households; HUD recommendations; or census demographics.

**1.2 Rights of Appeal:**

If an applicant feels that he/she has a complaint, he/she may appeal any determination made by putting their complaint **in writing** and delivering it to the Community Development Director. A written response will be made within fifteen (15) days.

If the decision does not seem fair to the complainant, he/she may appeal to the Mayor's office, who shall have the authority to affirm, modify, or reverse the decision. A complaint may also be filed with the Department of Housing and Urban Development (HUD).

**1.3 Re-application:**

Any applicant that receives assistance through this program will not be eligible to apply for assistance again until the terms of the original loan have been met. The only exception to this will be applicants that require emergency assistance in the form of a grant during the original loan period.

**C. APPLICANT ELIGIBILITY**

This section sets forth the basis for establishing an applicant’s eligibility requirements and income for the Limited Repair Program:

**2.0 Income Eligibility Limits: (HUD Section 8):**

Only households who meet the low-income limits (below 60%), as determined by HUD's most current Section 8 guidelines, will be eligible for the Limited Repair Program. Household income will be determined in accordance with guidance as provided by HUD in the Technical Guide for Determining Income and Allowances for the HOME Program, June 1999. **These limits are updated periodically by HUD.**

<b>Income Eligibility Guidelines*</b>	
<b>Household size (Persons)</b>	<b>60% Maximum Income Limits</b>
<b>1</b>	<b>22,800</b>
<b>2</b>	<b>26,100</b>
<b>3</b>	<b>29,300</b>
<b>4</b>	<b>32,600</b>
<b>5</b>	<b>35,200</b>
<b>6</b>	<b>37,800</b>
<b>7</b>	<b>40,400</b>
<b>8</b>	<b>43,000</b>

\*Source HUD 2009 Income Limits

**2.1 Income Requirements:**

The household income of the applicant includes the gross income of the applicant **and** any other person or persons who share the same dwelling unit. If ownership of the property rests in more than one person, each owner would be considered an applicant. The applicant’s household gross income, therefore, is the sum *of the gross income of all household members*. An applicant’s gross income is established on an annual basis projected for a 12-month period from the time of application.

**2.2 Reporting of Applicant’s Income:**

The applicant’s income is reported on the application forms at the time of the initial interview and will be verified by the Community Development, Housing Division. In addition, *the applicant may be asked to provide copies of the most recent W-2 forms(s) and 1099 forms(s) (if any)*.

**2.3 Non eligible Applicant:**

No applicant is eligible to receive help through this program if they are in the process of bankruptcy, default, and unsettled divorce. Applicants may be required to attend a home maintenance class or other approved program prior to receiving assistance.

## **D. PROPERTY ELIGIBILITY**

### **3.0 Ownership:**

Only owner occupants of single-family residential units are eligible for participation in the Limited Repair Program. The applicant must own the property and the property must be the applicant's principal place of residence for at least one (1) year prior to receiving assistance.

- Have fee simple title to property; or,
- Maintain a life interest in the property; and,
- Have no restrictions as to workable title.
- No land contracts are eligible for assistance.

### **3.1 Taxes:**

All applicants must be paid and current, or have documentation of a payment plan, with respect to property taxes, in order to be considered eligible for the Program.

### **3.2 Location:**

Units must be located in the City of Youngstown.

### **3.3 Condition of Repair:**

The work undertaken must at a minimum be able to comply with the Residential Rehabilitation Standards at the completion of the repair.

### **3.4 Access/Substandard and Unsanitary Conditions:**

The applicant shall permit inspection by the CDA Housing Division staff. The City's Rehabilitation Inspector must be able to have access to all rooms and be able to see all wall and floor surfaces. There must be no accumulation of trash, animal feces, garbage, or excess amounts of debris accumulated within the unit at time of inspection. The homeowner must correct existing conditions within one (1) month from date of initial inspection, or they may not be eligible to participate in the rehabilitation program until conditions are improved.

### **3.5 Eligible Improvements:**

All improvements must be physically attached to the property and permanent in nature. The Limited Repair funds may only be used to correct a serious health and safety violations. All work must meet the Residential Rehabilitation Standards (RRS).

### **3.6 State Historic Preservation Office:**

Where a property is considered "historic", or of architectural merit as determined by the State Historic Preservation Office, the Owner must agree to follow the recommendations of the State and local historic Preservation Officer in undertaking the required improvements, as part of the rehabilitation program. If the Owner does not agree to these improvements, no work will be undertaken.

### **3.7 Ineligible Improvements:**

**General Property Improvements** are specifically **prohibited**. Improvements of this type include, but are not limited to:

1. The purchase, installation, and/or repair of personal furnishings.
6. Costs incurred prior to the date of the Contractor's Agreement for any improvements are ineligible.

*Homeowners are not allowed to undertake any work paid for by the Program.*

### **3.9 Insurance:**

All property owners must provide proof of homeowners insurance on the dwelling unit; and in addition provide federal flood plain insurance if the property is located in a federally designated flood plain area.

It is the policy of the City not to institute a loan until documentation of insurance on the home has been provided to the City.

In cases where the homeowner does not have insurance and cannot pay the initial premium due to low income (no more than 50% of median income), the mortgage and note for the loan can include the cost of initial insurance.

If the owner's income eligibility has been verified and the house approved for the program as to condition, the owner can apply for insurance and submit a copy of the premium quote to the City. The City will issue a check in the name of the homeowner and the insurance agency for the premium and will have the City listed as an additional insured. The cost of the premium will be added to the total cost of the loan.

It is expected that the homeowner will make arrangements to keep the insurance in force for the duration of the loan period.

## **E. TENURE REQUIREMENTS**

Upon acceptance of a deferred loan, the owner must agree to remain titleholder of the property for a minimum of **Five (5)** consecutive years from the date of completion of the rehab work. For enforcement purposes, the property owner, upon acceptance of a Deferred Loan shall **execute a Mortgage and Promissory note** in favor of the City reflecting these conditions.

### **4.0 Sale or Transfer:**

If the owner sells or transfers the property or any legal or equitable interest therein within the five (5) year applicable loan period, the owner must reimburse the remaining proportionate share of the loan. As the lien period is five years, for every full year that loan terms are met, twenty percent (20%) will be forgiven in the event of a sale, transfer, or change in residence.

### **4.1 Subordination:**

If owner wishes to use their property as a source of collateral for a future loan, the City's policy is to NOT SUBORDINATE. In such cases the owner must reimburse the remaining proportionate share of

the loans as set forth in Section E (4.0). Exceptions will only be granted in cases of documented extreme hardship as approved by the C.D.A. Director. An example of extreme hardship would be a situation in which a person had to borrow money to cover a large medical expense.

**4.2 Elderly (65 years or older):**

Loans will be forgiven in the event an elderly homeowner passes away during the five (5) year loan period.

**4.3 Ineligible Use of Property:**

The owner must agree not to rent or abandon the property for the five (5) year loan period. If the owner violates this requirement, the City will notify the owner that the remaining proportion of the loan is due and payable within thirty (30) days thereof and, if payment is not received within such period the City will institute Civil Action to reclaim the loan.

**F. CDBG PROGRAM ASSISTANCE LIMITS**

**5.0 Program Cost Limits:**

The maximum amount of assistance shall not exceed \$10,000 per unit.

**5.1 Repair Limits:**

Only one Limited Repair loan shall be made per address and only if the applicant has not had rehabilitation work undertaken on their house through the HOME Housing Rehabilitation program.

The Limited Repair funds may only be used to correct a serious health and safety violation such as: **Electrical, Heating, Mechanical and Plumbing** systems as well as Siding and roof repair and/or replacement. All work must meet the Residential Rehabilitation Standards (RRS). The Housing Rehabilitation Inspector (s) will make the final decision as to whether work is undertaken.

**G. CONTRACTING DOCUMENTS**

**6.0 Contract Between Homeowner and the Contractor:**

The Contract for work will be between the Contractor and the Homeowner. The City will be a third party to the Contract and responsible for technical assistance, administration, bidding of the contract, and enforcement on behalf of the Homeowner, when requested.

**6.1 Contracting:**

It is understood that the owner is contracting for the work. Contracting will be done on a “request-for-proposal” basis. The City will prepare the bid packages and assist the owner in reviewing all bids to determine that they are responsive to the bid package. The lowest and best bidder will be awarded the work.

In cases where the bid price exceeds the maximum grant allowed, every effort will be made to eliminate (deduct) any non-code items.

**6.2 Licensing:**

All electrical, HVAC and plumbing work must be performed by “licensed” individuals. Individuals must be licensed by the City of Youngstown. Any contractor performing electrical, HVAC or plumbing work with non-licensed persons will be disqualified.

### **6.3 Change Orders:**

**Change orders are an exception!** Change orders will only be given when deemed necessary for the proper completion by the Housing Rehabilitation Staff.

It is understood by the owner, that he or she has reviewed the work write-up, that its contents and the work described therein is understood; and that there will be no changes permitted to the work write-up.

No substitutions, additions, or deletions from the original contract may be made by the contractor or homeowner without the signature and date of the owner, the contractor, and the **approval** of the City. Solid justification for approval must be evident, clearly defined, and itemized, including a cost estimate.

There will be no changes to work already completed.

### **6.4 Paint & Design:**

The owner may select the color and design of the materials to be used in the rehabilitation process. It is recommended that the owner’s selection be documented.

### **6.5 Acceptance of Work:**

In the event there should be a dispute between the owner and the Contractor concerning the completion of the rehabilitation work, the City shall make the final determination whether the rehabilitation contract has been violated, and will work with both parties to find a satisfactory and timely solution.

#### **6.5.1 Contractor in Compliance:**

If no solution can be found, and if the City finds the Contractor in compliance with the rehabilitation contract, the City will certify same to the Owner and the payment shall be issued. In the event that the above becomes necessary, the City will have been deemed to have paid the amount stipulated in the contract, and shall not be liable to the Owner for any other costs he/she may incur.

### **6.5.2 Contractor Not In Compliance:**

If the work has not been completed properly as determined by the City, the Contractor will be ordered to make the necessary corrections before receiving final payment. If the Contractor fails to make the necessary corrections by the expiration of his/her contract, the City shall obtain another Contractor to make the corrections. When corrections are made to the satisfaction of the City, the City shall make the necessary arrangement to pay the new Contractor for the corrections. At this time, the Contractor that failed to perform shall be paid the balance of the funds remaining in the contract, if any. This payment shall only be made upon receipt of the appropriate release of liens documents.

If the Contractor does make the corrections as requested and the work is deemed satisfactory, the final payment shall be disbursed to the Contractor.

### **6.6 Progress Payments:**

Partial payments may be made to the contractor in up to three (3) increments. Payments will be made to the contractor based upon receipt of a contractor's invoice for progress payments, and satisfactorily completed work. All requests for payment must be accompanied by applicable warranties for materials and release of liens from all subcontractors and material suppliers.

Under no circumstances will the owner of the residence be given funds directly from this program to perform any rehabilitation work.

## **H. LEAD BASED PAINT POLICY**

All units must comply with the regulations implementing the Lead-Based Paint Poisoning Prevention Act of 1971. Therefore, homes with children under the age of six or a pregnant woman living in the residence will be done in partnership with the Mahoning County Office of Lead Paint Hazard Control (MCLPHC).

**Note: Section G. of these policies will not apply to these homes wherein MCLPHC contracts the lead hazard control.** Then all contracting, work performed and monitoring will be done under the policies and procedures of the Mahoning County Office of Lead Paint Hazard Control. The City and the homeowner will consider MCLPHC the contractor on these jobs.

## **I. OTHER REQUIREMENTS**

### **7.0 Conflict of Interest:**

No member of the City or of any board, commission, or committee appointed by the City of Youngstown, or any officer or employee of the City who exercises any responsibilities with the administration or implementation of the Community Development Programs shall obtain any financial interest or other benefit from this program. This statement does not prohibit participation of a City employee or official, who otherwise qualifies for this program, provided that the City employee or official has not utilized their authority or influence to secure benefits from the program.

### **7.1 Grants for Administrative Costs**

The administrative costs such as those incurred from the appraisal of the home, the title check and recording shall be in the form of a grant to the customer.

The Loan shall consist of the contracting costs and costs of one year of home insurance if necessary.

**J. REHABILITATION PROCEDURE**

This section sets forth a general outline of the functions to be performed by the City and the policies and procedures for preparing, processing, and approving an application.

1. Notify Homeowners on Inquiry List of Program availability. Provide the applicant with program Guidelines and Interview information.
2. Interview and complete application forms and review the Program Guidelines with the applicant.
3. Verify the applicant's income, property ownership, assets, etc., as appropriate.
4. Determine applicant eligibility.
5. Prepare a preliminary work write-up and cost estimate of the work.
6. Determine that items in the work write-up conform to purposes for which the Limited Repair program assistance may be used.
7. Prepare a cost estimate based on the property inspection report, which itemizes work to be done on the property, and includes an estimate of the cost.
8. Consult with the applicant on preliminary work write-ups and cost estimates. Obtain the applicant's signature on the work write-up.
9. Prepare a bid package.
10. Provide the owner with a list of eligible contractors. If they so choose, the owner may select at least three (3) to which bid packages would be sent. Otherwise, CDA shall assign a randomly selected contractor to review the bid proposal.
11. Inform the applicant of date, time, and place of bid opening.
12. Conduct bid opening, which is open to the applicant and contractors.
13. Prepare closing documents with Owner and contract with Contractor.
14. Issue order to proceed.
15. Perform progress inspections and process requests for payment.
16. Make final inspection of work and issue Certificate of Final Inspection.
17. Obtain manufacturer's and supplier's warranties; release of liens; the affidavit under an oath that all materials, laborers, and subcontractors have been paid; final invoice; and warranty from the general contractor prior to final payment for work.
18. Obtain owner's signature on completion of work.
19. Make follow-up inspection of work within twenty (20) days after final inspection.
20. Final payment to contractor for completed work.