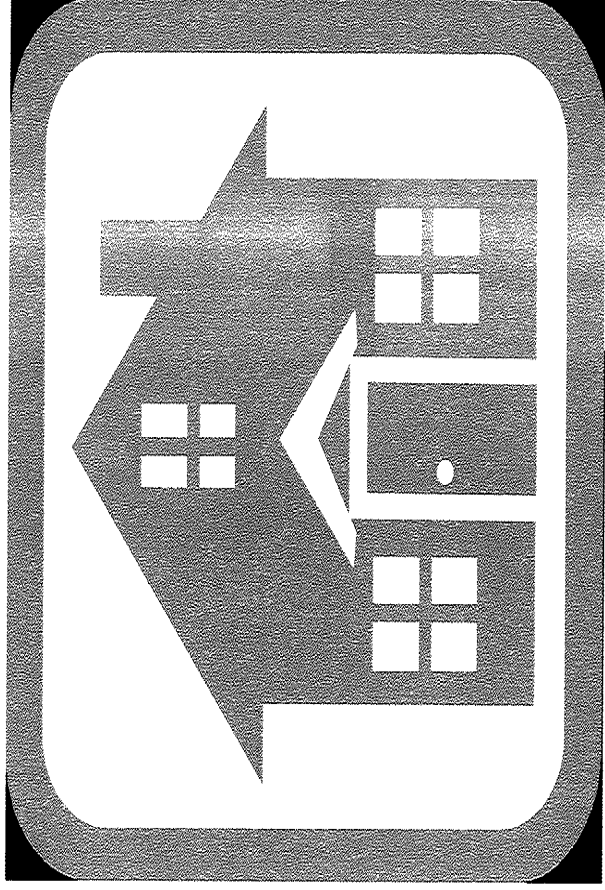


CITY OF JOHNSTOWN
Department of Community & Economic
Development

LOAN PROGRAM GUIDELINES FOR:

OWNER OCCUPIED HOUSING
REHABILITATION PROGRAM



~ 2017 ~

CITY OF JOHNSTOWN
CITY HALL, ROOM 204
401 MAIN STREET
JOHNSTOWN, PA 15901
(814) 533-2046

Funding is limited. Applications will be processed on a first-come, first-served basis, or as deemed an urgency by the department staff. Households with small children 5-years or younger will receive priority assistance due to the lead-based paint rule. All applications must be completed in its entirety and submitted with all required documentation for loan consideration. Before applying for assistance from the City of Johnstown, you must have owned and occupied your home for a minimum of one (1) year. Program guidelines are subject to change without prior notice.

Background:

The City of Johnstown has identified the need for Owner-Occupied housing rehabilitation assistance for very low and low-moderate income homeowners as an objective in its five-year Consolidated Plan. The City has developed a program designed to assist owner-occupied homeowners with rehabilitation of existing homes within the City's corporate limits.

The City of Johnstown has received federal financial assistance from the U.S. Department of Housing and Urban Development, hereinafter called HUD, to operate a housing rehabilitation loan program which primarily benefits low and moderate income persons.

Objectives of the Program:

- To assist homeowners within the City of Johnstown in making needed repairs to their homes with the use of rehabilitation loan funds.
- To correct code violations and energy improvements to the home.
- To reduce or mitigate potential health and safety hazards.
- To reduce lead-based paint hazards both inside and outside the home.
- To bring owner-occupied dwelling units up to local building code standards and HUD's housing quality standards and more energy efficient and lead-safe housing units.
- Here are some examples of repair work the City's inspector will include during his/her housing inspection:

Roof Replacement	Floor Repairs
Window Replacement	Porch Repairs/Replacement
Door Replacement	Electrical Updates
Insulation/Weatherization	Furnace Repair/Replacement
Vinyl Siding	Painting
Plumbing	Handicap accessibility Improvements
Sidewalk and Steps	Handrails
Damp and mold growth	Lead paint and radon hazards

Program Requirements:

1. Applicants must have household income that does not exceed 80% of the areas median income. HUD has established Section 8 Income limits for our area based on household size. The income limits are subject to change without notice.

Household Income Limits Summary for FY 2017

Household Members:	1	2	3	4	5	6	7	8
Maximum Income	\$33,650	\$38,450	\$43,250	\$48,050	\$51,900	\$55,750	\$59,600	\$63,450

2. To determine whether households are eligible for participation in this program, the City of Johnstown selected to use HUD’s definition of income “Internal Revenue Service (IRS) Form 1040 Adjusted Gross Income”. Household income counted must be 6-months current or anticipated to be received during the 12-month period of actual loan review. Therefore, additional information will be required to verify, support and document income reported on your application and reported on your IRS 1040 tax return.

An example of income inclusions are: Wages, salaries, tips, taxable income such as interest income, social security payments, dividends, IRA distributions, pension and annuity payments, rental real estate, unemployment compensation payments, alimony payments received and capital gains, (to name a few). Your loan will not be approved if sufficient supporting documentation is not provided in a timely manner. **Examples of exclusions are:** Child support, money or property that was inherited, willed or given as a gift, life insurance proceeds received as a result of someone’s death.
3. The applicant must have owned and occupied their residence for a minimum of one (1) year at the time of application. All utilities must be turned on and operable.
4. The applicant must provide a full copy of the recorded property deed
5. Applicant must show proof of homeowners insurance.
6. Applicant must show proof of flood insurance if applicable.
7. Applicant must show proof that property taxes are paid for the previous two-years. The property tax includes City, County and School taxes. Those homeowners who are delinquent on their taxes cannot participate in the program.
8. If you have received previous assistance under this program, you may not re-apply.

Funding Limits

1. The City of Johnstown's Owner-Occupied Rehabilitation Loan Program provides a source of funding to assist low and moderate income people in making needed repairs to their property. Eligible households may borrow up to a maximum of \$22,000 for a single family structure and \$24,000 for a two-unit structure. If the assistance required exceeds those limits, the borrower will be responsible to pay any costs above the program limit.
2. For homeowners who require modifications to meet disability accessibility such as wheelchair ramps, widened doorways and bathroom modifications, the City will provide additional assistance up to a maximum of \$5,000 to meet the homeowner's needs. To receive this supplement, the applicant must demonstrate that at least one household member is deemed physically disabled.

Repayment Requirements

- **As identified previously this is a federally funded program through the Department of Housing and Urban Development. There are Federal regulations attached to the funding that the borrower is expected to follow and is held responsible for. Failure to comply with the regulations or failure to cooperate with the City's staff during the term of your loan may result in full or partial loan repayment.**
- The program loan funds are a deferred loan at 0% interest. This means that no required payment of the principal amount of the loan is due during the period that the homeowner owns and occupies the home as his/her principal residence. The owner-occupied rehabilitation loan has a forgiveness provision if the property remains free of code and energy violations and remains occupied by the borrower during the term of the loan. The forgiveness provision works as follows:
- The borrower is expected to enter into a mortgage with the City. The mortgage amount will include renovation costs, recording fees for legal documents to the Cambria County Court House and inspection fees such as the lead-based paint risk assessment, paint testing and clearance costs.
- The mortgage will be filed as a lien against the property for a period of five-ten (5-10) years depending on the amount of funding.

Homeownership assistance amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,001 and above	10

- Total forgiveness of the loan amount will be made at the end of the "lien period" only if the property is owned, occupied and maintained during the term of the loan by the original borrower.

- If the property is sold or the title to it is transferred before the term has been reached repayment of the entire loan amount will become due and payable to the City of Johnstown at the time of sale or transfer.
- This loan is transferrable to a family member upon the death of the original borrower, or if the original borrower can no longer reside at the subject residence due to health reasons.
- The family member assuming ownership of the property is required to meet program standards throughout the balance of the term of the loan in order to qualify for loan forgiveness. Any person occupying the property must meet current income eligibility criteria.
- An inspection of the property will be made to determine loan forgiveness eligibility. If violations are found, the borrower will be given ninety (90) days to make necessary repairs and corrections. If a second inspection reveals violations remain, the borrower forfeits their opportunity to have the loan satisfied. The lien will remain against the property and full loan repayment will become due and payable to the City of Johnstown.

Program Procedures

1. Applications may be obtained from the **Department of Community and Economic Development; City Hall; Room 204, 401 Main Street; Johnstown, PA 15901; (814) 533-2046**
2. Applications must be supported by all required documentation as noted in these guidelines. The application must be completed in its entirety, using ink pen, and signed by the applicant. Please contact our office to schedule an appointment to apply for the program at (814) 533-2046.
3. Applications will be processed on a first-come, first-served basis, or as deemed an urgency by the department staff. Households with small children 5-years or younger will receive priority assistance due to the lead-based paint rule. All applications must be completed in its entirety and submitted with all required documentation for loan consideration.
4. Applicants will be given a "Contractor Selection List", and asked to select four (4) to six (6) contractors. Those selected contractors will be invited to bid on the work to be performed with the lowest responsible bidder being awarded the contract.
5. The rehabilitation inspector will perform a preliminary inspection of your property to determine what work is required. If the property passes the City inspection, a lead-based paint Risk Assessment/Paint Testing will be ordered. Both inspections will be reviewed and a final work write-up and cost estimate will be prepared for the borrower to review. Once the final work has been accepted by the borrower, no changes can be made.
6. Project specifications will be prepared and bid proposals mailed to the selected contractors.

7. The lowest responsible bidder will provide a start date to the City and a loan closing date scheduled with the borrower.
8. The homeowner is responsible to monitor all work performed by their contractor each day and to work with their contractor while renovation is underway. The homeowner shall immediately report concerns or construction questions to the City. The City Inspector will monitor the work as required and schedule inspections with the borrower as work is completed and payments are requested by the contractor. The homeowner is required to approve all work as it is completed and sign all payments made to the contractor. The Residential Development Officer and Director of the Community and Economic Development Department have final approval to release payment to the contractor for all acceptable work completed.

**CHECKLIST FOR OWNER OCCUPIED
HOUSING REHABILITATION LOAN PROGRAM**

- _____ APPLICATION
- _____ CONTRACTOR SELECTION LIST (please initial by your choices)
- _____ IRS Form 1040 Adjusted Gross Income
- _____ Most recent pay stub or Social Security Award Letter
- _____ Full Copy of Recorded Property Deed
- _____ Homeowners Insurance Declaration Page
- _____ Flood Insurance Declaration Page (if applicable)
- _____ TWO years of PAID tax receipts for CITY, COUNTY & SCHOOL

- APPLICATIONS SUBMITTED WITHOUT THE ABOVE DOCUMENTATION WILL NOT BE PROCESSED.

City of Johnstown
Residential Development Office

OWNER-OCCUPIED HOUSING REHABILITATION LOAN PROGRAM

(Print or Type)

1. Applicant Name: _____ /Age _____ /SS# _____
 Co-Applicant Name: _____ /Age _____ /SS# _____
 Address: _____ /Johnstown, PA / Zip: 1590
 Phone Contact: (home) _____ /(alternate #) _____

2. Are you the owner of the above property? Yes _____ No _____
 Do you occupy this property as your primary residence? Yes _____ No _____
 Is this a single or duplex structure? Single _____ Duplex _____
 Was the house built prior to 1978? Yes _____ No _____
 Have ever received assistance through the City Rehabilitation Loan Program? Yes { } / No { }.

3. Household Composition:

Full Name	Relationship	Birth Date	Age	Sex	Social Security No.
1. _____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____	_____

4. The following questions are in regard to the lead-based paint section of the program.
 - a. Is there a child 5-years old or younger who lives or is expected to live at this address?
Yes { } / No { }
 - b. If yes, has the child been tested for elevated blood levels? Yes { } / No { }
 - c. Is there a child 5-years old or younger, related or non-related, who spends a minimum of 6-hours per week at this address? Yes { } / No { }
 - d. If you answered yes to questions "a" or "c", relocation may be required during the lead-based paint renovation activity. Would you object to relocating during the lead-based paint renovation activity? Yes { } / No { }
 - e. If your answer was "no" to question "d", do you have a family member or friend with whom you could stay with during the lead-based paint renovation activity.
Yes { } / No { }

5. The race of head of household is information collected in compliance with fair housing and equal opportunity rules. Your cooperation in completing this section is appreciated, however, is optional.

	White
	Black/African American
	Asian
	Asian and White
	American Indian/Alaskan Native and Black/African American
	Native Hawaiian/Other Pacific Islander
	Native American/Alaskan Native
	American Indian/Alaskan Native and White
	Black/African American and White
	Other Multi-racial

6. The following documentation must be submitted with your application. Failure to include all required information will result in the delay of processing your loan request. Please do not submit original documents with your application.
 - Property Deed (**recorded full copy**)
 - City, County School property tax receipts for the **previous (2) years**
 - Income verification, (1040 income tax form, social security award letter, pension award letter, etc)
 - Tenant income verification, (or tenant information form)
 - Homeowner Insurance and Flood insurance. (Note: Only those properties within the flood zone require flood insurance)
 - For children 5 years and younger: If your child was tested for elevated lead blood levels, provide a copy of the test results. If your child was not tested, the City will pay for screening through a local laboratory.
 - If a risk assessment and paint test was performed on your property, provide a copy of the inspection report with your application.
 - Additional information may be requested.
7. At the time of application the applicant must have owned and occupied the residence for a minimum of one (1) year.

Household Income Limits Summary for FY 2017

Household Members:	1	2	3	4	5	6	7	8
Maximum Income	\$33,650	\$38,450	\$43,250	\$48,050	\$51,900	\$55,750	\$59,600	\$63,450

If your household income exceeds the maximum allowance indicated on the Income Limits chart, you are not qualified to receive assistance under this program. Household members 18 years and older must report income.

(Due to the reduction in program funding, if you have received previous housing rehabilitation loan assistance, you cannot re-apply)

8. **Income Verification: Disclose all income for every household member over 18 years old.** Include earned income, taxable interest, dividends, taxable refunds, alimony, business income or loss, taxable IRA amounts, taxable pension and annuity, taxable social security benefits, prizes and awards such as gambling, lottery raffle winnings.

Source of Income	Amount of Income
Salary and Wages: Include name/address of employer:	\$
Social Security:	\$
Pension Benefit	\$
Interest Income:	\$
Dividends:	\$
Rental Income:	\$
Business Income or Loss	\$
Other:	\$
Other:	\$

The applicant certifies that the above information is true and correct to the best of his/her knowledge. Verification of any of the information contained in this application may be obtained from any source named herein.

Penalty for false or fraudulent statement; U.S.C. Title 18, Section 1001, provides; "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsified or make any false writing or document the same to contain false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both".

X _____ Date: _____

X _____ Date: _____

If you have any questions or require assistance in completing this application, please contact the City of Johnstown, Department of Community and Economic Development at 814-533-2046. Our office mailing address is as follows:

City of Johnstown
 Department of Community and Economic Development
 City Hall, Room 204
 401 Main Street
 Johnstown, PA 15901
 (814) 533-2046

For Official Use Only

Income Verification: Monthly: \$ _____ Yearly: \$ _____

Income Category: 30% limits: _____ / VL: _____ / LI: _____

Application received on: _____ / by: _____

Verification of File Documentation by: _____