



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Bruce K. Walden, Chief Administrative Office

**FROM:** Elizabeth H. Tyler, AICP, City Planner/Director

**DATE:** August 3, 2005

**SUBJECT:** Proposed Housing Rehabilitation Program Manual, Program Years 2005-2009

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### **Description**

Included on the August 8, 2005 agenda of the Committee of the Whole is a resolution for the adoption of the revised Housing Rehabilitation Program Manual. The manual prescribes eligibility guidelines and processing procedures for the City's Housing Rehabilitation Programs. These programs are primarily funded through the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program. Other funding sources, such as Federal Home Loan Bank (FHLB), Illinois Housing Development Authority, (IHDA), Illinois Department of Public Health Get the Lead Out Program funds (GLO), Tax Increment funds (TIF), and funds from local lending institutions may be utilized as available and appropriate. These program guidelines would replace guidelines previously approved in 2000. The new guidelines would run concurrently with the Consolidated Plan, effective for program years 2005-2009.

### **Issues**

The issue is whether the Urbana City Council should approve the resolution.

### **Background**

City Council has traditionally directed a significant portion of the City's grant funds toward rehabilitation of owner-occupied housing. Federal regulations governing the programs allow the City flexibility in disbursing these funds provided guidelines are in place to assure that program objectives are met and funds are expended in an equitable manner.

As in previous versions, the Housing Rehabilitation Program Manual describes the guidelines, requirements, policies and procedures for programs administered by the Housing Rehabilitation Specialist and other Grants Management Staff. The guidelines and program designs follow federal regulations and local ordinances, and more specifically are consistent with the City's priorities in targeting available housing funds toward very low-income households, as described in the 2005-2009 Consolidated Plan.

Many of the revisions were designed to simplify program guidelines while maintaining consistency throughout the programs. Included in the manual are the five programs that have been offered previously, as well as two new programs. The new programs have been added to eliminate blight and dilapidating structures, and thus will help revitalize the areas and promote owner-occupied properties in the neighborhoods. The manual describes in detail the eligibility requirements for both the participating household and for the property for all of the programs offered. For ease of reference, the two new programs are also summarized below.

## **Existing Programs**

1. Owner-occupied whole-house renovation via grant/deferred loan
2. Owner-occupied whole-house renovation via grant/installment loan
3. Emergency grant
4. Access grant
5. Senior repair grant

## **New Programs**

1. SECONDARY STRUCTURE DEMOLITION PROGRAM
  - a. Program provides up to \$3,000 in grant funds for the elimination of unsafe secondary structures and deteriorating fence materials located on the property.
  - b. Eligibility criteria for the property:
    1. Located within the city limits of Urbana.
    2. Classified as "substandard, severely dilapidated.
    3. Structurally unsound.
    4. Single-family owner-occupied residential property. Owner-occupied units in multiple-unit structures are ineligible for assistance under this program.
  - c. Eligibility criteria for the applicant:
    1. The applicant must have owned and lived at this residence for one year prior to applying for assistance.
    2. The applicant must be the person or persons in whose name title to the property is vested.
    3. The applicant must pay all sums necessary to release outstanding liens on the property other than mortgage and tax liens in good standing. Liens that must be released before work can proceed include, but are not limited to, liens for past-due income and sewer benefit taxes and liens for junk and debris removal.
    4. The applicant's anticipated household annual (gross) income shall not exceed 80 percent of the median family income for Champaign County as released by HUD.
2. PURCHASE/REHAB/RESELL PROGRAM
  - a. Program provides funds to purchase properties that are in danger of becoming blighted, rehabilitate them, and resell them as affordable housing. Rehabilitated homes will be owner-occupied, and will be sold to households which earn less than 80% of the area median family income, as per HUD guidelines.
  - b. Eligibility criteria for dwelling unit:
    1. Located in the CD Target Area. Properties outside the target shall be viewed on a case by case basis.
    2. Classified as "substandard, suitable for rehabilitation" by the Grants Management Division in coordination with the Building Safety Division.
    3. Structurally sound or be able to be rendered structurally sound through rehabilitation. Units that cannot be cost-effectively purchased, renovated to meet code and resold are ineligible under this program. These properties may be added to the City's land portfolio to be used for new

- construction through acquisition and demolition.
4. Will, after rehabilitation, be a standard unit (i.e., without code violation).
  5. Single-family residential property. Multiple-unit structures are ineligible for under this program.
  6. Not be located in an area which is in conflict with environmental or zoning regulations (e.g. not located within a floodplain or adjacent to a railroad or other noise source which has a day/night sound level in excess of Department of Housing and Urban Development Sound Level Standards) or with the 1982 Comprehensive Plan for Urbana as amended.

## **Options**

1. Approve the Manual and Resolution to adopt it as written
2. Amend the Manual and approve the Resolution to adopt it with amendments
3. Do not approve the Manual and Resolution

## **Fiscal Impacts**

The manual does not in itself authorize expenditure of funds, rather the manual prescribes the manner in which funds received through CDBG, HOME, FHLB, GLO, TIF, may be budgeted for housing programs that will be administered by GMD staff. The Consolidated Plan and the Annual Action Plan has already budgeted funding for the programs listed in the manual with the exception of the Purchase/Rehab/Resell Program. If the manual is approved these programs may be funded through existing programs, program carry over funds, program income, and or additional funding sources as mentioned above. Funding for the Acquisition of properties to rehab, may come from the property acquisition fund which is already established for the purchase of properties in support of affordable housing.

## **Recommendations**

The Community Development Commission and staff recommend that the Committee of the Whole approve the proposed Housing Rehabilitation Program Manual 2005-2009 and forward to City Council for adoption of the proposed Resolution.

### **Attachments:**

1. Proposed Housing Rehabilitation Manual 2005-2009
2. Draft version of Proposed Housing Rehabilitation Manual 2005-2009 (with changes marked)
3. A Resolution Amending the Housing Rehabilitation Programs Operational Guidelines

### **Memorandum Prepared By:**

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Interim Manager  
Grants Management Division

**CITY OF URBANA  
HOUSING REHABILITATION PROGRAM MANUAL  
PROGRAM YEARS ~~2000-2004~~ 2005-2009**

**HOUSING REHABILITATION ACTIVITIES**

GRANT/DEFERRED LOANS  
GRANT/INSTALLMENT LOANS  
EMERGENCY GRANTS  
ACCESS GRANTS  
SENIOR REPAIR SERVICE GRANTS  
SECONDARY STRUCTURE DEMOLITION PROGRAM  
PURCHASE/REHAB/RESELL PROGRAM  

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~~Secondary Structure demolition Program~~  

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~~Purchase/Rehab/Resell Program~~

prepared by

City of Urbana, Illinois  
Grants Management Division

funded by

United States Department  
of Housing and Urban Development

June ~~2000~~ 2005

City of Urbana  
Housing Rehabilitation Program Manual  
Program Years 2005-2009

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City of Urbana

Housing Rehabilitation Program Manual

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## 1.0 INTRODUCTION

### 1.1 Background

The Urbana City Council created the Urbana Community Development Commission in 1975 to develop a Community Development plan for the City. The Community Development Commission identified the need to provide housing rehabilitation assistance to certain older areas of the City. Low- and moderate-income residents of substandard dwellings were given greatest consideration for this assistance, consistent with national CDBG objectives. Since 1975 housing renovation has been a major component of Urbana's CDBG-HUD funded programs.

The **Community Development Block Grant (or CDBG) Program** is a federal entitlement program authorized by the Housing and Community Development Act of 1974, as amended. The Program provides annual grants on a formula basis to entitled cities and counties. Congress determines the amount of Community Development Block Grant (or CDBG) funds available to entitled cities and counties through passage of the annual federal budget.

The **HOME Investment Partnerships (or HOME) Program** is a federal entitlement grant program authorized by Title II of the National Affordable Housing Act of 1990, as amended. The Program provides annual grants on a formula basis to entitled cities, counties, approved consortia, and states. Local governments receiving HOME funds are called “participating jurisdictions.” Congress determines the amount of HOME funds annually available to participating jurisdictions through passage of the annual federal budget.

The U.S. Department of Housing and Urban Development (or HUD) is responsible for management and oversight of CDBG and HOME Programs. Under these programs the City is responsible for deciding how the CDBG and HOME funds will be used in its jurisdiction and for daily administration of the funds.

The purpose of the CDBG Program is to develop viable urban communities and neighborhoods by providing decent housing and a suitable living environment, and by expanding economic opportunities for low- and moderate-income persons. The HOME Program is intended to increase affordable housing opportunities, particularly for low-income persons. Under the CDBG and HOME Programs, the City retains the right to design housing assistance programs, **as funding is available** to respond to local needs. Because community needs change over time, it is periodically necessary to review and revise the City's housing rehabilitation programs.

## 1.2 Programs

This manual contains guidelines for housing rehabilitation programs offered, **as funding is available** by the City of Urbana during the period beginning July 1, 2005-2000, and ending June 30, 201009-2004. This manual supersedes all guidelines previously issued by the City of Urbana. ~~Five programs are described in this manual, two whole-house rehabilitation programs and three special-use programs:~~

Exhibit A summarizes the purpose and general requirements of each program.

- Grant/Deferred Loans (GDL)
- Grant/Installment Loans (GIL)
- Emergency Grants (EG)
- Access Grants (AG)
  
- Senior Repair Service Grants (SRSG)
  
- Secondary Structure Demolition Program (SSDP~~DL~~)
  
- Purchase/-Rehab/Resell Program (PRRP)

~~Exhibit A summarizes the purpose and general requirements of each program.~~

Housing rehabilitation programs are generally ~~targeted~~ made available to households within the Community Development (CD) Target Area. The CD Target Area is defined according to the federal income guidelines using U.S. Bureau of the Census enumeration areas. By federal regulation more than half of the residents of the CD Target Area designated by the City must have incomes at or below 80 percent of median family income for Champaign County. The CD Target Area, as established in 2005, is illustrated on page eight in ~~Exhibit C~~.

Households assisted by these seven ~~five~~ housing programs must meet federally mandated income guidelines for very-low and low-income persons. The current figures are included as Exhibit B and are subject to periodic revision by the U.S. Department of Housing and Urban Development. The income of the household and the location of the property to be renovated determine the program for which the household is eligible.

## 1.3 Authorized Activities

In adopting this manual the Urbana City Council directs its Grants Management Division (GMD) to implement housing rehabilitation programs as described herein. The Council authorizes the Manager of Grants Management Division to enter into contractual

agreements with individual property owners to implement housing rehabilitation programs in accordance with these guidelines. The Council further authorizes the Manager of Grants Management Division to execute mortgages, releases, and subordination agreements necessary to implement these housing rehabilitation programs.

The Council authorizes the Manager of the Grants Management Division to enter into negotiations as may become available to purchase dilapidated and vacant properties to be used through the city's programs as Purchase-/Rehab-/Resale or Purchase Demolition and Clearance to add properties to the city's portfolio for later use in the for new construction of affordable housing.

The Council directs the Grants Management Division to pursue additional funding that may be available to help fund the programs listed in the manual. Additional funds may be used as Grants, Deferred Loans, Loans, etc., depending on the guidelines attached to the additional said funds. Additional funding agents may be Get the Lead Out (GLO), Tax Increment Finance (TIF), FHLB Federal Home Loan Bank (FHLB), IHDA Illinois Housing Development Authority (IHDA), or other participating financial institutions.

#### **1.4 Conflict of Interest**

Employees, agents, consultants, officers, elected officials, and appointed officials of the City of Urbana who either 1) exercise functions or responsibilities with respect to CDBG or HOME, 2) are in a position to participate in the decision-making process relative to CDBG or HOME, or 3) may gain inside information with regard to CDBG or HOME activities are ineligible for assistance through the housing rehabilitation program. Such persons include, but are not limited to, the Mayor, City Council Members, Community Development Commission members, the Chief Administrative Officer, Comptroller, City Attorney, Community Development Services Director, and all Grants Management Division staff. However, HUD may grant an exception to this rule on a case-by-case basis upon filing by the Grants Management Division of 1) disclosure of the conflict, 2) an assurance that public disclosure of the conflict has been made, and 3) a legal opinion that the interest would not violate state or local law. City employees who are not otherwise excluded by this conflict of interest provision are eligible to apply for housing rehabilitation assistance.

#### **1.5 General Guidelines**

The City's Grants Management Division shall generally process applicants for assistance through programs described in this manual on a first-come/first-served basis. From time to time, however, the demand for assistance through these programs may exceed the availability of funds or staff time to process all cases. At the discretion and direction of the Community Development Commission, the Grants Management Division may

institute a prioritization system on either a temporary or permanent basis to determine the order in which projects will be funded. Any such prioritization system shall give highest priority for funding to persons of lowest income and greatest housing need.

Rehabilitation work financed through these programs is covered under a one-year guarantee on labor and product warranties that vary in scope depending on the product. At the time of project ~~close~~out, the Grants Management Division shall provide the applicant with information on the guarantee, warranties, and home maintenance procedures. Defects in work noted within the one-year ~~warranty~~-warranty period are generally repaired under the one-year labor guarantee. Thereafter, the property owner is responsible for home repairs and for claims under product warranties.

The City of Urbana recognizes that in unusual circumstances defects in renovation work may occur due to errors or omissions on the part of the contractor or City staff after the one-year warranty period. If this is truly the case, the City shall provide the owner with the opportunity to request grant funds to correct the defects through the Urbana Housing Rehabilitation Program. Requests for corrective action grants are made to the Community Development Commission by the homeowner. Corrective action grants may be authorized by a majority vote of a Commission quorum. The income of the homeowner at the time of the request for correction assistance need not meet housing program eligibility requirements. Corrective action grants are processed in accordance with the Emergency Grant guidelines regardless of whether the homeowner would otherwise be eligible for the Emergency Grant Program.

The City of Urbana recognizes that in extenuating circumstances it may be relevant to make a conditional change to the outlined program guidelines on a case-by-case basis so the project can proceed without delay. In these instances GMD shall submit the reason or reasons for the conditional change for that specific project. The Community Development Commission (CDC) may authorize GMD to proceed with the project with a majority vote of a CDC quorum.

**EXHIBIT A:  
CITY OF URBANA  
DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES  
GRANTS MANAGEMENT DIVISION (GMD)  
HOUSING REHABILITATION PROGRAMS FOR PROGRAM YEARS ~~2000-2004~~ 2005-2009**

<b>PROGRAM</b>	<b>PURPOSE</b>	<b>ELIGIBILITY AREA</b>	<b>INCOME ELIGIBILITY</b>	<b>INTEREST RATE</b>	<b>MAXIMUM \$ AMOUNT</b>	<b>UNDER-WRITING CRITERIA</b>
GIL Grant/Installment Loan	Provide an owner-occupant a combination grant/bank loan for whole-house rehabilitation. Financing of the loan funds shall be the best suited for each individual case as not to put a greater financial burden on the owner-occupant	Community Development Target Area	50% - 80% MFI	<del>Market on bank loan</del> Determined by the financial institution and the applicant	\$25,000 Maximum 50% bank loan 50% grant	Financial Institution <del>Bank</del> /GMD
GDL Grant/Deferred Loan	Provide an owner-occupant a combination Grant/Deferred Loan for whole-house rehabilitation	Community Development Target Area	0 – 50% MFI	None	\$25,000 Maximum Up to \$12,500 <del>50%</del> deferred loan Up to \$12,500 <del>50%</del> grant	GMD
EG Emergency Grant	Provide grant assistance for an owner-occupant to alleviate a hazardous condition that poses a threat to the health and safety of the occupants	Citywide	0 – 50% MFI	None	Grant assistance up to a maximum amount of \$5,000 per program year	GMD
AG Access Grant	Provide grant assistance to owner-occupant, renter, or trust deed recipient; to eliminate physical barriers which inhibit the use of the dwelling by the person residing in the dwelling. Units in multiple-unit structures are ineligible for assistance under this program.	Citywide	0 – 80% MFI	None	Grant assistance up to a maximum amount of \$5,000 per program year	GMD
SRG Senior Repair Grant	<del>Provide grant assistance for general maintenance repairs which enable seniors and persons with disabilities to</del>	Citywide	<del>0 – 50% MFI</del>	None	<del>Grant assistance up to a maximum amount of \$550 – \$850 per program</del>	<del>GMD</del>

	maintain their property units in multiple unit structures are ineligible for assistance under this program.				year (subject to annual review by CDC)	
SSD Secondary Structure Demolition Program	Provide grant assistance funds to owner occupied properties.	CD Target area City wide on a case by case basis	0-80% MFI	None	Grant assistance up to a maximum amount of \$3,000	GMD
PRRP Purchase -Rehab RESELL Program	Provide for additional affordable housing. Purchase of deteriorating or vacant single family properties, bring the structure up to code, market the properties to income eligible homeowners.	CD Target area City wide on a case by case basis	Homeowners income <80% MFI		Mortgage from financial institution with agreement the property to remain affordable for the amount of years required by the funding	Financial Institution GMD

**EXHIBIT A**

**EXHIBIT A (Continued)**

<p align="center">SRSG Senior Repair Service Grant</p>	<p>Provide grant assistance for general maintenance repairs which enable seniors and persons with disabilities to maintain their property Units in multiple-unit structures are ineligible for assistance under this program.</p>	<p>Citywide</p>	<p>0 – 50% MFI</p>	<p>None</p>	<p>Grant assistance up to a maximum amount of \$850 per program year (subject to annual review by CDC)</p>	<p>GMD</p>
<p align="center">SSDP Secondary Structure Demolition Program</p>	<p>Provide grant assistance funds to owner-occupied properties.</p>	<p>Priority given to CD Target Area (eligible properties outside of Target Area will be considered on a case by case basis)</p>	<p>0-80% MFI</p>	<p>None</p>	<p>Grant assistance up to a maximum amount of \$3,000 (subject to annual review by CDC)</p>	<p>GMD</p>
<p align="center">PRRP Purchase/ -Rehab <del>Resell</del> Program</p>	<p>Provide for additional affordable housing. Purchase of deteriorating or vacant single family properties, bring the structure up to code, market the properties to income eligible homeowners.</p>	<p>Priority given to CD Target Area (eligible properties outside of Target Area will be considered on a case by case basis)</p>	<p>Homeowners income &lt;80% MFI</p>	<p>None</p>	<p>Mortgage from financial institution with agreement the property to remain affordable for the appropriate period of time, as determined by HUD guidelines</p>	<p>Financial Institution GMD</p>



**EXHIBIT B**

**Median Family Income (MFI) Limits \*\*Champaign County, Illinois\*\***

<b>Family Size</b>	<b>50% MFI</b>	<b>80% MFI</b>	<b>MFI</b>
1	21,150 <del>19,100</del>	33,800 <del>30,600</del>	42,280 <del>38,250</del>
2	24,150 <del>21,850</del>	38,650 <del>34,950</del>	48,320 <del>43,700</del>
3	27,200 <del>24,550</del>	43,500 <del>39,300</del>	54,360 <del>49,150</del>
4	30,200 <del>27,300</del>	48,300 <del>43,700</del>	60,400 <del>54,650</del>
5	32,600 <del>29,500</del>	52,200 <del>47,150</del>	65,232 <del>58,950</del>
6	35,050 <del>31,650</del>	56,050 <del>50,650</del>	70,064 <del>63,300</del>
7	37,450 <del>33,850</del>	59,900 <del>54,150</del>	74,896 <del>67,700</del>
8	39,850 <del>36,050</del>	63,800 <del>57,650</del>	79,728 <del>72,100</del>

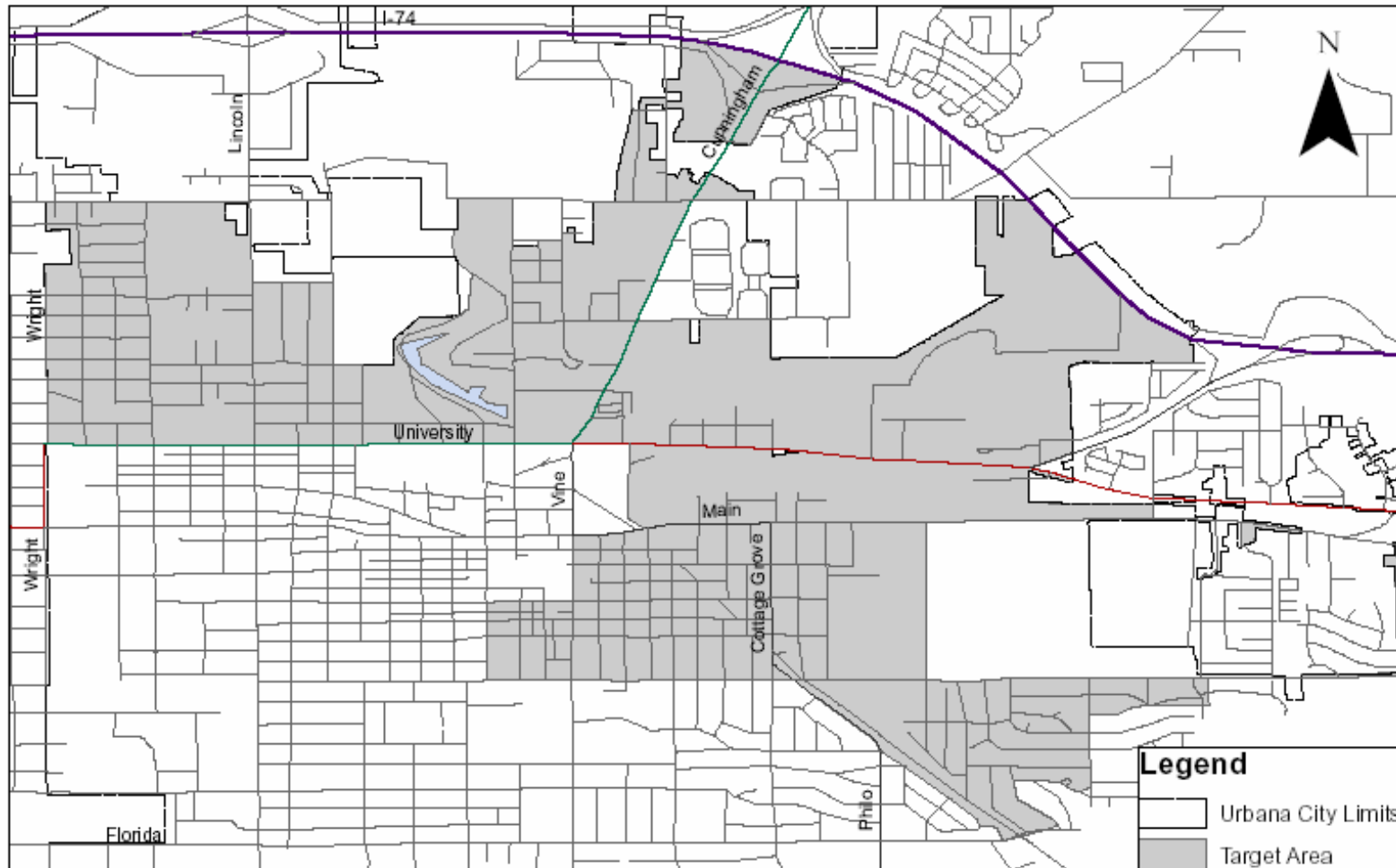
SOURCE: U. S. Department of Housing and Urban Development

\* This ~~income~~ figures is calculated and set by HUD, and is updated annually. This table contains figures ~~are~~ effective current as of **MARCH 9, 2000, 2005**, ~~until further notice~~. These figures shall be effective with HUD program guidelines and change as such

~~EXHIBIT B~~

EXHIBIT C ~~Insert~~ CD Target Area Map.

### Community Development Target Area



## **2.0 DEFINITIONS**

Access Grant (AG): A non-repayable grant made to an income-eligible homeowner, or renter of a unit in a one to four unit structure-, or trust deed recipient to eliminate physical barriers, which inhibit the use of the dwelling unit by a person with disability.

Amortization: The gradual extinguishment of a debt (including interest) by periodic payments.

CD Target Area: Designated low-income neighborhoods throughout Urbana, which qualify to receive federal funds to improve housing conditions and the general neighborhood environment (see ~~Exhibit C~~ page eight). The CD Target Area is eligible to receive federal funds for area benefit activities such as capital improvements and neighborhood beautification.

Code Violations: Violations of the current Building Safety Property Maintenance ~~current?? International code BOCA Basic Property Maintenance Code~~ as adopted and amended by the City of Urbana, other applicable codes and ordinances adopted by the City, and applicable Department of Housing and Urban Development (HUD) standards.

Community Development Commission: A committee of Urbana residents appointed by the Mayor of the City of Urbana with the approval of the Urbana City Council for the purposes of making recommendations regarding the annual Community Development Block Grant and HOME programs and budgets, and monitoring CDBG/HOME-funded programs.

Contractor: A general contractor who meets the qualification guidelines set forth in Section 11.0 of the manual.

~~Grants Management Division (GMD): The division responsible for administering the Community Development Block Grant Program (CDBG) and HOME Program for Urbana and coordinating all CDBG/HOME activities. GMD is a division of the Urbana Department of Community Development Services.~~

Grants Management Manager: The division head of the Urbana Grants Management Division.

~~Contractor: A general contractor who meets the qualification guidelines set forth in Section ???9.0 of the manual.~~

Disability: See "Person with a Disability."

Elderly Person: Person 62 years of age or older.

Emergency Grant (EG): Grant funds up to \$5,000 made available to repair a health or safety item. Emergency Grant funds are available only if the repair is immediately needed to mitigate a hazardous condition.

General Property Improvements: Work which is not required to bring a building into code compliance but which generally improves the condition and economic life of the property (painting, replacement of wood, floor covering, etc.).

Grant/Deferred Loan (GDL): A combined Grant/Deferred Loan up to \$25,000 is made available to provide labor, materials, and supplies to rehabilitate deteriorating dwelling units for qualified applicants. Through the renovation, code violations on the premises must be eliminated. A lien is placed on the property to secure repayment of the deferred loan portion of the assistance.

Half of the program funds uUp to \$12,500 ~~Half of the funds provided through the program~~ are provided by the City in the form of a grant.

Half of the program funds uUp to \$12,500 ~~Half of the funds provided through the program~~ are provided by the City in the form of a no-interest deferred payment loan. No monthly, quarterly, or annual payments are required. -The loan is due in full and payable to the City ~~in full~~ upon transfer of title ~~sale~~ of the property ~~or transfer of title~~ through sale or other means.

Grant/Installment Loan (GIL): A combination grant and loan totaling up to \$25,000 to provide labor, materials, and supplies to rehabilitate owner-occupied housing. Through the renovation, code violations on the premises must be eliminated. Half of the total rehabilitation cost is provided by the Homeowner through a ~~participating~~ financial institution ~~in the form of a market-rate loan requiring monthly payments~~. Half of the funds provided through the program are provided by the City in the form of a grant.

Grants Management Division (GMD): The division responsible for administering the Community Development Block Grant Program (CDBG) and HOME Program for Urbana and coordinating all CDBG/HOME activities. GMD is a division of the Urbana Department of Community Development Services.

Gross Annual Income: Annual income is the gross amount of income anticipated by all adults in a family during the 12 months following the effective date of determination. To calculate annual gross income the Department of Housing and Urban Development's Part 5 definition (commonly referred to as ~~the~~ Section 8) ~~definition~~ is used for all programs. See Appendix I for the complete HUD Part 5 income inclusions and exclusions.

**Section 8 Income Inclusions:**

- 1) ~~The full amount of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before any payroll deductions).~~
- 2) ~~Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.~~
- 3) ~~Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in number 2 above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.~~
- 4) ~~The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum amount or prospective monthly amounts for the delayed start of a periodic payment (except Supplemental Security Income (SSI) or Social Security).~~
- 5) ~~Payments lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).~~
- 6) ~~Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:~~
  - ~~the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**~~

~~the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.~~

~~7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.~~

~~8) All regular pay, special pay and allowances of a member of the Armed Forces.~~

### **Section 8 Income Exclusions**

~~1) Income from employment of children (including foster children) under the age of 18 years.~~

~~2) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family who are unable to live alone).~~

~~3) Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings—see number 5 of "Income Inclusions").~~

~~4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.~~

~~5) Income of a live-in aide.~~

~~6) The full amount of student financial assistance paid directly to the student or to the educational institution.~~

~~7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.~~

~~8)a) Amounts received under training programs funded by HUD.~~

~~b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).~~

- ~~e) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program.~~
- ~~d) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participated in the employment training program.~~
- 9) Temporary, nonrecurring, or sporadic income (including gifts).
- 10) Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
- 11) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household or spouse).
- 12) Adoption assistance payments in excess of \$480 per adopted child.
- 13) For public housing only, the earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.
- 14) Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
- 15) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
- 16) Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
- 17) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of



~~assistance programs that includes assistance under any program to which the exclusions apply.~~

~~Household: All persons who occupy a housing unit. Persons with an ownership interest shall be considered to be an “occupant” of the household for the purposes of determining household eligibility.~~

Household: All persons who occupy a housing unit at the time the application is taken. GMD staff shall use the guidelines provided by the HUD Part 5 definition of household to determine whether or not persons with an ownership interest in the property who do not reside at the property shall be considered to be an “occupant” of the household for the purposes of determining household eligibility. Regardless of whether such individuals are counted as household members, they will be required to sign all applicable agreements, liens and other documents provided by the City in order for the property to be eligible for City programs.

Housing Expenses: The sum of payments for principal and interest on loans secured by a lien on the property, hazard insurance premiums, and real estate taxes.

Housing Rehabilitation Coordinator: Coordinates and monitors rehabilitation services for eligible property owners; provides technical assistance; coordinates special rehabilitation, cleanup and clearance projects. Reviews and recommends approval of applications from residents and property owners for rehabilitation assistance.

Incipient Code Violations: An element of the structure which is not in violation of the housing code but which will likely deteriorate into a code violation in the near future.

Lien: A duly recorded encumbrance upon a property.

Owner: The property owner as recorded in the Champaign County Recorder of Deed's office.

Owner-Occupant: A person who occupies the property of which he/she is the owner (as defined above) and uses the property entirely for residential purposes or a person who has purchased a vacant structure for occupancy after the structure meets applicable codes.

PACE: Persons Assuming Control of Their Environment, a non-profit organization registered in the State of Illinois and existing to serve the needs of persons with disabilities in Urbana and surrounding communities.

~~Participating Financial Institution: A bank or savings and loan association with which the City of Urbana enters into contract for participation in CDBG and HOME housing rehabilitation programs described in this manual.~~

Person with Disability: A person who is receiving SSI and/or is permanently impaired to the extent that he/she cannot fully utilize his/her living space without some physical modification(s).

Rehabilitation: The renovation of a reusable structure which overcomes deterioration and provides a satisfactorily improved physical condition for residential purposes.

Rehabilitation Specialist: A rehabilitation specialist of the Urbana Grants Management Division or other persons as authorized by the Manager of the Grants Management Division of the City of Urbana.

Residential Property: A property used solely as a dwelling unit.

Secretary: The Secretary of the Grants Management Division or other person as authorized by the Manager of the Grants Management Division of the City of Urbana.

Self-Help: Completion of all or a portion of housing rehabilitation work by the property owner/borrower. Self-help is not allowed in any project funded in accordance with this manual.

Senior Repair Service Grant (SRSG): Grant funds to up ~~\$850-550.00~~ to provide general maintenance, repairs, and services that would enable senior citizens and persons with disabilities to maintain their property.

Single-Family Residence: ~~A dwelling unit that houses one to four families.~~ single-family owner-occupied residential unit.

Standard Dwelling Unit: A dwelling unit in compliance with the current Building Safety Property Maintenance Code ~~current international code BOCA Basic Property Maintenance Code~~, the current NFPA Life Safety Code as amended, and HUD Minimum Property Standards. Generally, a dwelling unit which meets all existing minimum housing code standards for habitation.

Substandard Dwelling: A dwelling unit that does not meet the criteria for a standard dwelling unit through: lack of maintenance; age of unit; neglect; lack of part or all plumbing, electrical, and heating facilities; or overcrowded conditions. The substandard dwelling can be considered to be one of two classifications: 1) deteriorated unit, i.e., one that is substandard but is structurally sound or able to be made structurally sound and can be brought up to standard condition with rehabilitation (formally known as substandard, suitable for rehabilitation); or 2) dilapidated unit, i.e., a substandard unit that has deteriorated

to the extent it is unsafe, unsanitary, or dangerous to human life, and rehabilitation is not feasible (formally known as substandard, unsuitable for rehabilitation).

Three-Day Truth-in-Lending Rescission Period: A three-day period generally commencing with loan closing during which a borrower may legally cancel a real estate loan without penalty. The three-day period commences with the latest of the following dates.

- 1) ~~T~~the date of loan closing
- 2) ~~€~~The date Truth-in-Lending disclosures are received
- 3) T——the date the owner receives the Notice of Right to Cancel

To cancel a loan transaction the borrower must return a signed and dated cancellation notice to the lender during the three-day rescission period. A contract proceed order is issued after expiration of the three-day rescission period if the loan has not otherwise been canceled.

Total Expenses: The sum of housing expenses (see definition above) and payments on installment loan debts with more than ten remaining payments; alimony, child support, and maintenance payments; total negative cash flow from all properties presently owned (except the subject property); and credit card payments in either the amount stated by the applicant or 10 percent of the outstanding card balance, whichever is higher. Childcare expenses shall be considered part of total expenses.

Vested Title: An interest in real estate carrying a legal right of present or future enjoyment and a legal right to convey the interest to another party.

### **3.0 PROGRAM OBJECTIVES**

The City of Urbana Housing Rehabilitation Programs are designed to further the following objectives:

- 1) To encourage the revitalization and stabilization of low- and moderate-income neighborhoods by implementing housing rehabilitation programs;
- 2) To remove unhealthy or hazardous housing conditions in low- and moderate-income areas;
- 3) To use Community Development Block Grant (CDBG) and HOME funds as a catalyst to encourage residents of low- and moderate-income neighborhoods to improve their community;
- 4) To revitalize and preserve the existing housing stock;
- 5) To enable low-income families who cannot obtain conventional financing to rehabilitate their homes;
- 6) To reduce utility costs and to improve the comfort of low-income families by incorporating energy conservation techniques into housing rehabilitation assistance;
- 7) To conserve the property tax base in low- and moderate-income neighborhoods;
- 8) To encourage employment and training opportunities for minority persons and females through the opportunity to bid on rehabilitation contracts;
- 9) To finance needed home improvements using CDBG and HOME funds to the extent necessary and funds from private lenders to the maximum extent possible;
- 10) To remove physical barriers impeding maximum use of residential property by persons with disabilities and to increase the number of handicapped accessible dwelling units, both owner-occupied and renter-occupied, in the City;
- 11) To further implement the City's Consolidated Plan.

#### **4.0 GRANT/DEFERRED LOANS**

A Grant/Deferred Loan up to \$25,000 is made available to provide labor, materials, and supplies to repair deteriorating dwelling units for qualified applicants. Through the renovation, code violations and lead hazards on the premises must be eliminated. A lien is placed on the property to secure repayment of the deferred loan portion of the assistance.

Half of the program funds uUp to \$12,500 ~~Half of the funds provided through the program~~ are provided by the City in the form of a grant.

Half of the program funds uUp to \$12,500 ~~Half of the funds provided through the program~~ are provided by the City in the form of a no-interest deferred payment loan. No monthly, quarterly, or annual payments are required. The loan is due in full and payable to the City upon transfer of title of the property through sale or other means.

~~The loan is payable to the City in full upon the sale of the property or transfer of title.~~

#### **4.1 Eligible and Ineligible Activities**

Eligible activities include general repairs which will bring the house into compliance with City codes while eliminating lead-based paint hazards. Eligible activities include but are not limited to the following:

- repair or replacement of defective mechanical systems, i.e., electrical, plumbing and heating-
- repair or replacement of defective building components and surfaces, i.e., foundations, roofs, porches and stairways, floors, ceilings and walls, doors and windows, siding and trim-
- energy conservation activities, i.e., insulation, caulking and weather-stripping, siding, doors, and windows-
- lead-based -paint hazard reduction-
- accessibility for disabled persons-
- incipient repairs and general property improvements of a non-luxury nature-
- site improvements and utility connections-
- construction of house additions but only if necessary to meet code and funding is available-

Ineligible activities include:

- temporary improvements-
- fixtures not permanently attached including appliances and window air conditioners-
- fees for professional services of architects, engineers and other consultants-
- installation of central air conditioning except when recommended by a physician due to health of the client-
- construction or renovation of detached garages or out buildings-

Priority is placed on renovation necessary to meet City code, elimination of lead-based paint hazards, ~~then~~ exterior renovation, and lastly any eligible interior renovation.

#### **4.2 General Terms and Conditions**

- 1) An applicant may not apply for more than one type of whole-house rehabilitation assistance described in this manual at any given time. An applicant may, however, receive assistance through the other programs listed in the manual ~~Emergency Grant and/or Access Grant Programs~~ and then additional assistance through the Whole House Rehabilitation Program if the applicant is otherwise eligible to receive assistance through the program.
- 2) The applicant may not apply for rehabilitation assistance through the Grant/Deferred Loan Program if the property to be rehabilitated received whole-house rehabilitation assistance from the Grants Management Division within ~~twentyten~~ ~~ten~~ years of the application date. The date of the Certificate of Occupancy of previously funded work shall be used to determine when the ten-year period ~~ten-year period~~ begins.
- 3) A Grant/Deferred Loan shall not exceed \$25,000.
- 4) A Grant/Deferred Loan recipient shall not be required to pay for administrative expenses related to processing of the Grant/Deferred Loan application, such as title searches, appraisals, and recording fees.
- 5) A lien shall be placed against the property for the purpose of recovering a portion of the cost of rehabilitation. The lien amount shall be calculated as the full amount of the deferred loan portion of the assistance ~~i.e., half of the~~

~~rehabilitation cost.~~ The deferred loan portion of the assistance is due in full and payable to the City upon transfer of title of the property through sale or other means. ~~shall be payable to the City in full upon the sale of the property or transfer of title.~~ The City will take a subordinate position in the mortgage placed against the property in favor of a first mortgage if appropriate.

- 6) Indebtedness secured by the property shall not exceed 100 percent of the after-rehabilitation value of the property as estimated by Grants Management Division. After Rehab value is calculated by adding the current tax assessment value to the deferred loan portion. However if an appraisal has been completed within three years of the application, the appraisal may be used in place of the assessed value.
- 7) In the event of the death of the Grant/Deferred Loan recipient and in the event that title to the property rehabilitated under the Grant/Deferred Loan Program is passed to a person who will reside in the residence and meets the income requirements ~~has resided in the premises as a bona fide resident for one year immediately preceding the death of the recipient (the "survivor")~~, then, if the person executes an agreement with the City to assume responsibility for the Grant/Deferred Loan, the lien on the property continues under all of the conditions of the Grant/Deferred Loan Program. In the event of subsequent title transfer by said survivor either through sale or death, the full amount of the lien shall become due to the City of Urbana.
- 8) ~~In the event of transfer of title after three years from the date of the promissory note where such transfer is an arm's length transaction and the sales proceeds are less than the outstanding liens on the subject property including the lien associated with the Grant/Deferred Loan Program, the Manager with concurrence of the Community Development Commission may release the Grant/Deferred Loan Program lien in total or in an amount equal to the outstanding difference between the debt on the property and the anticipated net sales proceeds.~~
- ~~9) Before documents can be executed to initiate the renovation project (i.e., note, mortgage, construction contract), the applicant must pay all sums necessary to release outstanding liens on the property other than a first mortgage and tax liens in good standing. Liens that must be released before work can proceed include, but are not limited to, liens for past-due income and sewer benefit taxes and liens for junk and debris removal. Property tax payments on the subject premises must be current at the time documents for the renovation project are executed.~~

- 910) Before documents can be executed to initiate the renovation project, the applicant must provide evidence in the form of a Certificate of Insurance that she/he has insured subject premises against loss by fire and hazards included within the term "extended coverage." **The City of Urbana must be shown as an additional insured on the policy.** This insurance shall be maintained in the amounts required by the City for as long as the property remains encumbered by the mortgage.

### 4.3 Eligibility Criteria

For a dwelling unit to qualify for rehabilitation through the Grant/Deferred Loan Program, the unit must meet the following criteria:

- 1) Be located in the CD Target Area.
- 2) Be classified as "substandard, suitable for rehabilitation" by the Grants Management Division.
- 3) Be structurally sound or be able to be rendered structurally sound through rehabilitation. Units that cannot be cost-effectively renovated to meet code are ineligible for assistance under this program.
- 4) Be a unit which, after rehabilitation, will be a standard unit (i.e., without code violation).
- 5) Be a single-family owner-occupied residential property. Owner-occupied units in multiple-unit structures are ineligible for assistance under this program.
- 6) Not be located in an area which is in conflict with environmental or zoning regulations (e.g. not located within a floodplain or adjacent to a railroad or other noise source which has a day/night sound level in excess of Department of Housing and Urban Development Sound Level Standards) or with the 1982 2005 Comprehensive Plan for Urbana as amended. Single-family residential properties which are ~~nonconforming pursuant to~~ in violation of the Urbana Zoning Ordinance, as determined by the Zoning Administrator and/or the Zoning Review Board, are ineligible for renovation under this program.

For an applicant to qualify for a Grant/Deferred Loan, he/she must meet the following criteria:

- 1) The applicant must have owned and lived in the residence for one year prior to applying for assistance.



- 2) The applicant must be the person or persons in whose name title to the property is vested.
- 3) The applicant's anticipated household annual (gross) income shall not exceed 50 percent of the median family income for Champaign County as released by HUD.
- 4) The ~~Section 8~~ HUD Part 5 definition of annual (gross) income shall be the method used in calculating annual income.

#### **4.4 Processing Procedures**

This section outlines procedures for preparing, processing, and approving an application for a Grant/Deferred Loan, determining work to be done on the property, procuring a contractor, and managing the rehabilitation contract.

##### 4.4.1 Application Process

- 1) GMD staff shall interview and advise the applicant of the design and objectives of the housing assistance programs, the availability and benefits of housing rehabilitation assistance, and the specific terms and conditions under which assistance is provided.
- 2) GMD staff shall obtain the following information from and about the applicant and the subject dwelling:
  - a) Verification of employment.
  - b) Verification of other earnings, housing expenses, and assets.
  - c) Verification of deposits with financial institutions.
  - d) Verification of mortgage or deed of trust from each holder of a lien secured by the property.
  - e) Verification of additional information, such as credit references, necessary to make a determination of eligibility.

##### 4.4.2 Work Determination/Contractor Procurement

- 1) During the initial walk-through, the Rehabilitation Specialist informs the homeowner of the contractor selection process. Rehabilitation Specialist

advises the owner that ~~they~~ he/she will be asked to select at least four contractors to bid on ~~their~~ his/her project. The owner may choose a general contractor whose firm is not on the GMD Qualified General Contractor List provided that, prior to bid opening, the contractor not on the list will be required to meet the same criteria as Qualified General Contractors on the GMD list. If the owner intends to have such a contractor bid on the project, the Rehabilitation Specialist shall ~~should~~ provide an application packet to the contractor as soon as possible (provided the contractor is interested in bidding on the project).

- 2) Schedule and conduct code inspections on the subject dwelling.
- 3) Schedule and conduct lead hazard evaluation.
- 4) Prepare work description describing work to be accomplished, including code reports and lead hazard control plan.
- 5) Consult with applicant on preliminary work description and cost estimate to reach an agreement on work to be done.
- 6) After owner has reviewed the work description, Rehabilitation Specialist offers GMD Qualified General Contractor List to the owner for selection of at least four contractors. Owner selects four contractors then signs at bottom of list. If chosen contractor decides not to bid, owner may choose another contractor if he/she desires.
- 7) Owner and Rehabilitation Specialist set date and time for pre-bid conference at the site.
- 8) Rehabilitation Specialist notifies selected contractors and contractors on the GMD Minority-Female Owned Specialty Contractor List by mail of the pre-bid conference and solicits response from general contractors regarding intent to attend pre-bid and submit proposal. *Specialty Contractors notified should generally be those whose area of expertise or specialty encompasses work included in the specific job work description.*
- 9) All attend pre-bid conference where concerns and questions are addressed. Contractor will be allowed to visit the site between pre-bid and bid opening with their subcontractors.
- 10) Coordinate the solicitation of formal sealed bids from qualified general contractors selected by the applicant. The contract shall be awarded to that qualified contractor selected by the applicant so long as that contractor's bid is

within ~~does not exceed~~ 10 percent of the Rehabilitation Specialist's cost estimate for the job.

- 11) Bids are opened at the time designated by the Rehabilitation Specialist within 14 days after pre-bid. Owner may wish to be present. Owner has ten days to select a contractor. If no bids are within 10 percent of the Rehabilitation Specialist estimate, ~~acceptable~~, the project will be reviewed and modified as needed, then if required, rebid.
- 12) GMD schedules preconstruction loan closing and contract signing as soon as possible after contractor selection.
- 13) Issue Proceed Order after the expiration of the three-day Truth and Lending Disclosure period.

#### 4.4.3 Contracting

Construction is undertaken only through a written contract between the contractor and the recipient of the Grant/Deferred Loan. GMD staff assists each applicant with arranging an acceptable construction contract.

The construction contract shall consist of a single agreement signed by the contractor, accepted by the homeowner, and approved by the Grants Management Manager. It shall contain the proposal amount, all general conditions, and a description of all rehabilitation work to be performed. The contract may be changed as federal, state, and local laws, regulations, or policies deem necessary.

Drawings and/or specifications shall be prepared by the contractor only when deemed essential by GMD or Building Safety Inspector to show the scope and detail of the work involved, so misunderstandings can be avoided.

The contractor's proposal shall comply with general specifications, work description, code reports and lead hazard control plan as supplied by GMD. Provisions shall be made for acceptance of equal substitutions if accepted by the Rehabilitation Specialist. All proposals shall explicitly prohibit the use of lead-based paint and shall require the elimination of lead-based paint hazards.

GMD staff shall establish and, on the basis of the contractors' experience and qualifications, maintain a current list of contractors, subcontractors, specialty contractors, and material suppliers who are qualified and who are interested in doing rehabilitation work. GMD shall to the greatest extent feasible contract with Champaign County companies, firms, etc.

Contracts shall be awarded per bid procedures outlined in Section 119.0.

Self-Help shall not be permitted in the Housing Rehabilitation Program.

Rehabilitation Permit, ~~Building permits~~, utilities and building permit fees shall be required for construction work funded through the Grant/Deferred Loan Program. These fees are the responsibility of the contractor and his ~~s~~Subcontractors.

#### 4.4.4 Contract Management

- 1) Rehabilitation Specialist shall inspect rehabilitation work on a regular basis to see that all work is progressing satisfactorily and to monitor the quality of materials and workmanship and compliance with affirmative action guidelines and safe work practices for lead hazard control.

- 2) Rehabilitation Specialist shall conduct final inspection of rehabilitation work to ensure conformance with contract specifications and issue certificate of final approval when appropriate.
  - 2)a) The contractor and/or subcontractor shall coordinate with code officials, Rehabilitation Specialist and Owner- for final approval on each segment of work performed at the residence.
  - 3)b) Rehabilitation Specialist shall schedule a clearance test for the lead reduction work performed at the residence.
- 3) Rehabilitation Specialist shall obtain from the contractor all manufacturer's and supplier's warranties, release of liens, final invoices, and contractor's sworn statements prior to final pay request for the rehabilitation work. The Rehabilitation Specialist shall obtain a Certificate of Occupancy for the residence prior to final payment to the contractor.
- ~~4) GMD staff shall communicate with homeowner of the rehabilitation work in the one year warranty period following rehabilitation.~~

#### 4.5 Close O-Out Procedures

- 1) Rehabilitation Specialist ~~GMD staff shall visit the property and~~ present the recipient with all warranties pertaining to the rehabilitation, a list of contractor and subcontractor telephone numbers, and a copy of the contract,<sup>2</sup> lead hazard clearance report, and the Certificate of Occupancy.
- 2) GMD staff shall provide information regarding energy conservation and maintenance, and shall request that the recipient complete and return a questionnaire pertaining to the program delivery.
- 3) GMD staff shall give the recipient a copy of the recorded mortgage and, note,<sup>;</sup> ~~lead hazard clearance report, and the Certificate of Occupancy.~~
- 4) GMD staff shall add information on the completed case to the Community Development Property Log.

## **5.0 GRANT/INSTALLMENT LOANS**

A combination grant and loan totaling up to \$25,000 is available to provide labor, materials, and supplies to repair owner-occupied housing. Through the renovation, code violations and lead hazards on the premises must be eliminated. Half of the total rehabilitation cost is provided by the Owner through a ~~participating~~ financial institution in the form of a ~~market rate~~ loan or mortgage refinance ~~requiring monthly payments~~. ~~The loan is fully amortized over a period up to 120 months (10 years). The borrower makes monthly payments to the participating financial institution after loan closing.~~ This portion of funding shall be put in escrow with the ~~city~~City prior to issuing the notice to proceed. Up to \$12,500 ~~Half~~ of the funds provided through the program are provided by the City in the form of a grant. Grant/Installment Loan assistance is available to income-eligible residents in the CD Target Area.

### **5.1 Eligible and Ineligible Activities**

Eligible activities include general repairs which will bring the house into compliance with City codes while eliminating lead-based paint hazards. Eligible activities include but are not limited to the following:

- repair or replacement of defective mechanical systems, i.e., electrical, plumbing and heating;
- repair or replacement of defective building components and surfaces, i.e., foundations, roofs, porches and stairways, floors, ceilings and walls, doors and windows, siding and trim;
- energy conservation activities, i.e., insulation, caulking and weather-stripping, siding, doors, and windows;
- lead-based paint hazard reduction;
- accessibility for disabled persons;
- incipient repairs and general property improvements of a non-luxury nature;
- site improvements and utility connections;
- construction of house additions but only if necessary to meet code if funding is available;

Priority is placed on renovation necessary to meet City code, elimination of lead-based paint hazards, exterior renovation, and lastly any eligible interior renovation.

Ineligible activities include:

- temporary improvements-
- any fixtures not permanently attached to the house, including appliances and window air conditioners-
- fees for professional services of architects, engineers, and other consultants-
- installation of air conditioning except when recommended by a physician due to health of the client-
- construction or renovation of detached garages and out buildings-

~~Priority is placed on renovation necessary to meet City code, then exterior renovation, and lastly eligible interior renovation.~~

## **5.2 General Terms and Conditions**

- 1) An applicant may not apply for more than one type of whole-house rehabilitation assistance described in this manual at any given time. An applicant may, however, receive assistance through other programs listed in the manual ~~the Emergency Grant and/or Access Grant Program~~ and then additional assistance through the whole-house rehabilitation program if the applicant is otherwise eligible to receive assistance through the programs.
- 2) The applicant may not apply for whole-house rehabilitation assistance through the Grant/Installment Loan Program if the property to be rehabilitated received whole-house rehabilitation assistance from GMD within ~~twentyten~~ ten years of the application date. The date of the Certificate of Occupancy of previously funded work shall be used to determine when the ten-year ~~ten-year~~ period begins.
- 3) Total project cost shall not exceed \$25,000.
- 4) Of the total project cost, 50 percent shall be provided by the Owner from a ~~participating~~ financial institution or through mortgage refinance -in the form of a loan. Up to \$12,500 ~~Fifty percent~~ of project costs are provided by the City in the form of a grant.
- 5) ~~The loan portion of the Grant/Installment Loan is available at the interest rate negotiated between the financial institution and City for the program. The loan~~

~~is fully amortized over a period of up to 120 months (10 years). Loan amortization shall begin at loan closing. In extenuating circumstances with the approval of the financial institution, homeowner, and GMD, the maximum ten-year loan period may be extended. The owner and financial institution shall negotiate the loan terms so as not to create a greater cost burden on the homeowner as may necessarily be with a first mortgage on the property. Any loan funds not disbursed by project completion shall be credited to loan repayment. Under no circumstances shall undisbursed loan funds be paid to the borrower.~~

- ~~6) The loan portion of the Grant/Installment Loan is generally secured by a subordinate lien on the property to be rehabilitated. In extenuating circumstances with approval of the participating financial institution, a mortgage lien could be placed on some other property held by the borrower. The financial institution may also elect to accept personal property as collateral for the loan.~~
  
- ~~67) Indebtedness on the property including the loan portion of the Grant/Installment Loan shall not exceed 95 percent of the after-rehabilitation appraised value. After Rehab value is calculated by adding the current tax assessment value to the deferred loan portion. However if an appraisal has been completed within three years of the application the appraisal may be used in place of the assessed value.~~
  
- 78) Loan processing costs shall be the responsibility of the applicant. These costs include appraisals, title services, and credit reports. The applicant shall not be charged an application fee., a negotiation fee, or points.
  
- 89) The applicant's monthly housing expenses shall not exceed 31 percent of his/her gross monthly income including the rehabilitation loan payment except in cases warranting special consideration by GMD and the financial institution. Housing expenses consist of:
  - a) monthly payments of principal and interest on any and all loans secured by a lien on the property including the proposed rehabilitation loan;
  - b) one twelfth (1/12) of annual real estate taxes; and
  - c) one twelfth (1/12) of annual hazard insurance premiums.

Housing expenses shall not include utility payments.



- 940) The applicant's total monthly expenses, including monthly housing expenses, shall not exceed 43 percent of his/her gross monthly income. Total expenses consist of:
- a) monthly housing expenses as described above;
  - b) payments on installment loan debts with more than ten remaining payments;
  - c) alimony, child care, child support, or maintenance payments;
  - d) total negative cash flow from all properties presently owned (except the subject property);
  - e) credit card payments in either the amount stated by the applicant or 10 percent of the outstanding card balance, whichever is greater.
- 104) Before documents can be executed to initiate the renovation project (~~i.e., note, mortgage,~~ construction contract), the applicant must pay all sums necessary to release outstanding liens on the property other than mortgage and tax liens in good standing. Liens that must be released before work can proceed include, but are not limited to, liens for past-due income and sewer benefit taxes and liens for junk and debris removal. Property tax payments on the subject premises must be current at the time documents for the renovation project are executed.
- 112) Before documents can be executed to initiate the renovation project, the applicant must provide evidence that she/he has insured the subject premises against loss by fire and hazards included within the term "extended coverage." ~~This insurance shall be maintained in the amounts required by the City for as long as the property remains encumbered by the mortgage.~~

### **5.3 Eligibility Criteria**

For a dwelling unit to qualify for rehabilitation through the Grant/Installment Loan Program, the unit must meet the following criteria:

- 1) Be located within the CD Target Area.
- 2) Be classified as "substandard, suitable for rehabilitation" by the Grants Management Division.

- 3) Be structurally sound or able to be rendered structurally sound through rehabilitation; units that cannot be cost-effectively renovated to meet code are ineligible for assistance under this program.
- 4) Be a unit which, after rehabilitation, will be a standard unit (i.e., without code violations).
- 5) Be a single-family owner-occupied residential property. Owner-occupied units in multiple-unit structures are ineligible for assistance under this program.
- 6) Not be located in an area which is in conflict with environmental or zoning regulations (e.g., not located within a floodplain or adjacent to a railroad or other noise source which has a day/night sound level in excess of the Department of Housing and Urban Development Sound Level Standards) or with the 1982 Comprehensive Plan for Urbana as amended. Single-family residential properties which are ~~non-conforming pursuant to their~~ violation of the Urbana Zoning Ordinance, as determined by the Zoning Administrator and/or the Zoning Review Board,- are ineligible for assistance under this program.

For an applicant to qualify for the Grant/Installment Loan Program, he/she must meet the following criteria:

- 1) The applicant must have owned and lived at the residence one year prior to applying for assistance.
- 2) The applicant must be the person or persons in whose name title to the property is vested.
- 3) The loan applicant must meet the participating financial institution's loan underwriting criteria for the Grant/Installment Loan Program including credit history.
- 4) The applicant's household annual income shall be greater than 50 percent but not more than 80 percent of median family income for Champaign County.
- 5) The ~~Section 8~~ HUD Part 5 definition of annual (gross) income shall be the method used in calculating annual income.

#### **5.4 Processing Procedures**

This section outlines procedures for preparing, processing, and approving an application for the Grant/Installment Loan Program, determining work to be done on the property, procuring a contractor, and managing the rehabilitation contract.

#### 5.4.1 Application Process

- 1) GMD staff shall interview and advise loan applicant of the design and objectives of the housing assistance programs, the availability and benefits of housing rehabilitation assistance, and specific terms and conditions under which assistance is provided.
- 2) GMD staff shall obtain the following information from and about the applicant and the subject dwelling:
  - a) Verification of employment.
  - b) Verification of other earnings, housing expenses, and assets.
  - c) Verification of deposits with financial institutions.
  - d) Verification of mortgage or deed of trust from each holder of a lien secured by the property.
  - e) Verification of additional information, such as credit references, necessary to make a determination of eligibility.

#### 5.4.2 Work Determination/Contractor Procurement

- 1) During the initial walk-through, the Rehabilitation Specialist informs the homeowner of the contractor selection process. Rehabilitation Specialist advises owner that ~~they~~ he/she will be asked to select at least four contractors to bid on ~~their~~ his/her project. The owner may choose a general contractor whose firm is not on the GMD Qualified General Contractor List provided that, prior to bid opening, the contractor not on list will be required to meet the same criteria as Qualified General Contractors on the GMD list. If the owner intends to have such a contractor bid on the project, the Rehabilitation Specialist should provide an application packet to the contractor as soon as possible (provided the contractor is interested in bidding on the project).
- 2) Schedule and conduct code inspections on the subject dwelling.
- 3) Schedule and conduct a lead hazard evaluation.

- 4) Prepare work description describing work to be accomplished, including the code reports and lead hazard control plan.
- 5) Consult with applicant on preliminary work description and cost estimate to reach an agreement of work to be done.
- 6) After owner has reviewed the work description, Rehabilitation Specialist offers GMD Qualified General Contractor List to the owner for selection of at least four contractors. Owner selects four contractors then signs at bottom of list. If chosen contractor decides not to bid, owner may choose another contractor if he/she desires.
- 7) Owner and Rehabilitation Specialist set date and time for pre-bid conference at the site.
- 8) Rehabilitation Specialist notifies selected contractors and contractors on the GMD Minority-Female Owned Specialty Contractor List by mail of the pre-bid conference and solicits response from general contractors regarding intent to attend pre-bid and submit proposal. *Specialty Contractors notified should generally be those whose area of expertise or specialty encompasses work included in the specific job work description.*
- 9) All attend pre-bid conference where concerns and questions are addressed. Contractor will be allowed to visit the site between pre-bid and bid opening with their subcontractors.
- 10) Coordinate solicitation of formal sealed bids from four qualified general contractors selected by the applicant. The contract shall be awarded to that qualified contractor selected by the applicant so long as that contractor's bid is within ~~does not exceed~~ 10 percent of the Rehabilitation Specialist's cost estimate for the job, contingent upon final loan approval by the participating financial institution.
- 11) Bids are opened at a time designated by the Rehabilitation Specialist within 14 days after pre-bid. Owner may wish to be present. Owner has ten days to select a contractor. If no bids are acceptable, the project will be reviewed and modified as needed, and if required, ~~then~~ rebid.
- 4)12) GMD schedules preconstruction ~~loan closing~~ and contract signing as soon as possible after contractor selection.
- 13) ~~13)~~ Issue Proceed Order after the owner's -portion of financing has been put in escrow with the ~~city~~ City.

~~expiration of the three-day Truth and Lending Disclosure period.~~

### 5.4.3 Contracting

Construction is undertaken only through a written contract between the contractor and recipient of the Grant/Installment Loan. GMD staff assists each applicant with arranging an acceptable construction contract.

The construction contract shall consist of a single agreement signed by the contractor, accepted by the homeowner, and approved by the Grants Management Manager. It shall contain the proposal amount, all general conditions, and a description of all rehabilitation work to be performed. The contract may be changed as federal, state, and local laws, regulations, or policies deem necessary.

Drawings and/or specifications shall be prepared by the contractor only when deemed essential by GMD or Building Safety Inspector to show the scope and detail of the work involved.

The contractor's proposal shall comply with general specifications, work description, code reports, and lead hazard control plan as supplied by GMD. Provisions shall be made for acceptance of equal substitutions if accepted by the Rehabilitation Specialist. All proposals shall explicitly prohibit the use of lead-based paint and shall require the elimination of lead-based paint hazards.

GMD staff shall establish and, on the basis of the contractors' experience and qualifications, maintain a current list of contractors, subcontractors, specialty contractors, and material suppliers who are qualified and who are interested in doing rehabilitation work. GMD shall to the greatest extent feasible contract with Champaign County companies, firms, etc.

Contracts shall be awarded per bid procedures outlined in Section 119.0.

Self-Help shall not be permitted with the Housing Rehabilitation Program.

Rehabilitation Permits, ~~Building permits~~ utility and building permit fees shall be required for construction work funded through the Grant/Installment Loan Program. These fees are the responsibility of the contractor and his Subcontractors.

### 5.4.4 Contract Management

- 1) Rehabilitation Specialist shall inspect rehabilitation work on a regular basis to see that all work is progressing satisfactorily and to monitor the quality of materials and workmanship and compliance with affirmative action guidelines, including safe work practices for each hazard control.
- 2) Rehabilitation Specialist shall make final inspection of rehabilitation work to ensure conformance with contract specifications.
  - a) The contractor and/or subcontractors shall coordinate with code officials, Rehabilitation Specialist-, and Owner for final approval on each segment of work performed at the residence.
  - b) Rehabilitation Specialist shall schedule a clearance test for the lead reduction work performed at the residence.
- 3) Rehabilitation Specialist shall obtain from the contractor the manufacturers' and suppliers' warranties, release of liens, final invoices, and contractor's sworn statement prior to final pay request for rehabilitation work. The Rehabilitation Specialist shall obtain a Certificate of Occupancy for the residence prior to issuing final payment to the contractor.
- ~~4) GMD staff will communicate with the homeowner of the rehabilitation work in the one year warranty period following rehabilitation.~~

## 5.5 Close O-Out Procedures

- 1) ~~1) Rehabilitation Specialist GMD staff shall visit the property and present the recipient with all warranties pertaining to the rehabilitation, a list of contractor and subcontractor telephone numbers, and a copy of the contract,- lead hazard clearance report, and the Certificate of Occupancy.~~
- 2) GMD staff shall also provide information regarding energy conservation and maintenance, and shall request that the recipient complete and return a questionnaire pertaining to the program delivery.
- ~~3)GMD staff shall give the recipient a copy of the recorded mortgage, note, lead hazard clearance report, and the Certificate of Occupancy.~~

- 34) GMD staff shall add information on the completed case to the Community Development Property Log.

## **6.0 EMERGENCY GRANTS**

An Emergency Grant is available to single-family, owner occupied residential properties to repair a health or safety item. Emergency Grant funds are available only if the repair is immediately needed to mitigate a hazardous condition.

### **6.1 Eligible and Ineligible Activities**

Eligible activities include only those repairs necessary to alleviate a hazardous condition which poses a threat to the health and safety of the occupant, including repair or replacement of defective mechanical, electrical or plumbing systems, building components, and surfaces.

An actively leaking roof over a living space may be ~~is~~ considered a condition warranting Emergency Grant assistance. At the discretion of the GMD, the course of action taken to eliminate the existing emergency may include additional work to prevent an imminent emergency (i.e., replace furnace rather than repair, replace sewer line rather than repair, reroof rather than patch).

Ineligible activities include any repair that is not of an emergency nature, including weatherization activities, fixtures not permanently attached to the property, and fees for professional consulting services.

### **6.2 General Terms and Conditions**

- 1) An applicant may receive an Emergency Grant to alleviate a hazardous condition and then receive additional assistance through another rehabilitation assistance program described in this manual.
- 2) Emergency Grant assistance can be offered to an applicant even if the same property received assistance through other programs administered by ~~from~~ the Grants Management Division. ~~within ten years of the application date.~~ ~~P~~ Prior to approval of an Emergency Grant application ~~for a previous program participant, however,~~ the applicant will be required to provide evidence of **property insurance** to the GMD. The GMD will then investigate whether any emergency repairs are eligible for insurance reimbursement. In the event the applicant applies for and receives reimbursement for emergency repair work from his/her insurance company, said insurance proceeds shall be used to reimburse GMD for costs incurred in making emergency repairs to the property.
- 3) An Emergency Grant shall not exceed \$5,000.



- 4) An Emergency Grant recipient shall not be required to pay administrative expenses related to processing of the Emergency Grant application.
- 5) Repayment of the Emergency Grant is not required, even if the grant is provided in conjunction with another rehabilitation assistance program. No lien is placed against the property for the purpose of recovering all or part of the Emergency Grant.

### 6.3 Eligibility Criteria

For a dwelling unit to qualify as eligible for work under the Emergency Grant Program, the unit must meet the following criteria:

- 1) Be located within the corporate limits of Urbana.
- 2) Be a single-family, owner occupied residential property. Owner-occupied units in multiple-unit structures are ineligible for assistance under this program.
- 3) Be a dwelling unit with a situation deemed threatening to the safety and/or health of the occupants based on a determination made by the GMD. An inspection may be ~~in~~ required by the ~~connection with the~~ Urbana Building Safety Division. Such items could include a malfunctioning furnace, a problem with plumbing that renders sanitary facilities inoperable, roof leakage which impairs the structural integrity of the roof and its supports, or ~~Lead-based paint h~~Lead-based paint hazards.

For an applicant to qualify for an Emergency Grant, he/she must meet the following criteria:

- 1) The applicant has owned and resided at the residence one year prior to applying for assistance.
- 2) The applicant must be the person or persons in whose name title to the property is vested. Contract buyers and trust deed recipients will be considered on a case-by-case basis depending on the contract and legal terms but then only if the owner of record or contract seller consents to the Emergency Grant work.
- 4) The applicant's household annual income shall not exceed 50 percent of the median family income figure determined by HUD for Champaign County.
- 5) The ~~Section 8~~ HUD Part 5 definition of annual (gross) income shall be the method used in calculating annual income.

## 6.4 Processing Procedures

This section outlines procedures for preparing, processing, and approving an application for an Emergency Grant, determining work to be done on the property, procuring a contractor, and managing the rehabilitation work.

### 6.4.1 Application Process

- 1) GMD staff shall interview and advise the client of the objectives and procedures of the Emergency Grant Program, objectives and procedures of other housing assistance programs that could be combined with the Emergency Grant project, and specific terms and conditions under which assistance is provided.
  - 2) GMD staff shall obtain the following information from and about the applicant and the subject dwelling:
    - a) Verification of employment.
    - b) Verification of other earnings, housing expenses, and assets.
    - c) Verification of deposits with financial institutions.
    - d) Verification of mortgage or deed of trust from each holder of a lien secured by the property.
    - e) Verification of additional information, such as credit references, necessary to make a determination of eligibility.
- ~~2) GMD staff shall obtain the following information from and about the applicant and subject dwelling.~~
- ~~————— a) employment earnings.~~
- ~~————— b) other earnings, housing expenses, assets.~~
- ~~————— c) deposits in financial institutions.~~
- ~~————— d) mortgage or deed of trust~~
- ~~————— e) any additional information necessary to make a determination of eligibility.~~

### 6.4.2 Work Determination/Contractor Procurement

51.01) GMD staff shall schedule and conduct an inspection of the property. ~~by GMD in connection with the~~ Urbana Building Safety Division may be required to verify the dwelling is generally safe and sound. A complete list of code violations is not required for this program nor must the property meet all City codes at the completion of the project.

a) If the emergency visual inspection of the property reveals numerous code violations and deteriorated conditions, the applicant will be asked to ~~complete a Whole House Rehabilitation~~ participate in the Grant/Deferred Loan Program ~~application~~ if funds are available. This would address the entire structure and bring the house into code compliance.

~~b) If the applicant declines the Whole House Rehabilitation Program without just cause, the GMD shall not be required to complete the Emergency~~  
b) Grant for the resident. However, if the applicant does not qualify for the Whole House Rehabilitation Program but qualifies for the Emergency Grant Program, GMD staff shall proceed to eliminate the emergency condition.

2) GMD staff shall prepare a list of hazardous deficiencies which need immediate attention and correction, including a lead hazard evaluation as required of surfaces that will be disturbed during the Emergency Grant work.

3) GMD staff shall reach agreement with the applicant on work to be done and on the schedule for grant activities.

4) Due to the immediacy of Emergency Grant projects, formal advertised bidding need not occur. The GMD shall solicit a cost estimate or cost estimates from contractors on the qualified contractor list or on the minority/female-owned specialty contractor list. For projects with estimated costs of \$1,000 or less, multiple contractor quotations are not required. For projects with estimated costs exceeding \$1,000, quotations shall be solicited from at least three contractors, with the contractor submitting the lowest responsible bid receiving the job. ~~If the scope of work cannot be determined at the time of quotation solicitation, hourly rate quotations shall be used to select the contractor for the job.~~

### 6.4.3 Contracting

Construction on Emergency Grant projects exceeding \$1,000 is undertaken only through a written contract between the contractor and the Emergency Grant recipient. The contract

shall contain the bid amount, all general conditions, and a description of emergency rehabilitation work to be performed. The contract may be changed as federal, state, and local laws, regulations or policies deem necessary.

The contractor's proposal shall comply with general specifications, work description, and code reports as supplied by GMD. Drawings and/or detailed specifications shall be prepared by the contractor only when deemed essential by GMD or Building Safety to show the scope of work involved so misunderstandings can be avoided.

Self-Help shall not be permitted in Emergency Grant projects.

The contractor shall be required to obtain and pay for ~~Building permits and building~~ building and utility permits ~~fees shall be required for construction work~~ funded through the Emergency Grant Program.

Contracts shall be awarded per bid procedures outlined in Section 911.0.

#### 6.4.4 Contract Management

- ~~1) Inspect rehabilitation work to see that work is progressing satisfactorily and to monitor the e-quality of materials and workmanship.~~
- ~~2) Make final inspection of rehabilitation work to ensure conformance with contract specifications and issue.~~
- ~~3) Obtain from the contractor the manufacturer's and supplier's warranties, release of liens, final invoices, contractor sworn statements, and Building Safety approval from the general contractor prior to final payments.~~

#### **6.5 ~~6.5~~ Close O-Out Procedures**

- 1) Final inspection or ~~h~~Building Safety approval of the work to ensure conformance with contract specifications and issues.
- 2) Obtain from the contractor the; lien waiver and invoice; prior to final payments.
- 3) Review file to be certain that all documentation is in order and that all necessary signatures have been obtained. Include before and after photographs in file.
- 4) GMD staff shall add information on the completed case to the Community Development Property Log.



- ~~1) GMD staff shall visit the property and present the recipient with all warranties pertaining to the rehabilitation, a list of contractor and subcontractor telephone number, and a copy of the contract.~~
- ~~2) GMD staff shall provide the recipient with information on other housing assistance programs for which the recipient is eligible.~~
- ~~3) GMD staff shall add information on the completed case to Community Development Property Log.~~

## 7.0 ACCESS GRANTS

An Access Grant is a non-repayable grant made to an income-eligible homeowner, renter of a single family residence as defined by HUD, or up to a four unit complex, or trust deed recipient to eliminate physical barriers which inhibit the use of the dwelling unit by a Person with Disability. Grants may be made for renovation of single-family detached dwelling units as well as duplex units. Complexes with 5 or more units are not eligible to participate in this program.  
~~and units in multiple family dwellings.~~

### 7.1 Eligible and Ineligible Activities

Eligible activities include all types of general improvements necessary to remove barriers for accessibility by persons with disabilities. These activities include but are not limited to:

- 1) Ppermanent improvements to the property, such as ramp installation, door widening, installation of lowered light panels, renovation of kitchens and bathrooms, installation of visual fire/smoke alarms and doorbells for the hearing-impaired.
- 2) Ddetachable equipment to eliminate obstacles in the bathroom and kitchen but only if permanent improvements are impractical, exorbitant in cost, or unacceptable to the property owner (in the case of rental property).

Ineligible activities include general improvements not related to removal of barriers. These include:

- 1) Rremoval of code deficiencies and incipient code deficiencies.
- 2) Ffurnishings (items not permanently affixed to the property), except equipment noted above.

### 7.2 General Terms and Conditions

- 1) An Access Grant shall be limited to
  - ~~a) \$5,000. if the unit is in a structure having less than eight units,~~
  - ~~b) \$5,000 if the unit is in a structure having eight or more units and prevailing wage rates are paid to laborers in accordance with Davis-Bacon and related acts,~~

~~\_\_\_\_\_ c) \$2,000 if the unit is in a structure having eight or more units and prevailing wage rates are not paid to laborers in accordance with Davis-Bacon and related acts.~~

~~\_\_\_\_\_~~

2) An applicant may receive an Access Grant and then receive additional assistance through another rehabilitation assistance program described in this manual.

3) Access Grant assistance can be offered to an applicant even if the same property received assistance from the Grants Management Division through another program.

~~within ten years of the application date.~~

4) Access Grant processing costs shall be the responsibility of the GMD.

5) If a rental unit is retrofitted through the Access Grant Program and the tenant for which the unit is retrofitted vacates the unit, the owner agrees as follows:

a) For a period of seven years from the date of final inspection of the project GMD retains the right to reclaim any detachable equipment funded by the program but abandoned by a person with disability (i.e., no longer in use and not expected to be used).

b) ~~If the completed unit is vacated at any time during a period of seven years from the date of final inspection of the project, the owner agrees to contact the GMD. When the GMD learns of the vacancy, it will make information about the unit known to potential tenants with disabilities by contacting the following organizations:~~

- ~~\_\_\_\_\_~~ • PACE
- ~~\_\_\_\_\_~~ • Developmental Services Center
- ~~\_\_\_\_\_~~ • Housing Authority of Champaign County
- ~~\_\_\_\_\_~~ • Illinois Department of Rehabilitation Services

~~\_\_\_\_\_~~ The owner agrees that first priority in renting vacated units shall be given to persons with disabilities.

### 7.3 Eligibility Criteria



For a dwelling unit to qualify for remodeling with an Access Grant, the unit must meet the following criteria:

- 1) Be located within the corporate limits of Urbana.
- 2) Be structurally sound and relatively free of any building deficiencies that would render the property "substandard."
- 3) Not be located in an area which is in conflict with environmental or zoning regulations (e.g., not located within a floodplain or adjacent to a railroad or other noise source which has a day/night sound level in excess of the Department of Housing and Urban Development Sound Level Standards) or with the 1982 Comprehensive Plan for Urbana, as amended.

The applicant for an Access Grant is the person intending to occupy the unit upon retrofitting. For an applicant to qualify for an Access Grant, he/she must meet the following criteria:

- 1) The applicant can be the owner of record, a renter of record, or a trust deed recipient. If the applicant is not the owner of record, the Access Grant can be made for retrofit of the property only if the owner of record agrees to the retrofit.
- 2) The applicant's household income shall not exceed 80 percent of the median family income for Champaign County as determined by HUD.
- 3) The applicant must be 18 years old or older with a disability or have a dependent with a disability who is a permanent resident of the dwelling unit to be retrofitted.

## **7.4 Processing Procedures**

This section outlines procedures for preparing, processing, and approving an application for an Access Grant, determining work to be done on the property, procuring a contractor and managing the rehabilitation contract.

### 7.4.1 Application Process

GMD will accept inquiries concerning Access Grants from owners of rental property and from social services agency personnel. The applicant for an Access Grant must, however, be

the expected occupant of the unit to be renovated, either as the owner, renter, or trust deed recipient.

- 1) GMD staff shall interview and advise the Access Grant applicant of the design and objectives of the Access Grant Program and the availability and benefits of the Access Grant Program. GMD staff shall advise the applicant and owner (if different from applicant) concerning the specific terms and conditions under which assistance is provided.
- 2) GMD staff shall obtain and verify the following information concerning the applicant and subject dwelling:
  - a) ~~V~~Verification of employment ~~and other earnings~~.
  - b) ~~V~~Verification of other earnings, housing expenses, and assets.
  - c) ~~V~~Verification of deposits with financial institutions.
  - d) Applicant's interest in the property to be renovated.
  - e) Owner's approval of the proposed retrofit (if applicant is not the owner of record).
  - f) Any additional information necessary to make a determination of eligibility including disability if not otherwise obvious.

#### 7.4.2 Work Determination/Contractor Procurement

- 1) GMD staff shall schedule and conduct an inspection of the property to determine barriers to be removed and to verify that dwelling is generally safe and sound. Inspection team consists of Rehabilitation Specialist, applicant, owner (if other than applicant), ~~and PACE representative (if requested by the applicant).~~
  
- ~~52.02)~~ Prepare a list of necessary property improvements and preliminary cost estimates and determine project feasibility, including a lead hazard evaluation as required of surfaces that will be disturbed.
  
- ~~53.03)~~ Timing of completion of work under the Access Grant Program is especially important because the occupant often must rely on Access Grant improvements to be able to use (even enter) her or his dwelling unit. Consequently, advertised bidding is not required in the Aaccess Grant Program.
  - a) For Access Grant projects with costs not exceeding \$1,000, no bid solicitation shall be required. The Rehabilitation Specialist assigned to the case may select any qualified general contractor or minority/female-owned specialty contractor in the event that a general contractor is not needed, so long as the contractor's proposal is reasonable and appropriate. In the event that a bid cannot be obtained from firms on these lists in a timely manner, the Grants Management Manager may authorize solicitation of bids from firms not on the lists.
  
  - b) For Access Grant projects with costs more than \$1,000 but not exceeding the \$5,000 program limit, the Rehabilitation Specialist assigned to the case shall solicit bids from at least three contractors. Formal advertising shall not be required. The construction contract shall be awarded to the qualified general contractor submitting the lowest responsible bid. ~~It is the right of the City of Urbana to reject any or all proposals that exceed ten percent (10%) of the Rehabilitation Specialist's cost estimate.~~
  
- 4) GMD staff shall consult with applicant and owner (if other than applicant) to reach agreement on the construction contract.
  
- 5) GMD staff shall conduct preconstruction conference and contract signing, and prepare proceed order.

### 7.4.3 Contracting

Construction is undertaken only through written contracts between the contractor, the recipient of the Access Grant, and the owner if other than the applicant. GMD staff assists each applicant with arranging an acceptable construction contract or contracts.

The construction contract shall consist of an agreement or agreements signed by the contractor, accepted by the grant recipient and owner, and approved by the Grants Management Manager. It shall contain the proposed amount, all general conditions, and a description of all rehabilitation work to be performed. The contract may be changed as federal, state, and local laws, regulations or policies deem necessary.

Drawings and/or specifications shall be prepared by the contractor only when deemed essential by GMD or Building Safety to show the scope and detail of the work involved. The contractor's proposal shall comply with general specifications as supplied by GMD. Provisions shall be made for acceptance of equal substitutions if accepted by the Rehabilitation Specialist, owner, and applicant. All proposals shall explicitly prohibit the use of lead-based paint and shall require the elimination of lead-based paint hazards.

Self-Help work shall not be permitted in conjunction with an Access Grant project.

The contractor shall be responsible for utility ~~Building permits~~ and building permit fees ~~shall be required~~ for construction work funded through the Access Grant Program.

### 7.4.4 Contract Management

- ~~1) GMD staff shall inspect rehabilitation work on a regular basis to see that all work is progressing satisfactorily and to monitor the quality of materials and workmanship and compliance with affirmative action guidelines.~~
- ~~2) GMD staff shall coordinate with Building Safety Division for final inspection of rehabilitation work to ensure conformance with contract specifications and issue certificate of final approval when appropriate.~~
- ~~3) GMD staff shall obtain from contractor the manufacturer's and supplier's warranties, release of liens, final invoices, and contractor's sworn statements to final payment for rehabilitation work.~~

### **7.5 Close O-Out Procedures**

- 1) -Final inspection or Building Safety approval of the work to ensure conformance with contract specifications and issues.
- 2) Obtain from the contractor the; lien waiver and invoice, prior to final payments.
- 3) Review file to be certain that all documentation is in order and that all necessary signatures have been obtained. Include before and after photographs in file.
- 4) GMD Staff shall add information on the completed case to the Community Development Property Log.

- ~~1)8.0      GMD staff shall visit the property and present the recipient with all warranties pertaining to the rehabilitation, a list of contractor and subcontractor telephone numbers, and a copy of the contract.~~
- ~~2) GMD staff provide the recipient with information on other housing assistance programs for which the recipient is eligible.~~
- ~~3) GMD staff shall add information on the completed case to Community Development Property Log.~~

## **8.0 SENIOR REPAIR SERVICE GRANTS**

A Senior Repair Service Grant is a non-repayable grant made to income-eligible seniors and or persons with disabilities of any age for the purpose of providing general maintenance repairs to enable the citizen to maintain his/her property.

### **8.1 Eligible and Ineligible Repairs**

Eligible repairs shall include the following:

- 1) repairs that help the applicant maintain independence, including but not limited to:
  - handrail installation and repair
  - porch and step repair/replacement
  - installation of non-slip stair treads
  - grab bar installation
  - installation of accessible water closet
  - ~~i~~Installation of hand-held shower unit
- 2) repairs that conserve financial and energy resources, including but not limited to:
  - repair/replace ~~of~~ leaky faucets or water connections
  - roof patching/soffit/fascia & gutter repair/replace
  - ~~installation of furnace/air conditioner filters~~
  - ~~inspection and~~ repair of furnace/air conditioners
  - replacement /repair of entry and storm doors
- replacement
  - ~~replacement//~~repair of deteriorating windows and storm windows and screens ~~and windows with screens~~
  - ~~r~~Replacement of obsolete water heaters

- plumbing repairs
- 3) repairs that insure minimum health and safety standards, including but not limited to:
- door hanging/replacement
  - installation of locks/deadbolts or level lock \_\_\_\_\_  
\_\_\_\_\_hardware
  - installation of smoke detectors/carbon monoxide detectors
  - wall and ceiling repairs/plaster patching
  - electrical repairs
  - floor repair/replacement to eliminate trip hazards ~~tree trimming or removal~~  
\_\_\_\_\_

Ineligible Repairs:

-The following repairs shall not be provided to the applicant through the Urbana Senior Repair Service Program:

- 1) any repair or remodeling service provided by the Urban League of Champaign County, The Salvation Army, AMBUCS, or the Urbana Grants Management Division, including whole-house rehabilitation and remodeling for handicapped accessibility;
- 2) roof replacement;
- 3) total exterior house painting;
- 4) house restoration (historic preservation);
- 5) redecorating;
- 6) lawn mowing, leaf raking, or snow removal;
- 7) ~~Tree or brush trimming.~~



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## 8.2 General Terms and Conditions

- 1) An applicant may receive a Senior Repair Service Grant to address an eligible activity and also be eligible to receive additional assistance through another rehabilitation assistance program described in this manual.
- 2) A Senior Repair Service Grant may be offered to an applicant, even if the property received assistance from GMD through another rehabilitation program in the same program year.
- 3) A Senior Repair Service Grant shall not exceed the maximum amount of \$850 ~~550~~ within the program year. The maximum available amount shall be reviewed and determined by the Community Development Commission on an annual basis.
- 4) A Senior Repair Service Grant recipient shall not be required to pay administrative expenses related to processing of the application.
- 5) Repayment of the grant is not required even if the grant is provided in conjunction with another rehabilitation assistance program.

## 8.3 Eligibility Requirements and Verification

To be eligible for assistance through this program, an individual/household must meet the following criteria:

- 1) The applicant must own and occupy the dwelling unit on which the repairs are to be made. (Trust Deeds and contract purchases are allowable with the approval of the owner of record.)
- 2) Eligible owner-occupied dwelling units include single-family residences, units in duplex structures, ~~units in multiple family structures including units in cooperative apartment buildings,~~ and mobile homes.;
- 3) The dwelling unit on which repairs are to be made must be located within the corporate limits of the City of Urbana at the time repairs are made.
- 4) The individual for whom repairs are made must be 62 years old or older or be a person with a disability of any age.

- 5) The applicant's household income shall not exceed 50 percent of the median family income for Champaign County as released by HUD.
- 6) Cost of repairs shall not exceed the maximum allotment amount per household per program year, as reviewed and determined by the Community Development Commission on an annual basis.
- 7) A Senior Repair Service Grant shall not exceed the maximum amount of \$850 ~~550~~ within the program year.
- 8) The applicant must complete an application for assistance under this program and sign a verification of income eligibility form.

#### **8.4 Work Procedures and Close Out**

- 1) GMD shall prepare a Senior Repair Service work order/invoice requiring the applicant's signature prior to the work being performed, - including a lead-based paint hazard evaluation as required.
- 2) The work order/invoice will be given to a qualified ~~contractor or repair service worker~~ contractor from the list maintained by GMD. These contractors shall be chosen on a rotation basis of the contractors interested in working in this program, or the homeowner may choose if preferred.
- 3) The contractor shall begin work at his/her earliest convenience. - It shall be the responsibility of the contractor/~~worker~~ to coordinate the work hours with the client.
- 3)4) At the completion of the work the contractor shall submit to the GMD a work order/invoice form which has been signed and dated by the client and which indicates satisfactory completion of the work.

## **9.0 SECONDARY STRUCTURE DEMOLITION PROGRAM**

This program provides up to \$3,000 as a non-repayable grant to income-eligible homeowners to eliminate unsafe secondary structures and deteriorating fence materials located on the property.

### **9.1 Eligible and Ineligible Activities**

#### Eligible Activities

- Demolition of garages including foundation materials
- Demolition of sheds including foundation materials
- Demolition of Carports
- Demolition of dilapidated fencing materials
- Backfill of removed sub-grade materials to a rough grade, anticipate and compensate for settling

#### Ineligible Activities

- Demolition of the primary structure
- Demolition of buildings attached to the primary structure
- Removal of toxic or hazardous materials left inside the structure
- Removal of vehicle left inside the structure
- Landscaping such as leveling to finish grade, replacing sod, grass seeding, replanting of shrubs and trees, etc.

### **9.2 General Terms and Conditions**

- 1) The property must be a single-family residential property owned and occupied by the applicant. Grant assistance can be offered to an applicant even if the same property received assistance through other programs administered by -the Grants Management Division.
- 2) The demolition grant shall not exceed \$3,000. If demolition cost proposals exceeds \$3,000-, the applicant/owner can provide the difference to complete

the project. Those funds shall be required to be put in an escrow account with the City at the time the demolition contract is executed.

- 3) For the structure to qualify for demolition assistance it must be structurally unsound or severely dilapidated.

—Self-help shall not be permitted through this program.

### 9.3 Eligibility Criteria

For the structure to qualify through the Program, the unit must meet the following criteria:

- 1) Be located within the city corporate limits of Urbana.
- 2) Be classified as "substandard, severely dilapidated.
- 3) Be structurally unsound. Units that do not meet this criteria are ineligible for assistance under this program.
- 4) Be a single-family owner-occupied residential property. Owner-occupied units in multiple-unit structures are ineligible for assistance under this program.

For an applicant to qualify for this type of assistance, he/she must meet the following criteria:

- 1) The applicant must have owned and lived at this residence for one year prior to applying for assistance.
- 2) The applicant must be the person or persons in whose name title to the property is vested.
- 3) The applicant must pay all sums necessary to release outstanding liens on the property other than mortgage and tax liens in good standing. Liens that must be released before work can proceed include, but are not limited to, liens for past-due income and sewer benefit taxes and liens for junk and debris removal.

—The applicant's anticipated household annual (gross) income shall not exceed 80 percent of the median family income for Champaign County as released by HUD.

—— The HUD Part 5 definition of annual (gross) income shall be used in calculating annual income.

- 4) ~~The HUD Part 5 definition of annual (gross) income shall be the method used in calculating annual income.~~

## 9.4 Processing Procedures

This section outlines procedures for preparing, processing, and approving an application for the program, determining work to be done on the property, procuring a contractor, and managing the project.

### Application Process

- 1) GMD staff shall interview and advise the applicant of the design and objectives and specific terms of the program and conditions under which assistance is provided.
- 2) GMD staff shall obtain the following information from and about the applicant and the subject property:
  - a) Verification of household income.
  - b) Verification of other earnings, housing expenses, and assets.
  - c) Verification of deposits with financial institutions.
  - d) Verification of mortgage or deed of trust secured by the property.
  - e) Verification of additional information, such as necessary to make a determination of eligibility.

### Contracting

Demolition projects exceeding \$1,000 are undertaken only through a written contract between the contractor and the program recipient. The contract shall contain the bid amount, all general conditions, and a description of work to be performed. The contract may be changed as federal, state, and local laws, regulations or policies deem necessary.

The contractor's proposal shall comply with general demolition specifications, as supplied by GMD. Drawings and/or detailed specifications shall be prepared by the contractor only when deemed essential by GMD or Building Safety to show the scope of work involved so misunderstandings can be avoided.

Self-Help shall not be permitted in these projects.

The contractor shall be required to obtain and pay for all required utility and demolition permits.

## 9.5 Close Out Procedures

- 1) Final inspection or Building Safety approval of -demolition work to ensure conformance with contract specifications and issues.
- 2) —Obtain from the contractor the lien waiver and invoice,—— prior to final payments.

Review file to be certain that all documentation is in order and that all necessary signatures have been obtained. ~~Include before and after photographs in file.~~

- 3)

## **10.0 PURCHASE/REHAB/RESELL PROGRAM**

To further enhance program objectives as described in this manual, the City shall engage in a program to purchase properties that are in danger of becoming blighted, rehabilitate them, and resell them as affordable housing. When opportunities become available the City shall purchase houses that do not fully meet local building codes but do not warrant demolition. The City shall initiate rehabilitation of those properties to preserve the affordable housing stock and maintain continuity of the neighborhood. These houses shall then be sold as owner-occupied units to households which earn less than 80% of the area median family income, as per HUD guidelines.

### **10.1 Rehabilitation Process**

In order to successfully rehabilitate acquired properties, the City may pursue a variety of partnerships, including but not limited to:

- Working with not-for-profit groups and/or Community Housing Development Organizations (CHDOs)
- Directly hiring contractors and overseeing the work internally
- Bidding out the project to for-profit developers and stipulating terms that will ensure an affordable end product

Any property acquired, rehabilitated, and sold shall only be used for homeownership.

Any property rehabilitated through this program shall comply with HUD Housing Quality Standards and all applicable building, zoning, occupancy, and property maintenance codes upon its completion. Compliance with this section shall be documented through an issuance of a **Certificate of Occupancy** by the City of Urbana Building Safety Division. All rehabilitation work performed with the project shall be subject to issuance of permits and payment of permit fees.

### **10.2 Property Requirements**

For a dwelling unit to qualify for this program, the unit must meet the following criteria:

- 1) Be located in the CD Target Area. Properties outside of the Targe Area will be considered on a case by case basis.
- 2) Be classified as "substandard, suitable for rehabilitation" by the Grants Management Division in coordination with the Building Safety Division.



- 3) Be structurally sound or be able to be rendered structurally sound through rehabilitation. Units that cannot be cost-effectively purchased, renovated to meet code and resold are ineligible under this program. These properties may be used as acquisition for demolition and the property added to the City's land portfolio to be used for new construction.
- 4) Be a unit which, after rehabilitation, will be a standard unit (i.e., without code violation).
- 5) Be a single-family residential property. Multiple-unit structures are ineligible for this program.
- 6) Not be located in an area which is in conflict with environmental or zoning regulations (e.g. not located within a floodplain or adjacent to a railroad or other noise source which has a day/night sound level in excess of Department of Housing and Urban Development Sound Level Standards) or with the 1982 Comprehensive Plan for Urbana as amended. Residential properties which are ~~nonconforming pursuant to~~ in violation of the Urbana Zoning Ordinance, as determined by the Zoning Administrator and/or the Zoning Review Board, are ineligible under this program.

### **10.3 Marketing/Reselling Process**

After the acquisition and successful rehabilitation of the property, the City shall work to ensure it is sold as an owner-occupied home to a low- or moderate-income family. In order to market the property to the appropriate market segment, the City may engage in one of the following tactics:

- Working with not-for-profit groups and/or CHDOs
- Hiring a realtor with experience in affordable housing
- Promoting through the Grants Management Division's extensive list of contacts with participating lenders, other housing agencies, or the general public

Any property acquired, rehabilitated and sold pursuant to this program shall be used solely for the purpose of homeownership for persons at or below 80% MFI.

## **10.4 Funding**

Funding sources for initial purchase and rehabilitation may include but are not limited to: CDBG, HOME, TIF, FHLB, IHDA, or other participating financial institutions.

Agreements and Deed restrictions may be required for use and occupancy and shall be secured through the contract documents as required by the funding used throughout the project. For example, if \$40,000 or less of HOME funds are expended in connection through the project the property shall be used for owner-occupied housing and must remain affordable to a low-income family for a period of not less than ten (10) years. If more than \$40,000 is expended, the property must remain affordable for a period of not less than fifteen (15) years.

The City shall comply with the Uniform Relocation Act when acquiring property pursuant to this program, including issuance of required notices to property owners, and occupants, and payment of relocation benefits when required.

All of the funds obtained through the sale of the acquired and rehabilitated property shall be returned to the City as required by the funding source to be used for other activities within the Purchase/Rehab/Resell program or other eligible projects.

## **10.5 Contract Management and Rehabilitation Close O-out**

- 1) The GMD or the organization in charge of the project shall inspect rehabilitation work on a regular basis to see that all work is progressing satisfactorily and to monitor the quality of materials and workmanship.
- 2) The GMD or organization in charge of the project shall make final inspection of rehabilitation work to ensure conformance with contract specifications.
- 3) The contractor and/or subcontractors shall coordinate with code officials, GMD, and or the organization for final approval on each segment of work performed at the residence.
- 4) The GMD or organization shall schedule and complete a lead clearance test for the lead reduction work performed at the residence.
- 5) The GMD or the organization shall obtain from the contractors any manufacturers' and suppliers' warranties, release of liens, invoices, and contractor's sworn statement prior to final pay request for rehabilitation work. The GMD or organization shall obtain a Certificate of Occupancy for the residence prior to issuing final payment to the contractor.

- 6) Review file to be certain that all documentation is in order and that all necessary signatures have been obtained. Include before and after photographs in file.

## **119.0 CONTRACTING POLICIES AND PROCEDURES**

This section describes the general contracting policies of the City of Urbana as they relate to housing rehabilitation projects, procedures whereby contractors can become eligible to contract for CDBG- and HOME-funded projects, policies governing use of self-help in housing rehabilitation assistance programs, and housing rehabilitation projects conducted in conjunction with for profit individuals and companies, non-profit organizations, -Empty Tomb, Inc.

### **119.1 General Contracting Policies**

~~The City of Urbana shall to the greatest extent feasible utilize Champaign County minority and female owned construction firms, subcontractors, and material suppliers on housing rehabilitation projects funded by CDBG and HOME. The City of Urbana encourages general contractors awarded CDBG- and HOME-funded contracts to utilize subcontractors and material suppliers located in Champaign County, employing Champaign County residents, and furthering federal, state, and local affirmative action goals.~~

#### Contracting Policies Pertaining to Grant/Deferred Loans and Grant/Installment Loans

See GDL and GIL Programs described in this manual.

~~Contracts for work funded through these two programs are awarded based on a sealed bid process. The homeowner selects four general contractors from the City's qualified general contractor list. These four contractors are invited by the Rehabilitation Specialist to submit sealed bids for the project. The construction contract is then awarded to the qualified general contractor selected by the homeowner so long as that general contractor has submitted a responsible bid a does not exceed ten percent (10%) of the Rehabilitation Specialist's project estimate. The homeowner must select from the contractors based on their sealed bids; the homeowner may not negotiate prices among the bidders either before or after bid opening.~~

~~It shall be the responsibility of GMD to ensure that all general contractors awarded bids for these two programs meet requirements for qualified general contractor status with the City. A general contractor not on the City's qualified general contractor list may be identified by the homeowner for purposes of soliciting sealed bids; however, the general contractor must be approved by GMD for inclusion on the qualified general contractor list prior to signing of a construction contract.~~

#### Contracting Policies Pertaining to Access Grants

See Access Grant Program described in this manual .

~~Timing of completion of work under the Access Grant Program is especially important, because the homeowner or renter often must rely on Access Grant improvements to be able~~

~~to use (even enter) her or his dwelling unit. Consequently, advertised bidding is not required in the Access Grant Program.~~

~~For Access Grant projects with costs not exceeding \$1,000, no bid solicitation shall be required. The Rehabilitation Specialist assigned to the case may select any qualified general contractor or minority/female owned specialty contractor in the event that a general contractor is not needed, so long as the contractor's proposal is reasonable and appropriate. In the event that a bid cannot be obtained from firms on these lists in a timely manner, the Grants Management Manager may authorize solicitation of bids from firms not on the lists.~~

~~For Access Grant projects with costs more than \$1,000 but not exceeding the \$5,000 program limit, the Rehabilitation Specialist assigned to the case shall solicit bids from at least three (3) contractors on the list of qualified general contractors or on the list of minority/female owned specialty contractors. Formal advertising shall not be required. The construction contract shall be awarded to the qualified general contractor submitting the lowest responsible bid. It is the right of the City of Urbana to reject any or all proposals.~~

#### Contracting Policies Pertaining to Emergency Grants

See Emergency Grant Program described in this manual .

#### Contracting Policies Pertaining to Secondary Structure Demolition Program

See Secondary Structure Demolition Program described in this manual .

#### Contracting Policies Pertaining to Purchase/Rehab/Resell Program

See Purchase/Rehab/Resell Program described in this manual.

~~Due to the immediate nature of Emergency Grant work, insufficient time is available to seek formal competitive bids or to allow the homeowner to solicit bids from qualified contractors.~~

~~For Emergency Grant projects with costs not exceeding \$1,000, no bid solicitation is required. The Rehabilitation Specialist assigned to the case may select any qualified general contractor or minority/female owned specialty contractor in the event a general contractor is not needed, so long as the contractor's proposal is reasonable and appropriate.~~

~~For Emergency Grant projects with costs more than \$1,000 but not exceeding the \$5,000 program limit, the Rehabilitation Specialist assigned to the case shall solicit bids from at least three (3) contractors on the list of qualified general contractors or on the list of minority/female owned specialty contractors. In the event bids cannot be obtained from firms on these lists in a timely manner, the Grants Management Manager may authorize solicitation of bids from firms not on the lists. The Emergency Grant construction contract~~

~~shall be awarded to the contractor submitting the lowest responsible bid. It is the right of the City of Urbana to reject any or all proposals. In the event the scope of Emergency Grant work cannot be determined at the time bids are solicited, hourly rate quotations may be used to select the contractor for the project.~~

## **119.2 Contractor Standards**

As described above, all Urbana housing rehabilitation programs utilize a list of qualified general contractors, minority/female-owned specialty contractors, or both. To implement these programs, GMD maintains lists of qualified general contractors and minority/female-owned specialty contractors. The City has adopted the following minimum standards for inclusion on these lists.

### Standards for Qualified General Contractor List

Qualified general contractor status indicates the contractor has the financial resources and the experience in both project management and construction trades necessary to successfully complete housing rehabilitation projects of the nature undertaken through the City's housing rehabilitation programs. GMD maintains a list of qualified general contractors eligible to participate in the City's housing rehabilitation programs. To qualify for inclusion on the list, a general contractor must submit an application to GMD, which evidences that the contractor meets the following standards.

- ~~1) The contractor has offices in Champaign County and operates her/his business primarily within the county.~~
- ~~2) The contractor has local telephone service, toll free service outside of Urbana, car telephone service, pager service, or a local answering service for the benefit of Urbana clients.~~
- ~~3) The contractor has successfully completed at least two similar cases of nature and cost to those funded through the Urbana housing rehabilitation program to the satisfaction of client, vendors, and subcontractors. The two cases must involve management of at least one subcontractor and direct experience in one or more construction trades.~~
- 24) The contractor must provide evidence of insurance of the types and amounts as follows. The amounts are minimum levels. ~~;~~ ~~the contractor may choose to purchase coverage in higher amounts and is encouraged to do so.~~

The Contractor shall maintain during the entire period of his performance under this Contract for Rehabilitation the following minimum levels of insurance. All policies

shall be written with insurance carriers qualified to do business in the State of Illinois.

- a) Worker's Compensation Insurance -- Per Illinois Statutory Requirements
- b) Comprehensive General Liability policy to cover bodily injury to persons other than employees and for damage to tangible property, including loss of use thereof, including the following exposures.
  - 1. All premises and operations.
  - 2. Explosion, collapse, and underground damage.
  - 3. Contractor's Protective coverage for independent contractors or subcontractors employed by him/her.
  - 4. Contractual Liability for the obligation assumed in the Indemnification and Hold Harmless agreement of the contract.
  - 5. Personal Liability endorsement with no exclusions pertaining to employment.  
———Products and completed operations coverage.
  - 6. Combined single limits of at least one million (\$1,000,000) per occurrence.
- c) Automobile Liability – Combined single limits of at least (\$500,000) per occurrence bodily injury/property damage. Auto liability shall include owned, non-owned, and hired vehicles.
- d) Umbrella Liability Policies may be used to satisfy the limits named above.
- ~~b) e) Pollution Liability: (if applicable) - as required by the State of Illinois Department of Public Health for Lead Contractors.~~
- b)

~~a) Worker's compensation per Illinois statutory requirements.~~

~~b) General liability~~

~~(i) General aggregate limit (other than products completed operations) \$500,000~~

~~(ii) Products completed operations aggregate \$500,000~~

~~(iii) Personal and advertising injury limit~~

~~\_\_\_\_\_ \$500,000~~

~~\_\_\_\_\_ (iv) Each occurrence limit \$500,000~~

~~\_\_\_\_\_ c) Automobile Liability (for any contractor vehicles to be used on work sites; the contractor shall submit an itemized list of vehicles for which coverage has been obtained)~~

~~\_\_\_\_\_ (i) A \$500,000 combined single limit of bodily injury/property damage automobile coverage~~

- 5) The contractor must have financial resources including working capital and sufficient credit necessary to purchase building materials and retain subcontractors for housing rehabilitation work.
- 6) The contractor must be capable of securing permits required for housing rehabilitation. The contractor must have licenses required for construction trades or must be able to subcontract with firms that do.
- 7) The contractor must be in good standing with other federal, state, and local agencies and may not be on any government-maintained debarred contractor list.
- 8) The contractor must be in good standing with the Federal Internal Revenue Service and the State Department of Revenue. The contractor may not be subject to federal or state tax levy or lien.
- 9) The contractor adheres to the City's Equal Employment Opportunity Ordinance (or for companies new to City contracting, agrees to adhere to the ordinance and has the necessary written policies and procedures to do so). Continued participation in the housing rehabilitation programs is based in part on efforts by the contractor to retain minority/female-owned subcontractors in GMD-funded construction work.

GMD will approve contractors for the qualified general contractor list ~~for a period not to exceed two years. Continued inclusion on the qualified general contractor list at the time of renewal shall be based on the contractor's history with the program during the previous listing period.~~ GMD reserves the right to approve contractors for listing on the qualified general contractor list with conditions such as limits on project size and/or on the number of contracts the contractor will be allowed to undertake simultaneously.

GMD reserves the right to remove a contractor from the qualified general contractor list or to limit the scope of work by the contractor in the program ~~during the two-year listing period~~ for any of the following reasons. Prior to taking such action, GMD shall provide the



contractor written notification of the deficiency and shall allow the contractor reasonable time to correct said deficiency.

- 1) The contractor fails to continue to meet any of the qualification standards listed herein.
- 2) The contractor fails to comply with provisions of a program construction contract and is declared in default of said contract. Grounds for declaration of default include, but are not limited to, the following:
  - a) Poor workmanship;  
~~(workmanship below standards described in General Specifications (1990), as amended);~~
  - b) Unable to secure and maintain the proper license's and insurance requirements;
  - c) Continued violation of a contract start or completion date;
  - d) Abuse of change-order provisions;
  - e) Bankruptcy or insufficient financial resources to complete work.
- 3) The contractor's and subcontractor's conduct toward program clients is inconsistent with public policy.

#### Standards for Minority/Female-Owned and Specialty Contractor List

A minority/female-owned and specialty contractor is a firm specializing in one or more construction trades in which more than half of the assets are owned and controlled by a minority or female person or persons. ~~To be eligible for inclusion on the minority/female-owned specialty contractor list, the company must be located in and operate within Champaign County.~~

Prior to commencement of any work funded through GMD the company must meet the following additional standards.

- 1) The contractor must submit the appropriate Equal Employment Opportunity forms in an acceptable manner.
- 2) The contractor must provide evidence that she/he has insurance of the type and minimum amounts cited in Standards for Qualified General Contractor List. ~~#5 above.~~

- 3) The contractor is capable of securing building and utility permits as necessary for the construction work proposed by the contractor.
- 4) The contractor is judged by GMD to have an acceptable record of performance, integrity, financial resources, and technical expertise as determined by investigation of information requested by GMD and provided by the contractor.

### **9.311.3 Self-Help in Rehabilitation Assistance Programs**

Self-help is not allowed in any project funded in accordance with this manual.

### **119.4 Rehabilitation Projects in Conjunction with non-profit agencies including with Empty Tomb, Inc.**

~~Whole house r~~Rehabilitation assistance through programs described in this manual is limited to a maximum funding amount per program ~~\$25,000 per dwelling unit~~. Recognizing that some projects cannot be completed ~~dwelling units cannot be brought into code compliance~~ at that cost, GMD ~~has entered~~ into a cooperative arrangement with a non-profit service organization such as Empty Tomb, Inc., a private, non-profit social service organization based in Champaign. GMD will provide CDBG/HOME funds to a homeowner for purchase of building materials up to the maximum amount available per program ~~\$20,000~~. The materials are then installed by ~~Empty Tomb~~ the organization staff and volunteers pursuant to a contract between ~~Empty Tomb~~ the organization and the homeowner. ~~Empty Tomb's~~ Staff and volunteers of such organizations are not eligible for reimbursement for their labor. The decision to involve ~~Empty Tomb~~ any non-profit service organization in the project is ultimately made by the homeowner.

Non-profit agencies may be utilized through the ~~city~~City's ~~p~~Purchase/ ~~R~~rehab/ ~~R~~esell program on a case by case basis as determined by the work to be accomplished, funding availability, and time allotted for the project. The ~~city~~City shall enter into a memorandum of understanding with the agency to provide funding for the materials and specialty contractors required to complete the project. Non-profit agencies and volunteers are not eligible for reimbursement for their time and labor. The agencies shall be required to submit proof of insurance. All policies shall be written with insurance carriers qualified to do business in the State of Illinois.

- 1a) Worker's Compensation Insurance - Per Illinois Statutory Requirements

- 2b) Comprehensive General Liability policy to cover bodily injury to persons other than employees and for damage to tangible property, including loss of use thereof, including the following exposures.
- a) All premises and operations.
  - b) Explosion, collapse, and underground damage.
  - c) Contractor's Protective coverage for independent contractors or subcontractors employed by him/her.
  - d) Contractual Liability for the obligation assumed in the Indemnification and Hold Harmless agreement of the contract.
  - e) Personal Liability endorsement with no exclusions pertaining to employment.
  - f) Products and completed operations coverage.  
 \_\_\_\_\_ Combined single limits of at least one million (\$1,000,000) per occurrence.
- 3e) Automobile Liability – Combined single limits of at least (\$500,000) per occurrence bodily injury/property damage. Auto liability shall include owned, non-owned, and hired vehicles.
- 4d) Umbrella Liability Policies may be used to satisfy the limits named above.
- 5e) Pollution Liability: (if applicable) - as required by the State of Illinois Department of Public Health for Lead Contractors.

Involvement by a non-profit agency ~~Empty Tomb~~ is determined on a case-by-case basis but is generally limited to a portion of the rehabilitation work at any particular site. ~~Empty Tomb~~ Work is based on the type of renovation to be undertaken and on the availability of ~~Empty Tomb~~ volunteers. Work requiring licensing such as electrical, plumbing, eetc. shall be completed by ~~not undertaken by Empty Tomb~~, licensed subcontractors and shall be paid accordingly. ~~such as electrical and mechanical work, is assigned to a contractor in accordance with contracting policies and procedures.~~

Requests for payment submitted by the non-profit agencies ~~Empty Tomb~~ to GMD shall be carefully reviewed by GMD ~~the Rehabilitation Specialist assigned to the case for~~ reasonableness and completeness. Reimbursement for any material purchases may be disallowed if the GMD ~~Rehabilitation Specialist~~ determines that the material cost significantly exceeds the suggested retail price of the material or if the GMD ~~Rehabilitation~~

Specialist determines upon inspection of the property that the material has not been used in the rehabilitation.

GMD shall encourage non-profits ~~Empty Tomb, Inc.~~ to purchase material supplies from Champaign County vendors whenever possible.

## **APPENDIX I: HUD PART 5 INCOME DEFINITIONS**

### **HUD Part 5 Income Inclusions:**

- 1) The full amount of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before any payroll deductions).
- 2) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
- 3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in number 2 above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
- 4) The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except Supplemental Security Income (SSI) or Social Security).
- 5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).
- 6) Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and

utilities, the amount of welfare assistance income to be included as income consists of:

- the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**
  - the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
- 7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
  - 8) All regular pay, special day and allowances of a member of the Armed Forces.

#### **HUD Part 5 Income Exclusions**

- 1) Income from employment of children (including foster children) under the age of 18 years.
- 2) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family who are unable to live alone).
- 3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earning--see number 5 of "Income Inclusions").
- 4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
- 5) Income of a live-in aide.
- 6) The full amount of student financial assistance paid directly to the student or to the educational institution.
- 7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

- 8) Self-Sufficiency Program Income.
  - a) Amounts received under training programs funded by HUD.
  - b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
  - c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program.
  - d) Amounts received under a resident service stipend (as defined in 24 CFR 5.609(c)(8)(iv)).
  - e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participated in the employment training program.
- 9) Temporary, nonrecurring, or sporadic income (including gifts).
- 10) Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
- 11) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household or spouse).
- 12) Adoption assistance payments in excess of \$480 per adopted child.
- 13) Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
- 14) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

- 15) Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
- 16) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.

~~H:\Randy\2000 Housing Rehab Manual Revised~~

#### ~~10.0 Secondary Structure Demolition Program~~

~~— This program provides up to \$3,000 as a non-repayable grant to income eligible homeowners to eliminate unsafe secondary structures and deteriorating fence materials located on the property.~~

#### ~~10.1 Eligible and Ineligible Activities~~

##### ~~Eligible Activities~~

- ~~— Demolition of garages including foundation materials~~
- ~~— Demolition of sheds including foundation materials~~
- ~~— Demolition of Carports~~



- ~~— Demolition of dilapidated fencing materials~~
- ~~— Backfill of removed sub-grade materials to a rough grade, anticipate and compensate for settling.~~

#### **Ineligible Activities**

- ~~— Demolition of the primary structure~~
- ~~— Demolition of buildings attached to the primary structure~~
- ~~— Removal of toxic or hazardous materials left inside the structure~~
- ~~— Removal of vehicle left inside the structure~~
- ~~— Landscaping such as, leveling to finish grade, replacing sod, grass seeding, replanting of shrubs and trees, etc.~~

#### **~~General Terms and Conditions~~**

- ~~— The property must be a single family residential property owned and occupied by the applicant. Grant assistance can be offered to an applicant even if the same property received assistance through other programs administered by the Grants Management Division~~
- ~~— The demolition grant shall not exceed \$3,000. If demolition cost proposals exceeds \$3,000 the applicant/owner can provide the difference to complete the project. Those funds shall be required to be put in an escrow account with the city at the time the demolition contract is executed.~~
- ~~— For the structure to qualify for demolition assistance it must be structurally unsound or severely dilapidated.~~
- ~~— Self help shall not be permitted through this program.~~

### **10.3 Eligibility Criteria**

For the structure to qualify through the Program, the unit must meet the following criteria:

- ~~— 1) — Be located within the city limits of Urbana.~~
- ~~— 2) — Be classified as "substandard, severely dilapidated.~~
- ~~— 3) — Be structurally unsound. Units that cannot be meet this criteria are ineligible for assistance under this program.~~

~~4) Be a single-family owner-occupied residential property. Owner-occupied units in multiple-unit structures are ineligible for assistance under this program.~~

~~For an applicant to qualify for this type of assistance, he/she must meet the following criteria:~~

~~The applicant must have owned and lived at this residence for one year prior to applying for assistance.~~

~~The applicant must be the person or persons in whose name title to the property is vested.~~

~~The applicant must pay all sums necessary to release outstanding liens on the property other than mortgage and tax liens in good standing. Liens that must be released before work can proceed include, but are not limited to, liens for past-due income and sewer benefit taxes and liens for junk and debris removal.~~

~~The applicant's anticipated household annual (gross) income shall not exceed 80 percent of the median family income for Champaign County as released by HUD.~~

~~The Section 8 definition of annual (gross) income shall be the method used in calculating annual income.~~

#### **10.4 Processing Procedures**

~~This section outlines procedures for preparing, processing, and approving an application for the program, determining work to be done on the property, procuring a contractor, and managing the project.~~

##### Application Process

~~1) GMD staff shall interview and advise the applicant of the design and objectives and specific terms of the program and conditions under which assistance is provided.~~

~~2) GMD staff shall obtain the following information from and about the applicant and the subject property:~~

~~a) Verification of household income.~~

~~b) Verification of other earnings, housing expenses, and assets.~~

- ~~\_\_\_\_\_ c) Verification of deposits with financial institutions.~~
- ~~\_\_\_\_\_ d) Verification of mortgage or deed of trust secured by the property.~~
- ~~\_\_\_\_\_ e) Verification of additional information, such as necessary to make a determination of eligibility.~~

### Contracting

~~Demolition projects exceeding \$1,000 is undertaken only through a written contract between the contractor and the program recipient. The contract shall contain the bid amount, all general conditions, and a description of work to be performed. The contract may be changed as federal, state, and local laws, regulations or policies deem necessary.~~

~~The contractor's proposal shall comply with general demolition specifications, as supplied by GMD. Drawings and/or detailed specifications shall be prepared by the contractor only when deemed essential by GMD or Building Safety to show the scope of work involved so misunderstandings can be avoided.~~

~~Self-Help shall not be permitted in these projects.~~

~~The contractor shall be required to obtain and pay for all required utility and demolition permits.~~

### **~~10.5 Close-Out Procedures~~**

~~Final inspection or building Safety approval of demolition work to ensure conformance with contract specifications and issues.~~

~~Obtain from the contractor the, lien waiver and invoice, prior to final payments.~~

~~Review file to be certain that all documentation is in order and that all necessary signatures have been obtained. Include before and after photographs in file.~~

### **~~8.0 PURCHASE/REHAB/RESELL PROGRAM~~**

~~To further enhance program objectives as described in this manual, the City shall engage in a program to purchase properties that are in danger of becoming blighted, rehabilitate them, and resell them as affordable housing. When opportunities become available the City shall purchase houses that do not fully meet local building codes but do not warrant demolition.~~

~~The city shall initiate rehabilitation of those properties to preserve the affordable housing stock and maintain continuity of the neighborhood. These houses shall then be sold as owner-occupied units to households which earn less than 80% of the area median family income, as per HUD guidelines.~~

### ~~8.1 — Rehabilitation Process~~

~~In order to successfully rehabilitate acquired properties, the city may pursue a variety of partnerships, including but not limited to:~~

- ~~— Working with not for profit groups and/or CHDOs~~
- ~~— Directly hiring contractors overseeing the work internally~~
- ~~— Bidding out the project to for profit developers and stipulating terms that will ensure an affordable end product~~

~~Any property acquired, rehabilitated, and sold shall only be used for homeownership.~~

~~Any property rehabilitated through this program shall comply with HUD Housing Quality Standards and all applicable building, zoning, occupancy, and property maintenance codes upon its completion. Compliance with this section shall be documented through an issuance of a **Certificate of Occupancy** by the City of Urbana Building Safety Division. All rehabilitation work performed with the project shall be subject to issuance of permits and payment of permit fees.~~

### ~~8.2 — Property Requirements~~

~~For a dwelling unit to qualify for this program, the unit must meet the following criteria:~~

- ~~1) Be located in the CD Target Area.~~
- ~~2) Be classified as "substandard, suitable for rehabilitation" by the Grants Management Division in coordination with the Building Safety Division.~~
- ~~3) Be structurally sound or be able to be rendered structurally sound through rehabilitation. Units that cannot be cost effectively purchased, renovated to meet code and resold are ineligible under this program. These properties may be used as acquisition demolition and the property added to the City's land portfolio to be used for new construction.~~
- ~~4) Be a unit which, after rehabilitation, will be a standard unit (i.e., without code violation).~~

- ~~5) Be a single-family residential property. Multiple-unit structures are ineligible for under this program.~~
- ~~6) Not be located in an area which is in conflict with environmental or zoning regulations (e.g. not located within a floodplain or adjacent to a railroad or other noise source which has a day/night sound level in excess of Department of Housing and Urban Development Sound Level Standards) or with the 1982 Comprehensive Plan for Urbana as amended. Residential properties which are nonconforming pursuant to the Urbana Zoning Ordinance are ineligible under this program.~~

## ~~8.2 Marketing/Reselling Process~~

~~After the acquisition and successful rehabilitation of the property the city shall work to ensure it is sold as an owner-occupied home to a low-income family. In order to market the property to the appropriate market segment, the City may engage in one of the following tactics:~~

- ~~—Working with not for profit groups and/or CHDOs~~
- ~~—Hiring a realtor with experience in affordable housing~~
- ~~—Promoting through the Grants Management Division's extensive list of contacts with participating lenders, other housing agencies, or the general public~~

~~Any property acquired, rehabilitated and sold pursuant to this program shall be used solely for the purpose of homeownership for persons at or below 80% MFI.~~

## ~~8.3 Funding~~

~~Funding sources for initial purchase and rehabilitation may include but are not limited to: CDBG, HOME, TIF, FHLB, IHDA, or other participating financial institutions.~~

~~Agreements and Deed restrictions may be required for use and occupancy and shall be secured through the contract documents as required by the funding used throughout the project. i.e. If 40,000 or less HOME funds are expended in connection through the project the property shall be used for owner-occupied housing and must remain affordable to a low-income family for a period of not less than ten (10) years. If more than \$40,000 is expended the property must remain affordable for a period of not less than fifteen (15) years.~~

~~The City shall comply with the Uniform Relocation Act when acquiring property pursuant to this program, including issuance of required notices to property owners, and occupants, and payment of relocation benefits when required.~~

All of the funds obtained through the sale of the acquired and rehabilitated property shall be returned to the City as required by the funding source to be used for other or the same eligible projects.

#### 8.4 Contract Management and rehabilitation close out

~~1 The GMD or the organization in charge of the project shall inspect rehabilitation work on a regular basis to see that all work is progressing satisfactorily and to monitor the quality of materials and workmanship.~~

~~The GMD or organization in charge of the project shall make final inspection of rehabilitation work to ensure conformance with contract specifications.~~

~~The contractor and/or subcontractors shall coordinate with code officials, GMD, and or the organization for final approval on each segment of work performed at the residence.~~

~~The GMD or organization shall schedule and complete a lead clearance test for the lead reduction work performed at the residence.~~

~~The GMD or the Organization shall obtain from the contractors, any manufacturers' and suppliers' warranties, release of liens, invoices, and contractor's sworn statement prior to final pay request for rehabilitation work. The GMD or organization shall obtain a Certificate of Occupancy for the residence prior to issuing final payment to the contractor.~~

~~Review file to be certain that all documentation is in order and that all necessary signatures have been obtained. Include before and after photographs in file.~~

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RESOLUTION NO. 2005-08-012R

A RESOLUTION AMENDING HOUSING REHABILITATION PROGRAM  
OPERATIONAL GUIDELINES AS ORIGINALLY AUTHORIZED  
BY RESOLUTION NO. 2000-07-022R

CITY OF URBANA  
HOUSING REHABILITATION PROGRAM MANUAL  
PROGRAM YEARS 2005-2009

WHEREAS, on February 2, 1976, the City Council of the City of Urbana, Illinois, adopted operational guidelines for the implementation of housing rehabilitation programs funded through the Community Development Block Grant program; and

WHEREAS, said operational guidelines have been amended by the City Council from time to time thereafter; and

WHEREAS, the Community Development Commission and Grants Management Division of the City of Urbana have formulated revised housing rehabilitation program guidelines entitled Housing Rehabilitation Program Manual 2005-2009 for the purpose of 1) administering the program years 2005-2009 housing rehabilitation programs funded in part with Community Development Block Grant funds, HOME Investment Partnership Program funds, and additional funding that may be available through Illinois Department of Public Health, Federal Home Loan Bank, Illinois Housing Development Authority, TIF, or other participating financial institutions to supplement the programs in the manual, 2) replacing previously adopted housing rehabilitation program guidelines which require revisions to clarify existing programs and conform to regulations and guidelines required by the funding source with the addition of new programs to help in eliminating blight and dilapidating structures to help revive the neighborhood and promote owner-occupied properties; a copy of said housing rehabilitation program manual is attached hereto and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

That the Grants Management Division of the City of Urbana is hereby authorized and directed to proceed with the implementation of the housing rehabilitation program guidelines as described in the attached Housing Rehabilitation Program Manual 2005-2009, dated June, 2005, which is hereby approved.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor