

CITY OF BRADFORD
HOUSING REHABILITATION
GRANT/LOAN PROGRAM GUIDELINES

1. Applications will be accepted on a first come, first serve basis. Exceptions are: homeowners in the Elm Street Neighborhood and homes with children under the age of six will be given priority. A waiting list of applicants is kept according to the date of first contact with the City. Based upon availability of funding, the City will contact each applicant as their name comes to the top of the list.

The only exception to first come, first serve is in the case of “urgent need”. Should the City determine a property to have a safety hazard or the potential for additional property damage (ie. leaking roof), the application for assistance will be processed as soon as possible.

Upon selection, the application for assistance will be processed, first to determine ownership, status of taxes and utilities and income eligibility.

2. Properties to be rehabilitated must be located within the City limits.
3. The participant must hold title to the property to be rehabilitated and must reside therein. All taxes and city utilities must be current prior to approval of a rehabilitation grant. The property must be insured prior to grant approval. The participant must maintain the payment of taxes and utilities during the entire term of the Grant Agreement or Note, whichever is longer. Participant must have good credit and the ability to repay a loan.
4. The grant recipient must be a member of household that falls within the Section 8, Low/Moderate Income limits (80% or below of median income) for McKean County (attached).
5. The grant/loan will be based upon a rehabilitation cost of up to \$25,000. Participants will be eligible for a grant of up to 60% of the rehabilitation cost. The remaining balance will be in the form of a 3% loan at a term to be determined based upon the participant’s ability to pay not to exceed fifteen years.
6. The grant portion will be forgiven at a rate of 5%-20% per year for a five, ten, fifteen or twenty-year forgiveness period providing that the rehabilitation work has been completed and the grant recipient continues to own and live on the premises. City will file a mortgage on property, which may be satisfied at the time of sale or after the forgiveness period is up at the request of the property owner. Should the participant sell the

property or be found not to reside at the property address prior to the end of the forgiveness period, grant recipient will be required to re-pay the corresponding portion of the grant immediately.

A note will be prepared for the repayment of the loan portion. The mortgage to be filed will be for both the grant and loan amount of the project. Should the participant sell the property or be found not to reside at the property address prior to the end of the grant/loan term, participant will be required to repay the loan immediately.

7. The property rehabilitated with grant/loan assistance will be insured against fire and casualty losses in at least the amount of the grant/loan and contain a loss payment clause in favor of the City of Bradford. All properties located in the 100-year floodplain must be covered by flood insurance prior to receipt of grant/loan funds. The insurance must be maintained over the entire term of the mortgage.
8. In the event the participant (single name) dies within the forgiveness period, the entire remaining balance of the grant will be forgiven providing that the property is not sold by the heirs during the forgiveness period. Should the property be sold within the forgiveness term, a pro-rated portion of the grant will be repaid to the City (unless a hardship is determined by the City). The terms of the loan will remain in effect.

In the event one of the participant (joint name, husband & wife) dies within the forgiveness period, the entire remaining balance of the Grant will be forgiven providing the property is not sold within the forgiveness period. In the event the property is sold within the forgiveness period, a pro-rated portion of the grant will be repaid to the City. In cases of extreme hardship, the City may waive this requirement. The terms of the loan will remain in effect.

9. Rehabilitation of all properties will be performed in accordance with International Property Maintenance Code Standards and all deficiencies must be addressed.
10. All properties will be inspected by the City's rehabilitation staff. A list of IPMC housing code violations along with the work write-up and cost estimate will be prepared by the City's rehabilitation staff. The listing of code violations and the work write-up will be reviewed with the participant prior to bid. Each participant will review the listing of pre-qualified contractors and select those contractors to which bids will be sent. The City will bid out the work and accept the bids. Once received, the bids will be reviewed with the homeowner. All contractors must show proof of liability insurance and provide references for pre-qualification prior to bid.

A contract will be awarded to the lowest acceptable bid. The contract will be between the homeowner and the contractor.

11. The City will work in conjunction with the program participants in the selection of contractors, bid acceptance and performance of work.
12. All rehabilitation funds will be placed in a rehabilitation escrow account with payments to be made to the contractor after completion and homeowner approval. Any extra work performed beyond the scope of the City's project will be pre-arranged between the homeowner and the contractor. Funds for the extra work will be provided by the homeowner and escrowed in an account held by the City.
13. Complaints and appeals, which cannot be resolved between the contractor and the homeowner will be placed in arbitration.
14. In cases where a conflict of interest is present, the situation will be disclosed at a public meeting. A conflict of interest will apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of the City of Bradford. Exceptions to the Conflict of Interest provisions may be granted by the Department of Community and Economic Development upon the City providing the following:
 - a. Evidence that a public disclosure of the conflict was made.
 - b. An opinion of the City solicitor stating that by granting an exception would not be in violation of any state or local law.
15. For all properties constructed prior to 1978, the City of Bradford will follow HUD's Lead Safe Housing Rule. All areas of the home will be assessed for lead based paint. Should the areas test positive for lead based paint, lead paint interim controls will be performed by a contractor who has been trained in lead based paint safe work practices. Once the paint has been removed, the area will be re-tested and cleared by the Lead Paint Consultant. Should the area not be cleared, additional lead paint interim controls will occur with clearance and testing performed after removal. This process will continue until the property is cleared by the Lead Paint Consultant.

In some cases, the homeowner and their family may have to be relocated during the time when lead based paint interim controls are performed. This will be evaluated by the City on a case by case basis. Should the City determine that the homeowner and his/her family must be relocated during this time, the homeowner must agree to the temporary location prior to being approved for housing rehabilitation assistance. If, it should be determined that the homeowner can remain and wants to remain in the

home, he/she will have to sign a waiver.

The City will pay of the cost of the lead paint interim controls and relocation costs should relocation be necessary. The cost of lead based interim control is not considered to be a "hard cost" of rehabilitation and the homeowner will not be required to make payment for lead paint interim control or relocation costs. This cost will recognized as a part of the grant and not make a part of the loan to be repaid.

16. The City of Bradford will publicize the availability of housing rehabilitation program funds from time to time. Efforts will be made to encourage minority applications. Publication will depend upon the size of the waiting list.
17. The City of Bradford will make available to the public information concerning its housing rehabilitation program in general. However, information concerning participant files will be kept confidential unless permission is granted by the participant.
18. A copy of these guidelines will be provided to each participant at the time of application processing or at any time to the public upon request.