

Rehabilitation Loan Summary Page

Purpose: To fund all or a portion of the cost encountered in rehabilitating existing or acquired owner-occupied housing units.

Funding Source: State Housing Initiatives Partnership (SHIP)

Eligible Persons:

- ▶ Very low-income persons
- ▶ Low-income persons
- ▶ Moderate-income persons
(Up to \$10,000.00 in conjunction with a Down Payment/Closing Cost Loan)

Assistance: The County may provide up to \$50,000.00 per unit in rehabilitation loans consistent with the county's minimum rehabilitation loan standards and requirements. The applicant shall execute a loan agreement with the county indicating that the applicant will comply with the county's Local Housing Assistance Program's requirements.

Criteria: Income Eligible Households: VLI (not to exceed 50% of the county's median income), LI (51-80% of the county's median income), MI (81-120% of the county's median income).

Property Qualification: Owner-Occupied

Debt Ratio: N/A

Loan Period: Deferred payment loan

Interest Rate: 3% simple annual interest for VLI & LI households

Interest accumulated will be forgiven after 10 years occupancy for very low and low income households.

5% simple annual interest for MI households.

Interest accumulated will be forgiven after 20 years occupancy for moderate income households.

Repayment Terms: Payment of the loan amount occurs upon resale of the unit or if the assisted unit is occupied by someone other than the original loan recipient.

Rehabilitation 10 - Year Loan Summary Page

Purpose: To fund all or a portion of the cost encountered in rehabilitating existing or acquired owner-occupied housing units.

Funding Source: State Housing Initiatives Partnership (SHIP)

Eligible Persons:

- ▶ Very Low Income
- ▶ Low income if it is a match for another state or federal housing grant

Assistance: The County may provide up to \$50,000.00 per unit in rehabilitation 10 year loans. The applicant shall execute a 10 year loan agreement with the county indicating that applicant will comply with the county's Local Housing Assistance Program's requirements.

Criteria: Income Eligible Households: VLI (not to exceed 50% of the county's median income), LI (51 to 80% of the county's median income)

Property Qualification: Owner-Occupied

Debt Ratio: N/A

Loan Period: 10 years

Interest Rate: 3% simple annual interest for VLI & LI households

Interest accumulated will be forgiven after 10 years occupancy for very low and low income households.

Repayment Terms: No payment is required except in cases where assisted unit is sold prior to 10 years, or if someone other than the original 10 year loan recipient occupies the assisted unit.

LOCAL HOUSING ASSISTANCE PROGRAM

GENERAL REQUIREMENTS FOR ALL ASSISTANCE STRATEGIES

Persons participating in the Local Housing Assistance Program must meet the following requirements:

- 1) **Income Level:** A household's total annual gross income level must be classified as very low, low income households, or moderate income households only when associated with a Downpayment/Closing Cost Loan (please see the chart on the next page for income levels).
- 2) **Employment:** At least one of the household members must currently be employed (including having been continuously employed for the past year), be a seasonal farm worker, or be a special needs person.
- 3) **Assets:** A household's total assets shall not exceed \$20,000.00.
- 4) **Credit Verification:** An applicant shall have a satisfactory credit rating for at least the previous one (1) year for low income households. No credit criteria for applicants in the very low-income category.

A completed application form and all supporting documents must be submitted to the Community Development Department in the County Administration Building located at 1801 27th Street, Vero Beach, Florida 32960 or other specified location. Applications are reviewed and eligibility letters are prepared based on the first application completed, first application approved.

For more information call (772) 226-1594 or (772) 226-1923

MOBILE HOMES ARE NOT ELIGIBLE TO RECEIVE SHIP FUNDS

LOCAL HOUSING ASSISTANCE PROGRAM

**INDIAN RIVER COUNTY
LOCAL HOUSING ASSISTANCE PLAN
INCOME CLASSIFICATIONS**

HOUSEHOLD SIZE	<u>VERY LOW INCOME</u> ELIGIBLE TO RECEIVE UP TO \$50,000.00 PER UNIT IN <u>REHABILITATION 10-YEAR LOAN/ GRANT</u> ASSISTANCE IF TOTAL GROSS ANNUAL INCOME IS: LESS THAN	<u>LOW INCOME</u> ELIGIBLE TO RECEIVE UP TO \$50,000.00 PER UNIT IN <u>REHABILITATION LOAN</u> ASSISTANCE IF TOTAL GROSS ANNUAL INCOME IS: LESS THAN	<u>*MODERATE INCOME</u> ELIGIBLE TO RECEIVE UP TO \$10,000.00 PER UNIT ONLY IN <u>CONJUNCTION WITH A DPCC LOAN</u> IF TOTAL GROSS ANNUAL INCOME IS: LESS THAN
1 Person	19,850	31,750	47,640
2 Persons	27,700	36,300	54,480
3 Persons	25,550	40,850	61,320
4 Persons	28,350	45,350	68,040
5 Persons	30,650	49,000	73,560
6 Persons	32,900	52,650	78,960
7 Persons	35,200	56,250	84,480
8 Persons	37,450	59,900	89,880

Median Income = \$53,100.00

Source: Florida Housing Finance Agency

*Please note - Moderate Income Applicants who already own a home do not qualify for a rehabilitation loan. Rehabilitation Loans for Moderate Income Applicants are only in conjunction with a SHIP 1st Time Homebuyer Downpayment/Closing Cost Loan.

MOBILE HOMES ARE NOT ELIGIBLE FOR S.H.I.P. FUNDS

**REHABILITATION ACTIVITIES
ADDITIONAL INFORMATION**

According to the Indian River County Local Housing Assistance Program, rehabilitation means repairs or improvements, which are needed for safe or sanitary habitation, or correction of substantial code violations.

All rehabilitation work must be performed consistent with the county's minimum rehabilitation standards. Licensed contractors must perform all work. Awarded rehabilitation loans amounts shall be based upon a minimum of two written licensed contractor estimates, identifying all necessary rehabilitation work and the expected costs of the rehabilitation work. The estimates provided must be for the same rehabilitation work. Once the contractor estimate is selected and the rehabilitation loan amount established, no additional funds may be awarded. The contractor estimate must identify all potential costs to be encountered in completing the rehabilitation work. Additionally, as part of the application process for applicants in the low and moderate-income categories, those applicants will be required to pay for a credit report in order to receive approval for a Rehabilitation Loan.

Funds for rehabilitation activities shall be delivered upon completion of all rehabilitation work and satisfactory final inspection by the corresponding jurisdictional Building Department. All funds will be paid directly to the identified contractor completing the rehabilitation work. No payment or transfer of funds for a rehabilitation loan will occur prior to recording of the county's Mortgage Contract, which specifies the applicant's responsibilities under the LHA-Program. Rehabilitation loans will not be awarded for rehabilitation work completed before closing the county loan (signing the county's promissory note and mortgage documents).

For additional information please see the county's minimum standards for rehabilitation of residential properties.

LOCAL HOUSING ASSISTANCE PROGRAM

Allowed Rehabilitation Work:

- ❖ Roof repair or replacement including replacement of all rotten wood
- ❖ Plumbing work as needed
- ❖ Electrical work as needed
- ❖ Heating and air conditioning, including insulation and ceiling fans
- ❖ Replacement of doors and windows, if in poor condition
- ❖ Replacement of kitchen cabinets, if in poor condition
- ❖ Replacement of damaged drywall as needed
- ❖ Painting, carpeting and vinyl flooring, only as part of larger rehabilitation work
- ❖ Replacement of rotted siding
- ❖ Replacement of bathroom tubs, lavatories, and sinks as needed to bring the units to a safe and sanitary standard
- ❖ Replacement of kitchen sinks as needed
- ❖ Pressure wash, only to prepare for any allowed painting or repair
- ❖ Driveway/culvert - **only** if no driveway exists
- ❖ Repairs to make a house accessible for a disabled member of the household
- ❖ Repair or replacement of septic tank, lift station, drain field or private well as required by the public health department
- ❖ Termite repairs and treatment
- ❖ Other repairs as required by the building department to bring the house up to current minimum housing code
- ❖ Installation of storm shutters
- ❖ Hurricane mitigation work activities
- ❖ Rehabilitation work within any future target areas established by the Board of County Commissioners for concentrated housing and neighborhood improvement activities
- ❖ Energy Gauge Rating and related expenses such as insulation

Rehabilitation work *not allowed* includes any of the following:

- ❖ Appliances
- ❖ Carpeting which is not part of larger rehabilitation work
- ❖ Tile floors or walls – except in bathrooms
- ❖ Wood or wood laminate flooring
- ❖ Patio, porch, garage or any room addition
- ❖ Painting which is not part of larger rehabilitation work
- ❖ Landscaping, laying sod, or similar work
- ❖ Any kind of cosmetic work
- ❖ Swimming pool and similar facilities

LOCAL HOUSING ASSISTANCE PROGRAM

Major Rehabilitation Loan Flow Chart

(Alterations/repairs as defined in the FL Building Code Chapter 3, Section 304, and Section 305, Levels 1, 2 and 3, copy attached)

Local Housing Assistance Program (LHAP)

Applicant submits a completed LHAP application to the county.
(application must include a list of repair work to be done)



If applicant is eligible, the county will schedule inspection with the LHAP Inspector.



The LHAP Inspector will inspect the house and make a determination if the house is structurally sound and if it can be rehabilitated. If so, the LHAP inspector, prepares the work write-up specifications and cost estimates after the house inspection.



The county sends the eligibility letter and referral list of contractors to the applicant with date and time of walk-thru (staff will also e-mail date and time of walk-thru to all contractors on the county contractor referral list with e-mail address on file).



Applicant must contact sufficient number of contractors to be able to receive at least two comparable bids and inform them of the date and time of walk-thru (applicant does not have to use only the contractors on the referral list)



SHIP inspector conducts scheduled walk-thru with contractors and applicant, and provides bid package including bid numbers, and the date and time when the bids are to be received by the county. (Contractor must request in writing any questions/concerns within 7 days of scheduled walk thru date).



Contractor sends bid in sealed envelope with the applicant name and bid number noted on the outside of the envelope.



Two county staff will publicly open the bids. SHIP Inspector reviews the contractors' proposals.



If the proposals are acceptable (contractor must be currently licensed and insured and the bid cannot exceed 110% of the county SHIP inspector's estimate), the Applicant will select and sign bid(s).



The county's LRC reviews and approves the loan.



LOCAL HOUSING ASSISTANCE PROGRAM

The county prepares mortgage documents and closes the loan.



The county will send a 'Notice to Proceed' to the Contractor(s) and a copy to Applicant(s).



Contractor must pull permit within 10 days (or notifies SHIP office) and complete the job per the proposal within 45 days of issuance of the building permit.



Inspector from appropriate jurisdiction's building department must inspect completed work.



Inspection finalized (county inspector approves the job and owner satisfaction letter obtained).



Contractor sends bill and fully executed "Contractor's Final Affidavit" to the county.



The county pays the bill.

Minor Rehabilitation Loan Flow Chart

(Alterations/repairs as defined in the FL Building Code, Chapter 3, Section 302, and 303, Level 1, or rehabilitation work in conjunction with a Down Payment/Closing Cost Loan)

Local Housing Assistance Program (LHAP)

