



Town of North Wilkesboro Housing Rehabilitation Loan Committee

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Agenda- February 17th, 2020 at 12:00 pm

3rd Floor Conference Room, Town Hall
832 Main Street
North Wilkesboro, NC 28659

Old Business:

- a. Draft Guidelines discussion
- b. Checklist
- c. Advertising

Agenda posted 2/14/20

Town of North Wilkesboro's Housing Revolving Loan Fund Committee Minutes

Monday January 3rd, 12:00 pm Town Hall Third Floor Conference Room

Members present: Dave Barton, Jimmy Martin, Debbie Ferguson, Elisa Rodriguez-Valles, Holly Minton

Staff present: Meredith Detsch, Planning Director

The meeting began at 12:00 pm with the board and staff discussing USDA grants and loans that could compliment the Town's program. Discussion of how this program was initially set up and budgeted for was discussed with timeframes and initial startup plans. The original plan was for this program to help the Town's housing stock and assisting with sub-standard conditions in the Town's housing. The income standard came into play with creating guidelines and was one of the original conditions to be kept moving forward. The board discussed what the current need was and if it had changed any and what would be the most effective way to use taxpayer's money. Questions of possibly changing the program to a grant one verses a loan was asked and staff would look into it and get back to them. Discussion of sending money to BROCC or Habitat for Humanity was also discussed. How the Town did façade improvement grants was discussed.

The discussion shifted to getting this pilot program off the ground and what steps were needed next. Meredith Detsch explained she had done some research and would like to compile a list of contractors if possible and would run an ad in the newspaper. That would give the applicants and the board a list of qualified contractors to choose from and be unbiased. They could also hire out the home inspection and keep it a third party to also help avoid and concerns with the inspector being biased. The board decided to meet back up in two weeks and reconvene the conversation after the newspaper ad was done.

The meeting adjourned at 1:05 pm.

Respectively submitted,



Meredith Detsch, Planning Director



North Wilkesboro

Housing Rehabilitation Loan

Program Guidelines

The North Wilkesboro Housing Rehabilitation Loan Program provides funds to assist eligible property owners within the town limits to undertake home repairs and improvements.

The goals of the program are to:

1. Preserve the existing housing stock;
2. Provide a suitable and healthy living environment for residents; and,
3. Eliminate blighting influences within a residential neighborhood.

Who can apply for funding?

- Any resident of the incorporated limits of North Wilkesboro residing in an owner occupied home and is their primary home who meets the income requirements of the program can apply for rehabilitation assistance.
- No member of the Board of Commissioners of the Town of North Wilkesboro and no other official or agent of the Town who exercises decision-making functions or responsibilities in connection with the NW Housing Rehabilitation Loan Program shall be eligible, directly or indirectly, for this program. *Town employees shall not perform work funded by the loan program.*
- Subject property must be in compliance with the Town Code and Zoning Ordinance
- Applications are received on a first come, first served basis as the funds are available.

What are the financial requirements to get a Housing Rehabilitation Loan?

The family (4) income must not exceed **\$42,700.00** to be eligible for the loan program.

How much can I borrow?

- Homeowners can borrow up to \$20,000 with a monthly repayment spaced over a 5, 7, or 10 year period.
- Repayments are determined by the Town Finance Officer and approved by the Committee.
- Interest rate will be 1%.

- Rehabilitation loan payments shall be placed in an escrow account under the Town's control in order to guarantee prompt payment of contractors upon satisfactory completion of work.

What types of improvements are eligible for funding?

Examples include but are not limited to the following:

1. Replacement or repair of structure siding, including painting;
2. Adding insulation;
3. Replacement of rain gutters, fascia and soffits;
4. Replacement or repair of doors and windows;
5. Plumbing and electrical wiring to meet code requirements;
6. Bathroom and kitchen facility repairs and replacements;
7. Installation of ADA facilities (such as handrails, ramps, etc.);
8. Repairs of porches, decks and detached garages;
9. Flooring;
10. Roofing;
11. HVAC improvements and replacements;
12. Site improvements (ex: diversion of water away from the home to prevent saturation detrimental to the structure, overall scope to be determined).

Examples of ineligible projects include but are not limited to:

1. Alarm systems;
2. New building construction or additions;
3. Any items not allowed by the NC State Building Code or the North Wilkesboro Code of Ordinances/ Zoning Ordinance;
4. Application fees, permit or inspection fees; and,
5. Non-residential structures, non-structures and buildings.
6. Cosmetic work

How does the application process work?

Homeowner(s) complete an application form and submit it with all additional necessary documentation to the Committee for review.

1. Applicants must meet the income eligibility terms, location requirements and prove the general feasibility of the project.
2. Preliminary eligibility for the program will be based on household size, combined income, location, extent of the rehabilitation work, etc.
3. Homeowners must provide proof of a current homeowner's insurance policy on the property under consideration.
4. Eligible properties located in a flood hazard area must be covered under the National Flood Insurance Program and proof of flood insurance must be submitted
5. Eligible properties must be economically feasible to rehabilitate, costs of repairs cannot exceed the tax value of the home. In addition it must be possible to bring the dwelling up to and including compliance with the Minimum Housing Section 8 and HUD energy efficiency standards with funds available from the Housing Rehabilitation Loan Program and funds **are** available to the homeowner from other sources.
6. A preliminary home inspection to determine the extent of necessary housing repairs and replacements will be conducted by the **Contractor. Or hire a third party home inspection.**
7. **The homeowner must provide a scope of work with price estimates from a licensed contractor of the proposed project. The homeowner may choose a contractor off list or provide adequate documentation that their chosen contractor meets eligibility.**
8. **The homeowner may chose the contractor and the Town will contract with the homeowner and review, approve and pay the contractor. If a payment by invoice is requested by the contractor the Town will inspect the appropriate work and then release the payment if all work is satisfactory to the contract.**
9. **Once the contract for rehabilitation has been awarded the contract is prepared, agreed on by the owner and the contractor, signed and initiated by the Town.**

Contractors will be expected to have:

The Town will appropriately advertise to compile a list of interest contractors.

1. Housing rehabilitation experience;
2. Possession of liability and workman's compensation insurance;
3. A State License for work requiring permits
4. An ability to work with the homeowner and Town staff; and,
5. Ability to secure all necessary permits from all applicable agencies
6. No current violations with the Town in any capacity or any conflicts of interest
7. Change orders will need to be approved by the Committee and Finance Officer and shall not exceed the original scope of work or originally approved costs
8. Warranties on the workmanship completed shall be guaranteed for at least 12 months following acceptance by homeowner and designated Housing Inspector.

Are there design guidelines?

Outside features of the eligible work should be compatible with surrounding structures and buildings and this will be determined by the Committee.

Does the committee have the legal authority to give a loan if the receivers are not of low to moderate income?

No, the committee can only recommend loans to low-to moderate income (LMI) individuals or families. For these purposes and meeting NCGS 157-3 (15a & 15b), LMI shall be defined as 60%-80% or below of the Wilkes County median family income.

Additional Conditions and Exceptions:

- The committee will consider funding feasibility as determined by the Finance Officer and may consider charge offs, late payments, liens on the property, bankruptcy, outstanding judgements or collections
- All property taxes must be current
- Homeowners who received funding in the past 10 years will not be eligible
- Funding is limited \$20,000.00.
- Homes built prior to **1978** will be tested for lead paint. If the house tests positive for lead paint then lead safe practices and interim controls for lead will be followed by the contractor

What do I need to submit?

- ❑ Completed application
- ❑ Income documentation (which includes full-time employment, part-time employment, social security income, disability income, annuity, pension, or child support) information is needed for ALL household members over the age of 18.
- ❑ Current tax return with W-2s and all supporting documentation and schedules (if required to file)
- ❑ A copy of your current mortgage loan statement (if applicable)
- ❑ A copy of your current Home Owners Insurance Policy.
- ❑ Flood Insurance Policy (if applicable)
- ❑ Scope of work from contractor **with costs**
- ❑ Homeowner must specify in writing what items will need to be kept confidential (ex. SS #, income, tax returns)



2020 Checklist for North Wilkesboro's Housing Revolving Loan Fund Committee

Applicant Name: _____

Address of property: _____

Contractor: _____

Requested project & amount:

Committee Checklist:

- Completed application
- Home inspection date: _____
- Scope of work with price estimates
- Qualified contractor
 - valid State License for work requiring a permit
 - liability insurance
 - worker's comprehensive insurance
 - Contractor does not have a conflict of interest
 - Contractor is in good standing with the Town (no violations)
 - Warranty of workmanship can be provided (12 months)
 - Lead Paint present & abatement (yes/no)
- Current Homeowners Insurance
- Flood Hazard zone? (yes/no)
 - If yes then Flood Insurance needs to be submitted
- Economically feasible, does not exceed house's value
- Property is in compliance with Town Codes & Zoning Ordinance
- Not a member of the Boards of Commissioners, Housing Revolving Loan Fund Committee, Town official or agent as part of the Housing Revolving Loan Fund Committee
- No Town employees performing any work associated with potentially funded project
- An eligible project, see list on guidelines
- Family income eligibility (less than 42,160.00)
- Debt ratio- charge offs, late payments, outstanding judgments or collections including taxes
- Total loan amount cannot exceed the total estimated value of the structure (tax value can be used)
- Total requested funds not to exceed \$20,000.00

N.W. Housing Rehabilitation Loan Committee's Recommendation:

