

HOUSING REHABILITATION AND GENERAL ADMINISTRATION POLICY & PROCEDURES MANUAL



Revised 2018

U.S. Department of Housing and Urban Development

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Home is more than a house. Home is where we make memories for a lifetime. Home is also an asset, an asset whose value the homeowner wants to protect. The City of Sheboygan is committed to building a better quality of life for its residents and that includes insuring the city's homes remain safe and decent. Working through the Department of City Development, the City works to help homeowners protect what is probably their most valuable tangible asset, their home.

As a house ages, it can develop aches and pains, which, if allowed to continue untreated, may cause it to become unsafe. If homeowners and their property qualify, the Housing Rehabilitation Program may be able to help them return their home to a safe, sanitary and decent condition.

This manual explains the policies and procedures that govern the Housing Rehabilitation Program. Anyone who has questions or wants more information about the Housing Rehabilitation Program should contact the **City of Sheboygan, Department of City Development (459-3377) or stop by our office at 807 Center Avenue, Sheboygan, WI 53081.**



Chapter 1: Introduction

The purpose of this document is to describe all the program policies, guidelines, and procedures used in administration of the City of Sheboygan's housing rehabilitation loan program. In general, rehabilitation loan assistance will be extended, depending on availability of funds, to eligible low-moderate income homeowners and eligible landlords who rent to low-moderate income tenants. The overall intent of the program is to rehabilitate, maintain and expand the supply of decent, safe and sanitary housing within the City of Sheboygan.

Funding for this program has been provided by the Federal Government. Therefore, within the parameters set forth by the Federal Government, administrative control is exercised by the Department of City Development with final policy-making and loan approval authority the responsibility of the Housing Rehabilitation Committee.

Chapter 2: Housing Rehabilitation Committee

- A. **Membership.** The Housing Rehabilitation Committee shall consist of the following members, as appointed by the Mayor and approved by the Common Council.
- a. One member of the Common Council appointed for a one-year term.
 - b. Four citizen members appointed for a one-year terms with various backgrounds in areas such as finance, housing construction, and low to moderate income programs.
 - c. Economic Development Manager and on occasion the Director of City Development shall be non-voting ex-officio members of the Housing Rehabilitation Committee.
- B. **Procedures.** At its' organizational meeting, and annually thereafter, the Housing Rehabilitation Committee shall select a Chairman. The Director of Planning and Development or his assignee shall serve as Secretary to the Committee and may participate in the deliberations of the Committee.

Chapter 3: Eligibility Requirements

A. Property Requirements

In order to be eligible for rehabilitation loan assistance, a residential property must:

1. be either an owner-occupant or owner of the property with income qualified tenants to be rehabilitated;
2. be located in the City of Sheboygan target area;
3. require at least \$2,500 of rehabilitation work in order to meet the Housing Code and other appropriate City and State codes and rehabilitation standards;
4. in the judgment of the Director of Planning and Development or his assignee, be structurally and financially able to be placed in a sound and readily maintainable condition;
5. at all times during the application process and the term of the loan, have all real estate taxes and special assessments paid or under a City-approved payment schedule;
6. if located within Zone "A" as shown on the latest edition of FEMA's Flood Insurance Rate Map, have flood insurance coverage in an amount equal to at least the total after-rehabilitation debt against the property;
7. have mortgage or land contract payments, if any, in a current state and the property must be free of all judgments and liens which the City may consider to adversely affect its collateral position;
8. at all times during the term of the loan, have a hazard insurance policy with coverage equal to the total debt against the property or the full replacement value, whichever is less.

8 . Applicant Requirements

i. Owner-Occupied Residential Structures

In order to be eligible for a loan, an applicant must:

- (a) meet the current income eligibility requirements
(Attachment A)

- (b) be an owner-occupant (on a permanent year-round basis) of a one (1) to four (4) unit structure used exclusively for residential purposes;
- (c) provide all financial data and other relevant information necessary to document the applicant's eligibility and give the City Development staff permission to obtain verification of such information from appropriate sources;
- (d) agree to permit all property inspections by the City Development staff, City inspectors (and State, Federal officials when requested); and
- (e) be the fee simple owner of the property or have title to a property subject to a mortgage(s). Ownership subject to a land contract will not be acceptable except in the cases where:
 - 1. the land contract is written, legally binding, properly recorded instrument relating to the property to be rehabilitated;
 - 2. the seller of the property must hold fee simple title to the property, and while the land contract is in good standing, must be unable to use the property for collateral or to convey the property to any other party unless such use for collateral or conveyance of fee simple title is subject to the land contract; total debt, including the land contract shall not exceed 90% of the property's after-rehab market value;
 - 3. under the land contract, the seller and any subsequent holder of the fee simple title must be obliged, without qualification, to deliver to the purchaser fee simple title and a deed upon full payment of the land contract price, or some less amount;
 - 4. the purchaser and seller must be legally able to mortgage, pledge, or assign their interests to the City of Sheboygan in a written or recordable form approved by the City Attorney; and
 - 5. the City Attorney must provide the Committee with a written legal opinion stating that each of the foregoing conditions is satisfied and setting forth the basis for the opinion. The legal opinion and a copy of the land contract shall be retained in the applicant's file and shall also be submitted to the Housing Rehabilitation Committee as part of the loan approval documents.

ii. Owner-Investor Residential Structures

In order to be eligible for a loan, an applicant must:

- (a) demonstrate both the willingness and financial ability to repay the rehabilitation loan and meet any outstanding or likely future obligations related to the property;
- (b) provide all financial data and relevant information necessary to document the applicant's eligibility and give the City Development staff permission to obtain verification of such information from appropriate sources;
- (c) agree to permit all property inspections by the City Development staff, City inspectors (and State, Federal officials when requested); and
- (d) be the fee simple owner of the property or have title to a property subject to a mortgage(s). Ownership subject to a land contract will not be acceptable except in the cases where:
 - 1. the land contract is written, legally binding, properly recorded instrument relating to the property to be rehabilitated;
 - 2. the seller of the property must hold fee simple title to the property, and while the land contract is in good standing, must be unable to use the property for collateral or to convey the property to any other party unless such use for collateral or conveyance of fee simple title is subject to the land contract; total debt, including the land contract shall not exceed 90% of the property's after-rehab market value;
 - 3. under the land contract, the seller and any subsequent holder of the fee simple title must be obliged, without qualification, to deliver to the purchaser fee simple title and a deed upon full payment of the land contract price, or some less amount;
 - 4. the purchaser and seller must be legally able to mortgage, pledge, or assign their interests to the City of Sheboygan in a written or recordable form approved by the City Attorney; and

5. the City Attorney must provide the Committee with a written legal opinion stating that each of the foregoing conditions is satisfied and setting forth the basis for the opinion. The legal opinion and a copy of the land contract shall be retained in the applicant's file and shall also be submitted to the Housing Rehabilitation Committee as part of the loan approval documents

Chapter 4: Loan, Debt, and Other Underwriting Standards

A. Loan Limits

Subject to the debt limit constraints contained in subsequent sections of this manual, the following are the minimum and maximum loan amounts:

- (1) The minimum loan that will be made under this program is \$2,500
- (2) The maximum loan for a single-family or multi-family dwelling is \$25,000

The above loan limits are, however, subject to the debt limit constraint described below.

B. Debt Limits

The maximum ratio of total property debt (including the rehabilitation loan) to the property after rehabilitation value is 90%.

C. Types of Loans

1. Owner-Occupied - For all eligible owners who occupy a residence, the loan shall be repaid as outline in Attachment A.
 - a. For applicants whose income is below 50% of the median income, the loan is deferred (no monthly payments) with no interest charges. The loan is repaid (without interest) when you sell the property or move out of the property.
 - b. For applicants whose income is about 50% of the median income, but below 80% of the median income, monthly payments of principal and interest are required. The interest rate will vary from 0% to 4% depending on income.
2. Owner-Investor, multiple unit structure. Under this program, tenants income must be below the limits (see Attachment A).
 - a. At the time of closing, the landlord will be required to deposit 25% of the project cost into the City's escrow account. The City will loan the remaining 75% of the project cost at 4% for fifteen (15) years. Monthly payments on the City's loan will be deferred until the Owner's 25% is paid to his/her lender or one (1) year for each \$1,000 of City loan whichever is less (five-year maximum).

Chapter 5: Eligible and Ineligible Rehabilitation Costs

A. Eligible Costs

1. Code-Related

Code-related costs eligible for rehabilitation assistance include:

- A. the costs of rehabilitation work needed to correct existing violations of the City Housing Standards Code. Generally, the costs of needed rehabilitation work will be based on the use of the "least cost" work methods and material available that will bring the property into compliance with applicable property rehabilitation standards (e.g. CHSC, and where applicable the various State and local building, zoning, plumbing and energy codes). However, when the use of such work methods and materials would likely result in a recurrence of the violation(s) within a five-year period and/or require an unreasonable level of maintenance to avoid such recurrence, the cost of such work may be based on more expensive work methods and materials, or on the replacement of structure's element;
- B. the costs of rehabilitation work needed to correct "incipient violations" or the Housing Standards Code and other applicable property rehabilitation standards;
- C. the costs of rehabilitation work needed to convert a non-conforming residential use to a conforming use; and
- D. the costs of energy conservation work, including but not limited to insulation, caulking, weather stripping, and storm windows and door, etc..

2. Other Eligible Costs

Other rehabilitation costs that are eligible for assistance include:

- A. Costs needed, although not required by provisions of the applicable property rehabilitation standards, to place the property in a sound and readily maintainable condition. Such costs may include, but are not necessarily limited to:

1. The rehabilitation, removal, or replacement of existing elements of the structure, including the basic equipment (e.g. furnaces, water heaters, siding, roofing, flooring, plumbing, etc.);

2. The construction, reconstruction, or removal of other improvements such as fences, porches, walkways, and driveways done in conjunction with improvements to the residence;

B. The cost of installing sewer and water laterals:

C. Special alterations or costs related with making the dwelling more convenient or accessible for handicapped persons are eligible costs. All work performance in these units must comply with all applicable codes as well as all Federal and State regulations.

D. All costs associated with the control of lead-based paint hazards must comply with 24 CFR 92.355.

E. Rehabilitation costs not specifically required by the housing rehabilitation standards but found necessary for the safety, health and general welfare of the occupants of the structure may be considered.

F. Where the applicant contracts the use of architectural and/or other design services to prepare plans and/or specifications for rehabilitation work, the reasonable costs of such services;

G. Administrative costs such as title reports, appraisals, recording fees, etc.

B. Ineligible Costs

Except as otherwise provided in Section 1 of this Chapter, the costs that may be financed with the housing rehabilitation loan do not include the following:

A. The costs of construction, substantial reconstruction, expansion of a structure, or the finishing of unfinished spaces such as an attic or basement (unless the expansion or finishing is intended to relieve an overcrowded condition):

B. The costs of materials, fixtures, equipment, or landscaping of a type or quality which exceeds that customarily used in properties of the same general type as the property to be rehabilitated or which is not readily available from local dealers;

C. The costs to purchase, install, or repair furnishing or appliances; and

D. The costs of regular household maintenance items used for such activities as housecleaning, lawn care and snow removal.

Chapter 6: Loan Administration

A. Outreach, Public Information and Pre-Screening

The Director of Planning and Development, or his designee, are responsible for providing public information regarding the housing programs. Any person who contacts the Department of City Development for rehabilitation assistance will be given a pre-screening interview, whether in person or on the telephone which includes a thorough explanation of the program requirements and process. At this time, staff shall inquire as to the applicant's household, size, income, property location, and ownership information.

The above processing applies to owner-occupied, single-family homes, if the property is an owner-occupied two, three, or four-unit structure, or a landlord-owned rental residential property, initial processing will also involve the tenants completing an application.

B. Initial Processing of Applicants

If the applicant appears to meet the criteria, they will be referred either to the City's website to obtain an application (See Attachment A including the "Request for Release of Information" form) for the program or emailed a hardcopy of the application.

In the case of any rental units, a request for information and tenant inquiry form will also be sent to the tenants. Upon receipt of the completed application and release forms, the file will be setup which includes the Housing Rehabilitation Loan Checklist (see Attachment 8) and various verification forms (see Attachment 8) will be mailed for the purpose of confirming the applicant's employment, income, savings, other assets, and mortgage status. In addition, support staff will obtain an estimate of the property's present (before rehabilitation) value from the City's assessment

Request a title search report to confirm that there are no liens and/or judgments on the property. City Development staff will then prepare the Income Worksheet (see Attachment 8) to determine if the applicant is eligible. If the applicant is deemed not eligible, staff will prepare and mail a formal letter to the applicant explaining the ineligibility.

C. Architectural and Environmental Review

Upon verification and eligibility, staff will order a Section 106 Review of the property from Legacy Architecture, the City's hired consultant. Once a historical review of the property is completed by LJM, the Request for Comment and Consultation Form (see Attachment C) and attached supporting documentation will be sent to the Wisconsin Historical Society for review and comment. If no response is received from the Wisconsin Historical Society in thirty (30) days, the City will assume that they have no comment and will proceed with the project. If the Historical Society does comment on the proposed improvements, all procedures necessary to complete the work per the Secretary of Interior Rehabilitation Standards will be followed.

City Development staff will also prepare an environmental review for the processed activity. The City will utilize the HUD Statutory Worksheet (see Attachment C) and attach the necessary documentation to the environmental review. If the environmental review indicates a concern, the homeowner will be notified in writing of the issue and also the course of action to be taken by City Development.

D. Lead Based Paint (LBP) Procedures

City staff at closing shall provide the Protect your Family from Lead in Your Home brochure and the Renovate Right. Loan applicants at closing are required to sign the acknowledgement form related to receiving the two brochures. During the Initial Inspection, the condition of painted or varnished surfaces will be noted and the existence of lead based paint hazards will be evaluated. Either a Risk Assessment or the Presumption of the presence of the lead-based paint should be completed. Given most of the homes in Sheboygan are built pre-1978, the City will assume lead on most occasions. Should the home be built around 1978, staff may decide to proceed with a lead risk assessment.

City staff will complete the Lead-Safe Housing Rule-Applicability Form as part of the initial inspection. This form can be located in Attachment R.

When writing bid specifications, painted or varnished surfaces will be included in the specifications as a work item to address these concerns. When the city presumes lead, only certified lead abatement companies will be allowed to bid on the work.

<u>Level of CDBG Assistance</u>	<u>Required Activities</u>
Under \$5,000	Lead Hazard Notices to owner and tenants. Lead Hazard Applicability Form Lead Hazard Reduction- repair paint.
\$5,000-\$25,000	Lead Hazard Notices to owner/tenants Lead Hazard Applicability Form Lead Hazard Reduction- Interim Controls.

City staff will make sure the CDBG contract includes language which will ensure that the contractor is responsible for cleaning the unit so that it will pass clearance. The CDBG program will pay for costs associated with the final lead clearance test. All notices of final clearance testing shall be provided to the owner/occupants within 15 days of completion of the project. If the clearance test fails, the contractor is responsible for the cost of any subsequent cleaning and clearance testing. Final payment will not be issued to the contractor until the lead clearance test passes.

E. Specifications and Bidding

After the receipt of verifications, the Director of Planning and Development or his designee, and the City Building Inspector will complete the Initial Inspection (see Attachment D) of the property and prepare a set of specifications to cover the proposed work. These specifications will be based upon the information in the lead based paint risk assessment and the initial inspection of the property, as well as the items that the homeowner requested to be rehabilitated.

Once the specifications for the work are prepared, City Development staff will schedule an appointment with the homeowner to review the specifications. After this appointment the Building Inspection Department will review the specifications based on the City's building codes and the International Property Maintenance Code (IPMC).

At this time, the City will prepare a "Request for Bids" cover sheet and attach it to the specifications (see Attachment D) and mail the request out to Contractors on the City's current listing and ones that are licensed by the City of Sheboygan and State of Wisconsin. After the due date for the bids has been fulfilled, the City will tally up the bids and schedule an appointment with the homeowner to review the bids and select the contractor(s) to perform the work, typically the low bidder.

F. Debt Calculations

After bidding, the Economic Development Manager will combine the existing property debt with a proposed loan amount to determine a proposed after-rehabilitation debt. This figure is then compared to the City Assessor's estimate of before rehab value. If total after-rehab debt exceeds 90% of the Assessor's estimate, then an after-rehab appraisal shall be ordered. The total after-rehab debt must not exceed 90% of the after-rehab value. Should the debt limit cause a need to reduce the amount of work, code related, particularly health and safety items, will be given priority before non-code compliance work. (See page 17A)

G. Debarred/Suspended Contractors

24CFR 570.609 requires grantees to verify that person(s), with whom they are doing business, are not debarred, suspended, or ineligible prior to entering into any covered transaction. Prior to award of the contract, city staff will check SAM Registry to verify if the selected contractor is debarred or suspended to work on contracts funded with Federal funds.

H. HRC Review

Once the scope of work and bids have been tentatively accepted by the Owner, the loan will be submitted for approval to the Housing Rehabilitation Committee (HRC). Pursuant to the legal requirements for confidentiality of certain applicant information, information made available to the general public shall be limited to loan number, loan amount, whether it is in or out of the target area, and whether all program requirements have been met. HRC members will receive additional "confidential" information, including the property owners name, address, financial data, if necessary (see Attachment E). Any exceptions to the guidelines are subject to approval by the HRC. However, any requirements mandated by the U.S. Department of Housing and Urban Development cannot be waived without their concurrence.

I. Formal Contract and Closing

Following the HRC's approval, the Director of Planning and Development or his designee and/or support staff will schedule a closing, and preparing the following documents:

1. The construction contract(s) including a list of specifications and a copy of the lead based paint risk assessment and any other attachments (three copies - Attachment F).
2. The mortgage note/contract (two copies- Attachment G);

3. The mortgage (two copies- Attachment H);
4. Truth in Lending Disclosure Statement (two copies - Attach I)
5. Lead Based Paint Notice (two copies- Attachment J)
6. Borrower's Right to Rescind (three copies - Attachment K)
7. Proceed Order signed by Owner (two copies- Attachment L)
8. Agreement to deposit loan proceeds in an escrow account (Attachment M)

At the closing, the Owner will be given a copy of each loan document and two copies of the borrower's right of recession. If the property is a rental unit, the Landlord will be required to deposit 25% of the project costs in the City's escrow account.

After the three days have expired for the borrower's right to recession, the Director of Planning and Development or Support staff will register the mortgage with the Sheboygan County Register of Deeds. Copies of the construction contracts will then be sent to the contractor for signing. Once the contractor returns the contracts, a copy of the contract and the Notice to Proceed will be sent to the contractor. For tracking purposes, a request shall be made to City Finance to issue a Purchase Order Number for the project. Any invoices should be drawn out of this purchase order. Work normally would commence shortly thereafter.

In rental loan cases where 50% of the funds will be provided by a private lender, an effort will be made to coordinate the closing with the private lender in order to expedite the project. The private lender will normally be given the prior lien in recording the documents.

J. Progress Payment and inspection(s)

Progress payment of the 50% upfront to order materials and 50% after certificate of the final inspection is signed. The upfront material draw will be not issued until the contractor has obtained and building permit and provides proof of the permit. All progress payments must be authorized by the Director of Planning and Development or the support staff and the owner (see Attachment N), and must be made payable to both the owner and contractor. A copy of the invoice shall be attached to the pay request. A copy of the original invoice from the Contractor shall be processed to City Finance (with the purchase order number on it) for preparation of the check for the work. By endorsing the check, the owner is authorizing payment.

Partial waivers of lien (see Attachment 0) shall be obtained for all work that has been given partial payment. At the discretion of the Economic Development Manager, partial payouts for materials only may be authorized when work is performed per the owner. In rental loan cases involving private funds, payouts will normally be made first from the private loan upon inspection and authorization by the support staff.

Final payments are made only after the job is completely finished, inspected, and final lien waivers (see Attachment 0) granted. The Disposition of Rehabilitation Funds (summary of the projects and payments) shall be completed and signed by the Owner. (Attachment P) Any monies remaining the contingency fund must be applied to additional rehab work or used to reduce the outstanding balance of the loan.

K. Changes to Work

During construction, if the Owner requests changes to Work, the Economic Development Manager or Housing Rehabilitation Specialist will meet with the Owner to determine the extent of work needed. The City will obtain two estimates, one from the contractor working on the project and another one from a licensed contractor. The City will review the estimates with the Owner and allow the Owner to determine who they would like to complete the work.

The Owner will have three options to pay for the work change. Either the Owner covers the expenses out of personal funds, or if there is a contingency fund in the project, the work change can be covered under this. If neither of these two options work, the City shall secure another mortgage as a lien and allow the funds to be put into an escrow account to complete the work.

L. Disputes

Between the Applicant and the City - If a dispute arises between the loan applicant and any City personnel involved in the matter, an informal appeal can be made to the Department of City Development. If the complaint cannot be resolved at that level, a formal written complaint can be filed with the HRC and reviewed by the body.

Between the Applicant and the Contractor - If a dispute arises between the applicant and a contractor, the matter is to be settled by those two parties. The Economic Development Manager or Housing Rehabilitation

Specialist may attempt to mediate the matter, but the responsibility for resolving it rests with the contracting parties.

M. Special Procedures

- A. Repayment of Owner-Occupied Deferred Loans - All loans shall be repaid when the title of the property is transferred or it ceases to be the owner's principal place of residence.
- B. Repayment of Landlord-Owned Rental Residential Loans - If the owner transfers title to the property during the term of the loan; the remaining balance of the loan shall be payable upon sale; otherwise, payments are due in accord with provisions of the promissory note.
- C. Possible Need for Other Funding Sources - If the rehabilitation project involves work beyond the loan limits or within portions of structures occupied by non-LMI tenants, funds from private sources must be provided and placed into escrow account.
- D. Subordination of Mortgage - If at a future date, the applicant wishes to refinance the first mortgage or place additional debt on the property , the City will not subordinate its mortgage unless:
 - a. The applicant meet current guidelines;
 - b. The applicant follows the approved policy (see Attachment Q) and submits all the required paperwork.
 - c. The Housing Rehabilitation Committee approves the subordination.
- E. Program Policy Decision Body

The five-member Sheboygan Housing Rehabilitation Committee shall be the Program Policy Committee and shall be the overall control factor for a project. Any program criterion can be changed by a majority vote of all the Committee members. Official action can be taken at Committee meetings when three members are present. The majority vote of those present will rule. This five-member Committee will serve as the final decision making body for all criteria on project funding. Vacancies shall be replaced by appointment of the Mayor, with confirmation by the Common Council.

HOUSING REHABILITATION LOAN REFINANCING POLICY

The Housing Rehabilitation Committee (HRC) will, on a case-by-case basis, review and approve or deny requests for a change in repayment of loans dependent upon a change in the applicant's financial status. The HRC will only consider changes in the payment terms of Owner-Occupied Housing Rehabilitation Loans.

To be reconsidered for a change in repayment terms of a Housing Rehabilitation payback loan, the homeowner shall provide the following items to the City of Sheboygan, Department of Planning and Development for review:

1. Completed Owner-Occupied Refinancing Loan Application for revised payment terms.
2. Copy of most recent Federal Income Tax Return.
3. Current Financing Information

The reduced interest rate or deferred payment mortgage will be based on the most recent Federal Income Limits. Depending on the household size and the total income of all dependents over the age of 18 years, the repayment terms or deferred loan status will be determined based on the repayment schedule provided in the Owner-Occupied CDBG Rehabilitation Loan application.

Once the Department of Planning and Development has determined the borrower meets the requirements for a change in payment terms, the HRC will review each case and make the final approval. After the HRC has approved the revised terms, a memorandum will be sent to the City Finance Department outlining the changes.

This policy was adopted by the Housing Rehabilitation Committee by a unanimous vote on December 11, 2008.

Chapter 7 Definitions

- A. Assets - For the purpose of this program and the application of the asset limits, assets shall include all liquid assets such as cash, monies on deposit, stock, bonds, and other securities and any equity in non-homestead property. For purpose of this program, the owner's residence is not considered part of his assets.
- 8. Basic Equipment- Includes such facilities as a heating furnace, hot water tank, electrical and sanitary fixtures and garbage disposal equipment.
- C. Emergency of Hazardous Condition - Includes unsafe condition caused by natural disasters, malfunction of heating equipment, sudden structural collapse, plumbing freeze-up, or similar conditions.
- D. Incipient Violation - An existing condition of a structural element that is not in violation of an applicable property rehabilitation standard at the time of inspection, but which will likely deteriorate into an actual code violation within a one- or two-year period.
- E. Income - Total household income shall include income from all sources of the family head and spouse, and each additional member of the family sharing the family household, who is at least 18 years of age. Annual family income includes, but is not limited to:
 - a. The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commission, fees, tips and bonuses;
 - b. The net income from the operation of a business or profession, or from rental of real or personal property;
 - c. Interest and dividends'
 - d. The full amount of regular, long-term periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, or other similar types of periodic receipts;
 - e. Payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;
 - f. Public Assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities, which is subject to adjustment by the public assistance agency, in accordance with the actual cost of shelter and utilities, the amount to be included as income consist of:

- i. The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
 - ii. The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities;
 - g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not sharing the family household; and
 - h. All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the household) who is the head of the family or spouse of the family head.
 - i. Excluded in determining the annual family income is the income of any family member (other than the family head or spouse) who is under 18 years of age, or is a full-time student, and any nonrecurring temporary income such as inheritances, insurance payments (including payments under health and accident insurance, and workmen's compensation), capital gains settlement for personal or property losses, and foster child care.
- F. Low- and Moderate-Income Household - A household having an income equal to or less than the lower income limits as determined by the U.S. Department of Housing and Urban Development (HUD) or the Wisconsin Department of Development (DOD)
- G. Housing Standards Code- Chapter 21 of the Sheboygan Municipal Code is considered to be the Housing Standards Code.

EMERGENCY PROJECTS - If a situation exists (i.e. inoperable heating system or defective roof) which the Project Manager determines to be of an immediate threat to the occupants of the property, the City of Sheboygan will handle this on an emergency basis provided that the owner(s) qualify for assistance. Only the improvements necessary to address the emergency situation will be treated at this time. Other non-emergency improvements will be addressed as described earlier in the Application Process section.