



CITY OF EDMOND CDBG OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM

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Eligibility Requirements

The purpose of this program is to rehabilitate homes within Edmond's city limits to meet basic HUD standards, with emphasis placed on structural safety, accessibility, sanitary conditions and energy efficiency. The primary beneficiaries are low to moderate-income individuals and families. This program is for owner-occupied, single-family homes. Investment (rental) property is not eligible.

1. To be eligible, personal or household gross (before taxes) income must be less than the following:

1 person household	- \$30,150
2 person household	- \$34,500
3 person household	- \$38,800
4 person household	- \$43,100
5 person household	- \$46,550
6 person household	- \$50,000
7 person household	- \$53,450
8 person or more household	- \$56,900

Gross income shall include all earnings of all individuals, who share the household, including children, relatives and unrelated residents. See the Application for a complete list of items to attach. Proof of any and all income must accompany your Application. (Do not attach anything to the Pre-Application.)

2. The applicant and his/her spouse must not have liquid assets in excess of \$35,000.00. Assets shall be defined as cash, cash deposits, checking accounts, savings accounts, certificates of deposit, stocks of publicly held firms on listed exchanges, certificates of beneficial interest or ownership, bonds, (including corporate, municipal, and other government issues), Trusts, Treasury Bills, Notes and Bonds, mutual funds, and similar funds or money market instruments.
3. The applicant must own and have occupied the structure for a minimum of one (1) year.
4. YOU MUST HAVE HOMEOWNER'S INSURANCE. The applicant must submit documentation that demonstrates that hazard insurance coverage has been obtained on the subject property and will remain in effect to cover the total amount of indebtedness.
5. Applicant must commit to fully rehabilitate the property to meet HUD and City of Edmond rehabilitation standards. No partial work is authorized, unless work is to address EMERGENCY and/or HANDICAP ACCESSIBILITY needs only. If the lowest bid amount to rehabilitate the property exceeds the **\$35,000.00** loan maximum (including lead-based paint testing and abatement), it is the applicant's option to cut non-essential items or cover the costs exceeding the loan maximum from personal cash resources and/or loans from another source. In some cases, the home will be deemed ineligible based on the dilapidated condition and cost to rehabilitate the home. Home reconstruction is available if needed.
6. The assistance is provided in the form of a no-interest, five-year, forgivable loan for the actual cost of the rehab. To secure this loan, the City of Edmond files a Second Mortgage (a lien) against the property at Oklahoma County. It is released at the end of the five-year period. If the recipient of the loan sells, rents, leases, or transfers the property within five (5) years, he/she will be obligated to repay the City of Edmond according to the following schedule:

- After 1 year - 80% payback required
- After 2 years - 60% payback required
- After 3 years - 40% payback required
- After 4 years - 20% payback required
- After 5 years - -0- payback required

The payback provision shall also apply to and be binding upon heirs or devisees in the event of death of the original applicant. Loans may not be assumed (inheritance is not considered assumption). However, if title to property changes hands from the original inheritance, the loan as provisions stated above shall apply.

Work Write-Up

After all requested documentation is on file and verified, and it has been determined that the applicant and the home have qualified for the program, the CDBG Rehabilitation Specialist will then inspect the subject property. Most homes will also undergo lead-based paint testing by a certified agency, as well as an Energy Audit performed by Edmond Electric. The results of the inspections will be compiled and included in an itemized description of work necessary to bring the house up to HUD standards.

Bidding Process

The CDBG staff will turn the completed Work Write-Up over to the Purchasing Department to begin the bidding process. The Purchasing Department has a mailing list of approved, qualified, general contractors that will receive a copy of the Work Write-Up and bid documents. All bids must be stamped and received by the Purchasing Department before the specified deadline. The bids are then opened and sent to the CDBG Rehab Specialist for review, who then makes a recommendation to the CDBG Coordinator. The CDBG Coordinator reviews and prepares a recommendation to the City Council for approval.

Loan Closing

The loan closing will be held in your home. This meeting will consist of the applicant, the general contractor, and the CDBG Rehab Specialist. Important documents such as the FINAL WORK WRITE UP and the REHABILITATION CONTRACT will be read and approved at this meeting. This is your final chance to review the work that is to be done, the timeframe for completion, and to identify the responsibilities of both the homeowner and the contractor.

Contractor's Payment

The CDBG Rehabilitation Specialist will inspect all phases of the work. The contractor may receive 50% payment after 60% of the work is complete and approved/inspected by CDBG Staff. Invoices are to be signed by the homeowner prior to submission for payment. After the work and final inspections are complete, the contractor may request final payment. All checks will be made payable to the general contractor.

One Year Warranty

All work described on the Work Write-Up will be covered by a one (1) year warranty by the general contractor. It is the homeowner's responsibility to notify the CDBG Staff of any warranty work to be performed before the one year warranty expires.

PLEASE NOTE: This program is for **Housing Rehabilitation**, and should not be viewed as a means to alter or remodel a dwelling unit. Rehabilitation means bringing the unit up to HUD and other standards so that the home is safe, accessible, sanitary, energy efficient, and structurally sound. Unless its part of a handicap accessibility project, remodeling projects (such as room additions, relocating interior walls, or redesigning the home) are not eligible projects in this program. Certain items are considered luxury items and therefore are not eligible. (For health reasons, central air conditioning is permitted with a doctor's statement.) Applicant/occupants are responsible for moving all furnishings before and after rehabilitation work. Failure to do so delays any and all rehabilitation work. This program is funded by the US Department of HUD's Community Development Block Grant (CDBG) Program.



