

# 2011 VILLAGE OF HORSEHEADS CDBG PROGRAM

**Program Mission:** *To remediate and/or eliminate blight and slum conditions, ensure code compliance, create sufficient housing and provide for necessary housing rehabilitation*

## Income Limits (# of persons living in household)

<b>Chemung:</b>	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Median \$ 57,200</b>								
30% of median	12,050	13,750	15,450	17,150	18,550	19,900	21,300	22,650
Very Low Income (50%)	20,050	22,900	25,750	28,600	30,900	33,200	35,500	37,800
Low Income (80%)	32,050	36,600	41,200	45,750	49,450	53,100	56,750	60,400

- Homeowners must be at or below 80% of Median Income (Gross income of all household members 18 and older) Credit histories will be verified at the expense of the applicant.
- Investor-Owners (Landlords) must be willing to rent to persons within these income limits
- Investor-Owners must also be willing to rent according to current Fair Market Rent Rates, as established by HUD, for the term of their loan
- Types of Eligible Properties: Owner-occupied units and Rental Units (1 – 4 units). Mobile homes are not eligible.

### Financing

Owner-Occupied - 1.5% low-interest rate loan for CDBG awards, with a maximum loan amount of \$ 7,350.

Investor Owners - 80% of the total project cost or \$15,000 max/unit loan with a low-interest loan rate of 1.5%; remaining 20% out-of-pocket from applicant up front and/or any amount above the allowed \$15,000.

All financing will be determined and secured, prior to an Initial Site Inspection being authorized for an applicant's request for rehab assistance.

Owner-Occupants may receive additional leveraged funding from Community Progress, Inc. to help offset any out-of-pocket expense needed to complete necessary repairs.

**Loan Term:** 5 years of equal payments, of principal and interest, will be paid back to the Village of Horseheads. An amortization schedule will be provided. Payments will begin 30 days from the date of the project completion date.

**Retention Term:** 5 A Note & Mortgage (lien) will be filed with the County Clerk and held by the Village of Horseheads for the term of the loan. Subordinations will not be honored, if the Village of Horseheads is to assume a lesser position on the existing mortgage. If the property is sold or conveyed to another party, while the Village of Horseheads holds the lien, the loan will be required to be paid back in full for the remaining balance, thereof.

**Filing Fees:** Included in program recipient's award amount.

### Program Eligibility Requirements:

**Deed** - A copy of the deed must accompany the application. The property must be deeded in the applicant's name. A one-year residency requirement is required, preceding the date of application.

Investor-Owners cannot receive grant assistance if the home is on a land contract.

If the applicant is widowed, a Death Certificate must accompany the application, if the deceased is still listed as a party to the Deed.

**Taxes** – proof of paid property taxes, for the most recent two years, for each applicable tax (Village, County and School) must be submitted with the application.

**Insurance** - Proof of Homeowner's Insurance must accompany the application and an agreement to keep the dwelling insured for the life of the loan will be executed at the time of the contract execution. Proof of such insurance will be submitted on an annual basis to Community Progress, Inc.

**Income** - Applicants must provide proof of income for all persons residing in the household. The most recent two years of tax returns, if filed, must be submitted. Proof of Pension, Social Security and/or Medicare benefits must be submitted, if applicable. Six weeks of paystubs are needed for employed persons. If the applicant is unemployed, a benefit statement from the Unemployment Office will be required.

# 2011 VILLAGE OF HORSEHEADS CDBG PROGRAM CONT'D

**Types of Eligible Repairs** – Rehabilitation activities can include, but are not necessarily limited to the following:

Code Violations

Structural Problems

Roofing

Electrical System Updates

Heating System Replacements

Plumbing System Repairs

Window and Door Replacements

Access Problems - repair or replacement of defective steps and porches.

Handicap Accessibility Provisions—Installation of handicapped ramps and/bathroom accessibility.

Smoke Alarms

Sidewalk Repair/Replacement

Painting or Siding (if deemed necessary)

## **Contractors** –

All Contractors must be local, licensed and provide proof of Worker's Compensation Insurance, as well as, General Liability Insurance with a minimum of \$500,000 coverage.

Building permits will be required and it is the responsibility of the contractor to obtain the permit and have it properly displayed at each job site.

## **Warranties/Guarantees** –

Neither the Village of Horseheads or Community Progress, Inc. will warrant or guarantee the workmanship or the materials utilized on any project. Materials will carry their own warranty and it is the responsibility of the contractor to ensure that the property owner receives copies of all warranties.

All work under the Village of Horseheads CDBG Program must be completed in time period as stated in the Contract and Notice to Proceed. If such time exceeds the limited amount, a \$200.00 per day fine will be assessed against the contractor and reduced from the contractor's payment.

Contractors will be paid at the end of each project, once the project has been inspected for completion and signed by the property owner, the contractor and the inspector (CPI's Housing Rehab Consultant). Interim payments for projects in excess of \$25,000.00 may be issued, but will be determined by a representative from Community Progress, Inc. and authorized at the time of a contract execution.

## **Bidding** –

All property owners will be offered an Eligible Contractor's List to select three (3) contractors to receive bids on their project. A Scope of Work, created by CPI's (Housing Rehab Consultant), will be issued to these contractors to bid on and to submit to CPI for a sealed bid opening. Property Owners are not permitted to be reimbursed for their own work. All properties will have an Initial Site Inspection, which will determine the scope of work to be performed and a Final Inspection to ensure all items in the Scope of Work were completed.

## **Change Orders** –

Change Orders will not be honored, unless an unidentified situation was discovered and the project could not be completed, unless and until another item had been addressed.

## **Certificate of Completion** –

All projects will be issued a Certificate of Completion once the project has been inspected and all issues within the scope of work addressed and completed. Payment will not be issued to contractors unless a C.O.C. is issued.

**Applications** – must be submitted with required documentation to: **Community Progress, Inc. 147 East Second Street, Corning, NY 14830. Office hours: 9:00am to 3:00pm , Phone: 607/962-3506 ~ or check us out on the Web at: [communityprogressinc.com](http://communityprogressinc.com)**