

**CITY OF NORTH RIDGEVILLE  
COMMUNITY HOUSING IMPROVEMENT PROGRAMS  
(FY 2009 CHIP)**

**PROGRAM SUMMARY  
*COMMUNITY DEVELOPMENT BULLETIN #1***

Thank you for your interest in the City of North Ridgeville Community Housing Improvement Program (CHIP). The attached information will briefly describe the following programs and the requirements for participation: 1. Home Repair Program, 2. Owner-Occupied Rehabilitation Program, 3. Downpayment Assistance/Rehab Program. Included are the household income guidelines that apply for all of the programs. An application is attached for those interested in submitting an application. Please indicate the assistance you are applying for.

**1. HOME REPAIR PROGRAM**

Key Features:

Minimum level of assistance:	\$ 250.00	
Maximum level of assistance:	\$8,000.00	(\$5,000 if paint will be disturbed and home was built prior to 1978)
Financing Mechanism:	Grant	
Anticipated Households Assisted:	11	

The intent of this program is to assist homeowners that lack resources to address a housing problem that poses an immediate threat to the health and safety of the occupant. Qualified homeowners with eligible requests will be assisted on a first come/first serve basis as long as funds are available except that priority will be given to health and safety issues i.e. backdrafting hot water tank or furnace, non-working furnace, no running water, etc. Should an immediate health or safety issue be determined, that applicant will move to the top of the list. The urgent nature of the home repair requiring immediate action will be decided as the situation is identified. The City will use OHCP Residential Rehabilitation Standards to prioritize work. No general property improvements will be undertaken.

The Home Repair Program will only assist eligible single family homeowners with repair or replacement of electrical, plumbing, heating or mechanical systems, or elimination of other threats to

health and safety. This could also include handicapped accessibility and tap-ins. This program is available city-wide for those households that have incomes of less than 80% of the area median income with fifty-seven percent (57%) of the funding targeted to homeowners earning 65% LMI or below.

Properties assisted with home repair funding remain eligible for rehabilitation assistance from the City's Owner-Occupied Housing Rehabilitation Program; however, if approved, the maximum level of assistance under the Rehabilitation activity will be reduced by the amount allocated under the home repair program and the home repair amount will be added to the rehab loan. The assisted property will maintain its initial score in priority ranking.

## 2. OWNER-OCCUPIED PRIVATE REHABILITATION PROGRAM

### Key Features:

Minimum Assistance:	<b>\$ 1,000.00</b>
Maximum level of assistance:	<b>\$30,000.00</b>
Maximum level of assistance with lead based paint hazards present:	<b>\$35,000.00</b>
Financing Mechanism:	<b>Deferred 85% forgivable loan</b>
Anticipated Households to be Assisted:	<b>7</b>

The purpose of the private rehabilitation program is to correct basic building code violations, health and safety issues including lead based paint hazards for qualified homeowners with household incomes at or below 80% of median income in the City of North Ridgeville. Only single-family, owner occupied housing units within the City are eligible. Two (2) projects are targeted to the Lear Nagle target area (see attached). The City's Rehab Inspector will contact you to evaluate your home as part of the application process. Upon final ranking of applications, homeowners in the City of North Ridgeville will be selected for assistance.

In order to qualify your total household incomes must be at or below 80% of median income. The assistance will be in the form of a 5 year deferred loan forgiven 17% per year with 15% remaining due upon transfer of the property. The loan will be secured by a mortgage and promissory note with a declining repayment agreement. The amount of the financial assistance for each house will

vary depending on needed improvements; however, the average amount of assistance per unit is expected to be \$28,750.00.

A walk-away policy has been established by the City. Should your home be considered a walk-away, you will be notified. Work on all homes must be competitively bid. The City expects work on the selected home to begin in the spring of 2010.

### 3. DOWNPAYMENT ASSISTANCE/REHAB PROGRAM (DPA)

Key features include:

Minimum Downpayment Assistance:	<b>\$1,000.00</b>
Maximum Downpayment Assistance:	<b>10% of the purchase price with a maximum of \$6,000.00.</b>
Minimum Rehabilitation Assistance:	<b>\$1,000.00</b>
Maximum Rehabilitation Assistance:	<b>\$29,000.00</b>

Maximum assistance inclusive of Downpayment and Rehabilitation Work: **\$30,000.00**  
(The total of both elements may not exceed the maximum of \$30,000.00)

Eligible properties: Single-family homes in the North Ridgeville corporate limits (see below).

The intent of the DPA Program is to provide gap financing for Downpayment assistance to potential homeowners lacking sufficient funds. The program operates on a first-come, first-serve basis (by purchase agreement). The City hopes to assist at least 2 Homebuyers within the next two years. One (1) purchase is open City-wide; one (1) purchase is targeted to the Lear Nagle target area. The CHIP Downpayment Assistance/Rehab Program can provide 10% of the purchase price with a maximum of \$6,000.00 per home. Assisted Homebuyers will be required to attend a series of Homebuyer counseling sessions which will be paid for by the program. All homes will be inspected prior to closing.

All homes must meet local building codes and the State of Ohio Residential Rehabilitation Standards within six months of occupancy. To address these requirements, a rehabilitation element is included which allows up to \$29,000 to address code violations. The combination of Downpayment assistance and rehabilitation assistance may not exceed \$30,000.00. As this program

is executed in two parts, two mortgages (one for the Downpayment and one for the rehabilitation component) will be necessary.

Downpayment assistance/rehab loans of \$14,999 or less will be in the form of a 5-year deferred, partially forgivable loan; i.e., for every year of occupancy 17% of the principal loan balance is forgiven until the end of the 5<sup>th</sup> year at which time 15% remains due and payable upon transfer of the property. For loans of \$15,000 or more, the assistance will be in the form of a 10-year deferred, partially forgivable loan; i.e., the loan will be forgiven at the rate of 8.5% for each year of occupancy until the end of the 10<sup>th</sup> year when 15% remains due and payable upon transfer of the property. This loan will be in the form of a mortgage and promissory note with a declining payment agreement.

A walk-away policy has been established by the City. Should the home you are purchasing be considered a walk-away (not able to be brought up to code within the funding available), you will be notified. Work on all homes must be competitively bid.

**Household Income Limits by Family Size  
FOR ALL APPLICANTS**

Family Size (Persons)	Low Income (80% of LMI)	Low Income (65% of LMI)
1	\$36,350	\$29,494
2	\$41,500	\$33,719
3	\$46,650	\$37,903
4	\$51,850	\$42,128
5	\$56,000	\$45,500
6	\$60,150	\$48,872
7	\$64,300	\$52,244
8	\$68,450	\$55,616

Source: HUD FY 2009

All Owner-Occupied applications must be completed in full with all requested documentation and returned to the Treasurer's Office, City Hall, by 4:00 p.m., January 29, 2010 to be considered for the program. The order of receipt of applications will be considered as a final factor when all other factors are equal.

The Homebuyer Assistance and Home Repair Program Applications must be completed in full with all requested documentation and will be considered on a first come/first serve basis as outlined in the preceding summary.

Questions should be directed to the attention of Mrs. Phyllis Dunlap at (440) 530-2230.

**NOTE:** Applications must be complete when submitted. Incomplete applications will be returned and will not be stamped "Received" until a completed application is submitted.

## FREQUENTLY ASKED QUESTIONS

Q. How do I apply?

A. You must complete and return an official application form available from and to be returned to:

Anthony Hatmaker, Treasurer  
City of North Ridgeville  
7307 Avon Belden Road  
North Ridgeville, Ohio 44039

If you are unable to come to this office, arrangements can be made for home visitation by calling (440) 530-2230. These arrangements are for handicapped or elderly persons only.

Q. How much money can I get to fix up my home?

A. The amount of the deferred loan depends on the extent of work required to bring your property in conformance with the Community Housing Code or OHCP Residential Rehabilitation Standards. However, the deferred loan will not exceed an as-bid price of \$30,000 per unit without addressing Lead Based Paint hazards and \$35,000 per unit if addressing Lead Based Paint hazards for private homeowner rehabilitation and private rental rehabilitation. Any expenditure in excess of these amounts must be justified and approved by the Community, or paid by the owner.

Q. Does it cost me anything to submit an application or have my home inspected?

A. NO! There are absolutely no charges for this program and your participation is voluntary.

B. The City reserves the right to "Walk Away" from a housing unit that poses undue threat to health or safety of the inspector or contractor at any time. **Housing units that violate the following will not be assisted.** Conditions which may constitute undue threat include, but are not limited to the following:

- Structurally unsound dwellings that are, or should be condemned for human habitation.
- Evidence of substantial, persistent infestation of rodents, insects and other vermin.
- Environmental hazards such as serious moisture problems, friable asbestos or other hazardous materials, which cannot be resolved before rehab work is to start.
- The presence of animal feces in any area of the dwelling unit.
- Excessive garbage build up in and around the dwelling.
- Negligent housekeeping practices that limit access or create an unwholesome working environment.
- A threat of violence.
- The presence and/or use of any controlled substances before or during rehab.
- Suspected manufacturing of a controlled substance before or during rehab.
- Occupants allowing only limited access to the dwelling.

Q. What happens after I submit my application?

A. Community Development personnel will review your application and determine if you are eligible for a loan or grant. You will then be notified in writing of your eligibility and if you decide to participate, arrangements will be made to have your home inspected for code violations and rehabilitation standards.

- Q. Are there restrictions on how the money is used or the improvements that are to be made?  
A. YES! According to the program guidelines, the money can be spent to correct Code Violations Only, and to meet rehabilitation standards.

The following indicates the type of rehabilitation work that will be permitted:

GENERALLY ELIGIBLE

Roofs  
Gutters  
Windows  
Doors  
Furnaces  
Hot Water Tanks  
Structure Deficiencies (Porches, Floors)  
Walk Stairs  
Plumbing  
Electrical including new 100 AMP Service

GENERALLY INELIGIBLE

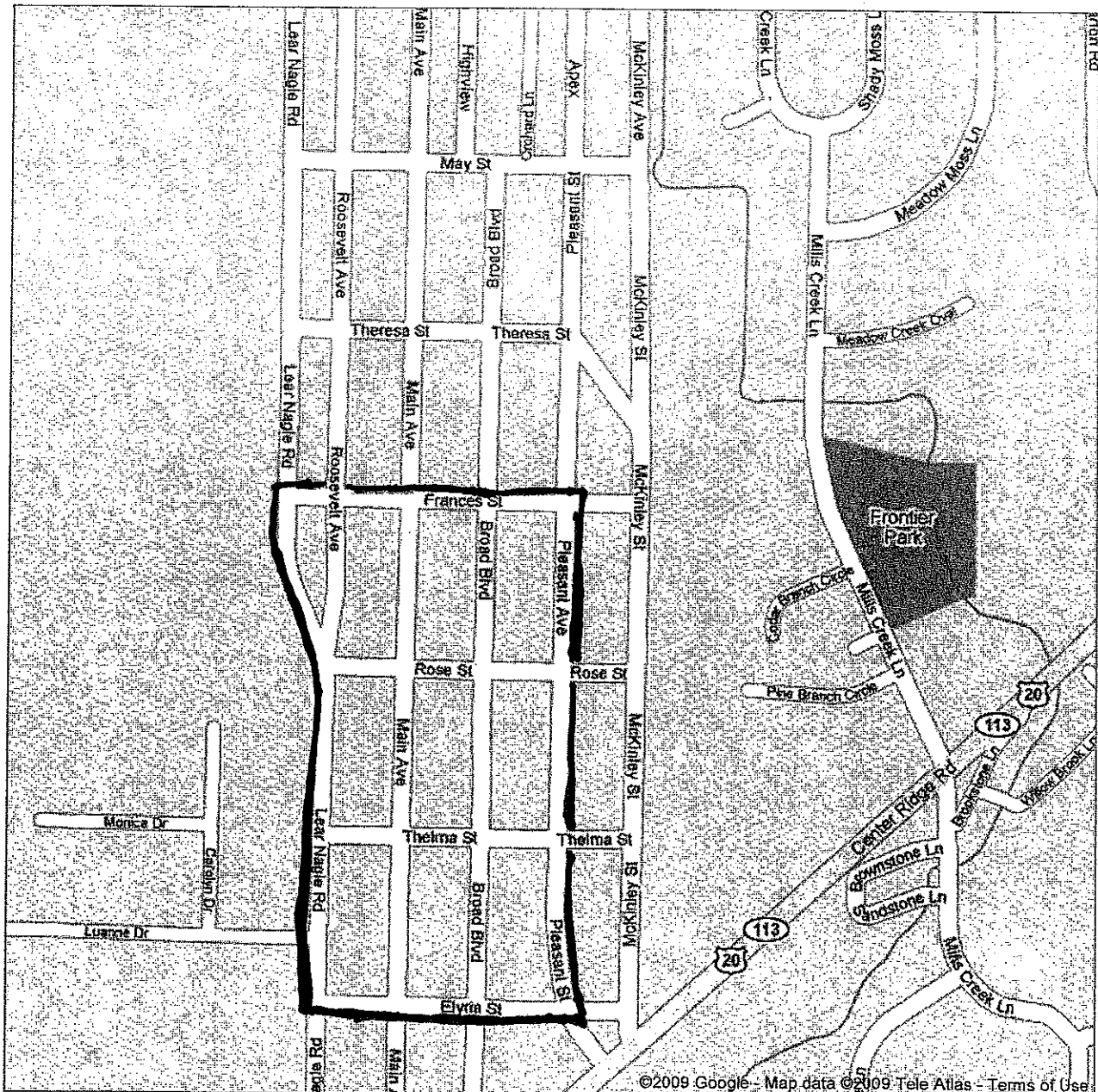
Air Conditioning  
Detached Garages  
Room Additions  
General Property Improvements  
Cosmetic Items (carpeting, wallpaper)

Only work approved by this department may be performed, and must be completed within a 75-day period.

All work must be completed by an experienced and qualified contractor or builder in each particular job classification, and all work must pass inspection in accordance with the building and housing codes.



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