



# HOUSING AUTHORITY OF JACKSON COUNTY

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## OVERVIEW OF THE JACKSON COUNTY HOME REPAIR PROGRAM

Funds for this program are obtained in competition from the State of Oregon. The primary goal of the project in **Jackson County** is to preserve and improve the existing housing stock and to alleviate health and safety hazards. The Program will provide zero interest, deferred payment loans to low-moderate income homeowners.

### SECTION A: APPLICANT ELIGIBILITY

1. The applicant must own the subject property and provide proof of ownership.
2. A low-moderate income homeowner must inhabit the property. **Vacant and rental properties will not be processed.**

a) In order to participate in this program, **total** yearly household income must fall below these limits:

| <b>1 person</b> | <b>2 persons</b> | <b>3 persons</b> | <b>4 persons</b> | <b>5 persons</b> | <b>6 persons</b> | <b>7 person</b> |
|-----------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| <b>\$36,500</b> | <b>\$41,700</b>  | <b>\$46,900</b>  | <b>\$52,100</b>  | <b>\$56,300</b>  | <b>\$60,450</b>  | <b>\$64,650</b> |

Total gross income includes but is not limited to the following: wages, tips, interest, dividends, rental income, investment or business income, social security, pensions, annuity income, alimony, child support, welfare, veterans' benefits and disability payments. Income shall be subject to third party verification. **All** income for **all** occupants in the home over the age of 18 shall be counted regardless of relationship to owner.

b) Self-employed persons must provide two years of federal tax returns.

3. Applicants will be placed on a waiting list according to the date the application is received in our office. Priority will be given to applicants whose circumstances constitute a hazardous health or safety condition or threat to themselves or their neighbors as determined by the Housing Authority or appropriate city official and when the deficiencies can be corrected within the scope of the funding limits.
4. The Housing Authority of Jackson County will provide assistance to eligible applicants without discrimination because of race, color, religion, sex, national origin, age, marital status, familial status or physical or mental handicap if such person has capacity to contract.

### SECTION B: PROPERTY ELIGIBILITY

1. The property must be located within the borders of *Jackson County and not within the City limits of Medford or Ashland.*
2. A home will be inspected and will qualify for assistance if it **does not** fall in any of the following categories:
  - a. The structure is basically unsound and lacks structural integrity, either from deterioration or poor construction.
  - b. The cost of the repairs required to bring the dwelling up to minimum property standards will exceed the loan's limit.

- c. The structure and/or the use of the structure is in nonconformity with zoning or land use for the area.
  - d. The proposed expenditure would not increase the value of the property sufficiently to protect the owner's existing equity.
3. The homeowner refuses to bring property up to minimum program standards.
  4. The property is in foreclosure or in danger of foreclosure or is not for sale.
  5. Taxes must be current unless homeowner qualifies for tax deferment.
  6. Standards: Improvements must bring the dwelling to at least Section 8 Housing Quality Standards for health and safety, established by HUD. The Uniform Building Code will be the quality standard for all work performed at the residence
  7. ***Mobile homes in parks and those older than 1976 will not be eligible.***
  8. The **Improvement Value** (RMV) per Jackson County Assessor, may not exceed **\$180,000**.

### SECTION C: LOANS

1. The loans will be **zero interest due on sale loans**. These loans will not be assumable by subsequent buyers or passed down through inheritance. ***Homeowners with Reverse Mortgages are not eligible for this loan program due to the declining equity of the home.***
2. Homeowners will need to provide proof, at the time of income qualification, that they have not been able to obtain financing from any other conventional source to perform the needed repairs. Unless they have one of the following situations:
  - a. Income below 50% of current area median income.
  - b. You owe more than 80% of the current Real Market Value (RMV) per Jackson County Tax info.
  - c. Applicants with a 1976-1980 Manufactured home.
  - d. Applicants with an emergent situation that poses immediate danger to the safety of the homeowner or others and/or is damaging the environment as determined by the inspecting Rehab. Specialist.
3. The maximum loan amount shall be the lessor of the following:
  - a. \$25,000
  - b. Actual cost of the approved rehabilitation work and fees.
4. The owner of the property will sign a Promissory Note and Trust Deed for the amount of the loan. These will be recorded at the Jackson County Records Office.
5. The entire loan may be repaid at any time without penalty.
6. The owner shall maintain the property in sound condition during and after the rehabilitation. The owner shall maintain hazard insurance on the property and keep property taxes current.
7. If there are multiple owners, the persons holding the deed must sign a notarized "Consent to Lien" if not signing the loan documents.

## **SECTION D: ELIGIBLE USES OF LOAN PROCEEDS**

1. Loan proceeds may be used to finance the cost of rehabilitation work deemed necessary by the Housing Authority to bring the property into compliance with applicable codes and ordinances, to contribute to the health, safety and well being of the occupant. Work items include but are not limited to:
  - a. Work items to correct recognized hazards to the health and safety of the occupant such as an inadequate electrical panel, failing septic system or well.
  - b. Correction of recognized structural defects, such as dry rot or leaking roofs.
  - c. Items that save energy or correct the wasteful use of energy such as insulation, high efficiency heating systems, repair of broken glass, replacement of windows and doors.
  - d. Removal of architectural barriers for the special needs of the elderly and handicapped.
  - e. Exterior improvements when needed.
  - f. Replacement of floor coverings due to age or excessive wear.
2. Loan proceeds may be used to pay for incidental fees and services relating to the project. Examples are:
  - a. Fees for connection of utilities.
  - b. Understructure and dry rot inspections or property inspections of any nature associated with determining the extent of problems.
  - c. Title reports, credit reports, recording fees or escrow fees.
  - d. Building, plumbing, electrical, and other permits.
  - e. Hazardous material testing.

## **SECTION E: INELIGIBLE USES OF LOAN PROCEEDS**

1. CDBG funds may not be used for new construction or expansion of unfinished areas except where the inspector determines that the family is overcrowded.
2. Materials or fixtures that are of a quality or type that exceed what is usually found in homes of the type being rehabilitated.
3. Appliances, except ranges, water heaters, and possibly a refrigerator if a health or safety hazard exists.
4. The applicant's labor or any donated labor is not an eligible expense.

## **SECTION F: PROCEDURE**

1. Application: The owner of the property submits an application to the Housing Authority. Applications are dated and added to the wait list in the order they are received. When the application comes to the top of the wait list, the homeowner will be notified by mail that we are ready to review the applicant's eligibility and begin their project.
2. Income verification and property inspection: If the client and the property both qualify, the Housing Authority Rehab Specialist will work with the owner in developing a work write up to give to three contractors for bids. Three bids are not required for jobs less than \$5000, but they are encouraged.
  - a) If the Rehab Specialist calls for an understructure inspection, the owner must obtain one. The cost may be included in the loan. If the project does not proceed for some reason, the cost of the inspection will be absorbed by the program.
  - b) The owner must agree to include all items required by the Rehab Specialist in the scope of work. Failure to do so is grounds for exclusion from the program.

3. Contracts: After the bids have been obtained, the owner must choose the contractor or contractors. Owner is not required to choose low bid. All contractors must be licensed with the State of Oregon. In addition, all contractors paid by the Housing Authority will need to show proof of liability insurance and bond.
  - a) Agreement with the client: Housing Authority enters into an agreement with the owner of the property. This defines the rights and responsibilities of the Housing Authority and the client.
  - b) Contracts for work: The Housing Authority is not a party to the contracts for the actual jobs. The contracts are between the contractor and the owner of the property. The chosen bids are a part of the contracts.
  - c) Owner signs a Promissory Note and Trust Deed at this time. If there are change orders in the future that change the dollar amount, a new Trust Deed will need to be signed and the previous one voided.
4. Final inspection: The Rehab Specialist will make a final inspection to check that all required items have been addressed. The building department must sign off on all projects that require building permits.
5. Contractor payment: If all work has been completed to the satisfaction of the Housing Authority, the owner, and the building department, the check is then given to the contractor.
6. Recording and closeout: After all work is completed and all money has been disbursed, the lien is recorded at the County and a collection escrow set up at a local loan servicer.