

City of Buchanan, Michigan

Homeowner Assistance Program

Walk-Away Policy

The Walk Away Policy will be instituted when it is determined that it is not economically feasible or possible to bring the unit up to Residential Rehabilitation Standards (RRS). In the case of Homeowner Assistance if the initial staff estimate of rehab costs plus a 10% contingency exceeds \$15,000 per unit, the Walk Away Policy may be implemented at the discretion of the City of Buchanan's Community Development Director. The effect of the Walk Away Policy will be that in the application review stage, the applicant will be ineligible for assistance under the Homeowner Improvement Program.

Where a "walk-away" has occurred under the Homeowner Improvement Program, home repair assistance cannot be extended. The City of Buchanan, Community Development staff will inform a client when and why he/she is ineligible for assistance, at that time, due to the unit being a "walk-away". The letter will indicate the next step for the applicant and other possible assistance where continued participation is not an option.

The limit of assistance was selected on the basis of previous experience of City of Buchanan, MI staff with housing rehabilitation and repairs. In previous HIP programs, many of the houses rehabbed have required assistance of more than \$30,000 in home repair work. Much of Buchanan's low-income housing stock is in poor condition and some of our applicants' housing needs major repairs including major health and safety or structural and mechanical repairs. Since one of the goals of the program is the preservation of housing stock affordable to low-income populations, the City feels it requires a limit of assistance of \$15,000.