



PASSAIC COUNTY HOUSING REHABILITATION PROGRAM OPERATIONAL GUIDELINES and APPLICATION

January 2010

PURPOSE:

The purpose of the Passaic County Housing Rehabilitation Program is to assist lower income homeowners to address immediate and critical housing rehabilitation problems.

SOURCE AND USE OF FUNDS:

The County will utilize program income from a state small cities grant from federal Community Development Block Grant (CDBG) funds to subsidize the rehabilitation of owner-occupied homes.

ELIGIBLE PARTICIPANTS:

Households that currently reside in nine (9) participating jurisdictions of the Urban county that meet the HUD income requirements are eligible to participate in this program. Program funds may be used in the following communities: Bloomingdale, Haledon, Hawthorne, Little Falls Township, Pompton Lakes, Prospect Park, Wanaque, West Milford, and Woodland Park.

The applicant must own and occupy the property as their principal residence.

INCOME RESTRICTIONS:

Income will be qualified using the HUD Part 5 definition similar to the Section 8 Rent Voucher program. Note income guidelines below. HUD adjusts these figures annually.

Households with annual income from all sources that is less than 80 percent of the median income for the Bergen-Passaic MSA are eligible to participate in this program. Currently, (effective April, 2009) these income limits are as follows:

Number of persons in household	Household income from all sources may not exceed:
1	\$44,800
2	\$51,200
3	\$57,600
4	\$64,000
5	\$69,100
6	\$74,250
7	\$79,350
8	\$84,500

Applicants for financial assistance under this program will be expected to provide substantiation of household income in the form of pay stubs, tax returns, or other forms of income verification as determined by the County. Once the applicant's household income has been verified by the County, the verification will remain in effect for a period of six (6) months.

ELIGIBLE PROPERTIES:

Owner -occupied single-family homes located in the participating jurisdictions of the Urban County are eligible for assistance under this program.

Since the extent of work is limited to critical repairs, the home must be in a reasonable condition so that the limited repairs allow the home to continue to be occupied in a safe manner.

No portion of the property may be used for business purposes.

ELIGIBLE ACTIVITIES:

Rehabilitation shall be limited to items needed to secure the property against weather, such as a roof replacement, or provide for necessary utilities such as heat, water, and sanitary sewer. These items must be necessary to ensure the safe and continued occupancy of the property. Handicap improvements such as safety bars, modified bathroom fixtures and cabinets, and ramps may be performed. Sidewalk improvements may be performed if required by the municipality.

Work items that may trigger the need for lead-based paint hazard control such as windows and doors will not be undertaken.

Work items that may not be undertaken include general property improvements, luxury items, garage repairs or driveway resurfacing.

MAXIMUM AMOUNT OF FINANCIAL ASSISTANCE:

The maximum amount of financial assistance for rehabilitation is **\$7,500** per dwelling unit.. In limited circumstances, and at the sole discretion of the Planning Director of Passaic County, the subsidy amount may be increased to cover unforeseen costs.

FORM OF FINANCIAL ASSISTANCE:

Financial assistance for rehabilitation will be provided in the form of a forgivable deferred loan. The loan will be secured by a note and a mortgage lien. No payments will be required during the period of time that the owner continues to own and occupy the dwelling as his/her principal residence. Loans will be forgiven over a five-year period at a rate of 20% per year.

The loan will become due and payable during the period of forgiveness if any of the following events occur:

1. Failure to occupy the property as the principal residence of the borrower
2. Transfer of title and/or sale of property
3. Death of the owner(s)
4. Filing of a mortgage foreclosure complaint by a prior mortgagee
5. Taking by eminent domain
6. Appointment of a receiver

APPLICATION and INSPECTION:

Upon completion and submission of an application for financial assistance, and verification of eligibility, the property will be inspected by a representative of Passaic County to confirm the Scope of Work requested by the property owner. Copies of three (3) bids detailing the Scope of Work and/or Cost Estimates, (describing the work to be performed and a breakdown of the cost of rehabilitation), will be provided by the homeowner **after** the application is accepted.

BIDDING AND SELECTION OF CONTRACTOR:

Once the scope of work has been prepared and accepted, the applicant will secure at least three (3) responsible bids from contractors. The property owner may select the lowest responsible contractor whose bid is within 20 percent above or below the cost estimate. If the applicant wishes to select a bid other than the lowest responsible bid, he/she must pay the difference between the lowest responsible bid and the preferred contractor's bid.

INSPECTIONS DURING CONSTRUCTION:

Progress on the construction project will be inspected periodically and upon completion by the local building officials and Passaic County representatives. All applicable building and construction permits must be secured by the homeowners or his/his representatives. Proof of interim and final building and construction permits must be submitted to Passaic County.

PAYMENTS:

Upon the completion of construction and approval by the inspector and homeowner, a check will be made payable to the owner and contractor which will be signed by the owner and given to the contractor. The homeowner will provide a statement in writing that he/she is satisfied with the work performed by the contractor, and that the contracted work has been satisfactorily completed prior to the payment of funds. Copies of the final inspection approvals by the local municipality must be included with the statement by the homeowner.

**For additional information, please contact:
Ms. Helen Willis, 973-569-4040**

**Please return all completed applications by
March 31, 2010 to:**

**Ms. Helen Willis
County of Passaic
Planning Department
Totowa Business Center
930 Riverview Drive
Totowa, NJ 07512**