



# 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 and/or hire a third party home inspection. *Home inspection fee will be deducted out of the loan amount awarded.*
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 choose the contractor and the Town will contract with the homeowner and review, approve and pay the contractor. The contractor will provide the Town with an itemized invoice after having the homeowner sign off on it. The Town will then reimburse the contractor.
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 interested contractors as needed.*

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 and pictures documenting costs from contractor
- ❑ Homeowner must specify in writing what items will need to be kept confidential (ex. SS #, income, tax returns)