

# Homeowner Rehabilitation Program Guidelines

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The Homeowner Rehabilitation Program is designed to improve the current housing stock in the City. Assistance to eligible homeowners is given in the form of grants and loans.

**Eligible Properties:** The housing must be single-family (1- to 4-family residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot) housing unit. Property must be located in the City of Tulsa. Property CANNOT be located in a FEMA-designated Flood Plain.

**After Rehab Value:** The housing must not exceed 95 percent of the median purchase price for the area. GA will use the HUD-established limit for the Tulsa MSA as published on the U.S. Department of Housing and Urban Development's website.

## Assistance Available:

**GRANTS (CDBG Only)** - Rehabilitation projects include special purpose minor repairs, such as energy efficiency improvements, handicapped accessibility, and repairs that endanger health and safety.

Maximum assistance: \$7,500

**Note:** All LBP regulations will be required.

**LOANS (CDBG and HOME)** – Rehabilitation projects include major repairs to bring housing units up to applicable local and state codes. All work must meet the City of Tulsa Rehabilitation Standards and Specifications, including a minimum useful life of five (5) years for major systems (structural support, roofing, cladding and weatherproofing, plumbing, electrical, and HVAC).

Maximum loan: \$45,000

Loan Terms: Five (5) Year Deferred Loan

Applicants are limited to one LOAN per household until balance is zero.

## Client Eligibility:

- A. **Ownership:** Has fee simple title to the property or maintains a 99-year leasehold interest in the property
- B. **Principal Residence:** Qualified applicant must certify that the property is their principal residence. For Rehabilitation LOANS, the applicant will also certify that the property will remain their principal residence until the loan has a zero balance.
- C. **Income Limits:** Households with an annual (gross) income that does not exceed 80% of Median Family Income for Tulsa, OK, adjusted for size of household, as approved by the U.S. Department of Housing and Urban Development (DHUD). Income eligibility documentation shall be dated no earlier than six (6) months prior to when the homeowner receives the assistance.

## Terms and Conditions of LOAN

- A. "Principal residence" requirement during the term of the loan.
- B. Property meets and remains in a condition that complies with the City of Tulsa's prevailing local codes

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- C. Homeowner maintains in full force and effect sufficient policies of insurance insuring the improvements upon the real estate described in the Second Mortgage against liability, fire, and loss and such policies of insurance shall name the City as additional named insured.
- D. Loans are fully forgiven if the homeowner is still occupying the property at the end of the five-year period.
1. If the mortgagor is in default or sells or transfers the property or any interest in the property or the property ceases to be the primary residence of the mortgagor within two (2) years from the date of execution of a note the full amount of the loan would be due and payable immediately.
  2. Upon expiration of the two (2) year period, if the mortgagor is not in default, the principal balance of the note will be reduced in accordance with the following schedule and the principal balance of the loan shall be prorated on a monthly basis from the date of loan closing:

<u>Time Period</u>	<u>Balance Due</u>
Two (2) years or more, but less than Three (3) years	60%
Three (3) years or more, but less than Four (4) years	40%
Four (4) years or more, but less than Five (5) years	20%
Five (5) years or more	0%

**Loan Awards and Refusals:** Each applicant will be notified of grant/loan award or refusal.

**Written Agreements:** All programs shall use the City's approved written agreements and loan documents.

## Required Inspections

- A. All rehabilitation work must be done according to the City of Tulsa Rehabilitation standards and ensure that the housing repairs meet the prevailing local codes, including a minimum useful life of five (5) years for major systems (structural support, roofing, cladding and weatherproofing, plumbing, electrical, and HVAC).
- B. **Lead-Based Paint (LBP):** When the proposed housing unit being rehabilitated was built prior to 1978, the following applies:
1. All LBP work will require a clearance test. The clearance report shall be completed by a Certified LBP Risk Assessor or Certified LBP Inspector who is independent from the individual or entity that conducted the paint stabilization or hazard reduction.
  2. Any lead-based paint hazards found during the LBP inspection must be treated and/or remediated in the scope of work.

**NOTE:** CDBG and HOME program administration requirements may differ.