

OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT  
POLICY GUIDELINES FOR OWNER-OCCUPIED HOUSING  
REHABILITATION PROGRAM

The Owner-Occupied Housing Rehabilitation Program consists of four distinct programs. These programs are as follows:

Comprehensive Rehabilitation Program – designed to permit low-income homeowners make a number of repairs to the home. Funds may be used to correct code violations, replace or upgrade major housing systems, meet program rehabilitation standards, harden homes to prevent wind damage, increase energy efficiency, and make a limited amount of general property improvements.

Emergency Repair Program – designed to permit low-income homeowners make repairs to the electrical, plumbing, roofing or HVAC systems when these repairs would eliminate a condition that, if not corrected immediately, would bring about further damage to the home or a threat to personal safety.

Barrier Removal Program – designed to assist low income families with a disabled or elderly resident remove barriers to allow the family to live independently.

Lead Based Paint Removal Program – designed to provide grants to help low-income families remove Lead Based paint in the home.

Applicants may apply for one or all of the programs. Applicants must meet the general requirements that apply to all of the programs as well as the specific requirements of the individual program.

**I. General Requirements**

1. Eligible Applicants

The applicant must meet all eligibility requirements of the federal or state program funding the improvements.

2. Eligible Properties

All properties must meet the following requirements:

- a. The applicant must own the home as defined in the HOME program regulations and be the primary residence of the applicant.

- b. The applicant must reside in the home when the rehabilitation is complete.
- c. The value of the home may not exceed the maximum value for participation in the HOME or SHIP program, depending upon the funding source. The sales price / value of the home will be the current market value of the home, as determined by an appraisal, or the value, as determined by the Sarasota Property Appraiser divided by .85.

3. Uses of funds

Funds may be used for the following:

- a. The costs incurred by OHCD to determine the eligibility of the property and the applicant.
- b. The costs incurred by OHCD to record the lien on the home.

4. Application Process

Applications will be accepted when funds are available and following public advertising on a first come, first served basis until all funds are expended. Applications for assistance involving emergency conditions will receive priority in processing.

5. Contractor Selection and Payment

In recognition that the home being repaired is the property of the applicant, the applicant will be responsible for selecting the contractor that will work on the home. The selected contractor must meet the following requirements:

- a. The general contractor and all subcontractors must be properly licensed to work in the jurisdiction where the work is being done. Ramps or the removal of other barriers may be performed by a non-profit organization with the approval of the local jurisdiction.
- b. The proposal from the contractor may not exceed 10% of the OHCD estimated cost to perform the proposed repairs or be lower than 15%. Deviations from these thresholds will be permitted only when, in the opinion of the Director of Housing and Community Development or his/her designee, a contractor presents detailed information in support of his/her proposal that justifies the deviation.
- c. The applicant and the Director of Housing and Community Development or designee must approve all partial draws and final payments.

6. Evaluation and Underwriting

The Director of the Office of Housing & Community Development is authorized to approve eligible applicants in conformance with these regulations and consistent with the policy guidelines for the program.

7. Insurance

It is the desire of the City of Sarasota and Sarasota County Government that all applicants maintain homeowner's insurance during the term of the loan and, to that end; homeowners will be encouraged to obtain and maintain insurance. However, it is recognized that some of the applicants will be unable to afford insurance. In those cases, insurance will not be required.

8. Program Administration and Appeals

The Director of the Office of Housing and Community Development will administer the Owner-Occupied Housing Rehabilitation Program consistent with these policies. In the event an affected party believes that the Office of Housing and Community Development is not interpreting these policies correctly, the affected party must request a meeting with the Director to discuss and seek resolution of the conflict.

If, following a meeting with the Director, the issue remains unresolved; the affected party will have the ability to appeal the Director's decision to the City / County Management Staff. The written appeal must be filed with the Director within 15 days of the meeting with the Director. The affected party must, in writing, describe the issue and the reason they believe the interpretation is not accurate. The City / County Management Staff will consider the request, within 45 days, and make a final decision. The decision of the City/County Management Staff is final and may not be further appealed.

9. Conflict with State and Federal Law

In the event these policies are found to conflict with State or Federal law or the rules of the Florida Housing Finance Corporation, now or in the future, the State or Federal law or rules of the Florida Housing Finance Corporation will take precedence. The Director of the Office of Housing and Community Development is authorized to amend these policies to the extent necessary to make these policies consistent with state or federal law or the rules

of the Florida Housing Finance Corporation. Within five working days of making any changes to these policies, the Director must notify the City / County Management Staff with a description of the changes made to these policies and the reason for any changes.

## **II. Comprehensive Rehabilitation Program**

### **1. Eligible Applicants**

To be eligible to receive funding under this section of the program, the total household income of all residents residing in the home must be less than 80% of the median income for Sarasota County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.

### **2. Eligible Properties**

All properties improved under this section must meet the following requirements:

- a. The property must be a single-family home, modular or condominium located in Sarasota County. Manufactured homes are not eligible for assistance.
- b. The home must be capable of meeting the Section 8 housing quality standards after the rehabilitation is completed.
- c. The home may not have a restriction or encumbrance that would impair the good and marketable nature of the property.

1. All existing mortgages must be current.
2. The property may not have a negatively amortized mortgage or balloon loan.
3. The property taxes on the property must be current.
4. The property must be free of all judgments with the exception of a hospital lien.
5. Bankruptcies must be fully discharged.
6. The property may not have liens on the property for bad debts. Code enforcement liens that have been abated or that will be abated through the rehabilitation program are allowed.

### **3. Uses of Funds**

Funds awarded under this section may be used to correct code violations, replace or upgrade major housing systems, meet program rehabilitation standards, harden homes to prevent wind damage, increase energy efficiency, and make a limited amount of

general property improvements in conjunction with a major rehabilitation of the home.

4. Maximum Award

The maximum amount that may be provided under this section to the same owner of any one property, during a 15-year period, is the lesser of the following amounts:

- a. \$60,000
- b. The current market value, or appraised value, whichever is higher, multiplied by 120%, plus 50% of the value of the improvements to the home, less the amount of outstanding mortgages and liens on the property.

5. Terms and Conditions

All program assistance under this section will be in the form of a 0% loan. There will be no payments during the term of the loan. The loan will be due when the property is sold, transferred, the applicant no longer lives in the home or 30 years, whichever comes first.

**III. Emergency Loan Program**

1. Eligible Applicants

To be eligible to receive emergency assistance, the total household income of all residents residing in the home must be less than 80% of the median income for Sarasota County as determined by the U.S. Department of Housing and Urban Development, adjusted by family size.

2. Eligible Properties

All properties improved under this section must meet the following requirements:

- a. The property must be a single-family home, modular or condominium located in Sarasota County. Manufactured homes are not eligible for assistance. The home must have a condition described below:
  - 1) Electrical – Frequent blowing of fuses or circuit breakers indicating a system overload. An inadequate number of outlets resulting in an unsafe condition as evidenced by extensive use of extension cords. Dangerous or exposed wiring.
  - 2) Plumbing – Malfunctioning water-heating system. Frequent backup of main sewer system. Malfunctioning

septic system. Leaking traps or fittings that may result in structural damage or mold.

- 3) Roofing – Water intrusion that may result in structural damage to the house or dampness to an interior portion that could produce mold, or deteriorated roofing approaching the end of its serviceable life.
  - 4) Heating / Air Conditioning – Inability to safely maintain a temperature sufficient to meet the local housing codes in all habitable rooms and bathrooms due to malfunctioning of the equipment. Inability to properly heat or cool all habitable rooms and bathrooms due to the malfunctioning of the equipment.
  - 5) Public water and / or sewer – A household has received a notice that they must connect to public water and / or sewer.
- c. The home may not have a restriction or encumbrance that would impair the good and marketable nature of the property.
- 1) All existing mortgages must be current.
  - 2) The property may not have a negatively amortized mortgage or balloon loan.
  - 3) The property taxes on the property must be current.
  - 4) The property must be free of all judgments with the exception of a hospital lien.
  - 6) Bankruptcies must be fully discharged.
  - 7) The property may not have liens on the property for bad debts. Code enforcement liens that have been abated or that will be abated through the rehabilitation program are allowed.

### 3. Uses of Funds

Funds awarded under this section may be used for repairs to eliminate the emergency situation as described in 2b, above.

### 4. Maximum Award

The maximum amount that may be provided under this section to the same owner of any one property, during a 15-year period is \$15,000.

### 5. Terms and Conditions

Program assistance will be in the form of a 0% loan. There will be no payments during the term of the loan. The loan will be due when the property is sold, transferred, the applicant no longer lives in the home or 30 years, whichever comes first.

#### **IV. Barrier Removal Program**

##### **1. Eligible Applicants**

To be eligible to receive funding under this section of the program, the applicant must meet the following:

- a. The total household income of all residents residing in the home must be less than 80% of the median income for Sarasota County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.
- b. Have a family member living in the home that is permanently disabled or over the age of 65 with a medical need.

##### **2. Eligible Properties**

Owner or Rental properties are eligible for assistance. All properties improved under this section must meet the following requirements:

- a. The applicant must reside in the home when the rehabilitation is complete and be the primary residence of the applicant.
- b. The value of the home may not exceed the maximum value for participation in the HOME or SHIP program, whichever is less. The sales price / value of the home will be the current market value of the home, as determined by an appraisal, or the value, as determined by the Sarasota Property Appraiser divided by .85.
- c. The home may not have a restriction or encumbrance that would impair the good and marketable nature of the property.
  - 1) All existing mortgages must be current.
  - 2) The property may not have a negatively amortized mortgage or balloon loan.
  - 3) The property taxes on the property must be current.
  - 4) The property must be free of all judgments with the exception of a hospital lien.
  - 5) Bankruptcies must be fully discharged.
  - 6) The property may not have liens on the property for bad debts. Code enforcement liens that has been abated or that will be abated through the rehabilitation program are allowed.

3. Uses of Funds

Funds awarded under this section may be used for repairs to remove physical barriers that prevent the disabled resident from living independently or utilizing the home to its maximum potential.

4. Maximum Award

- a. The maximum amount that may be provided under this section to the same owner of any single-family home or condominium, during a 15-year period, is \$15,000.
- b. The maximum amount that may be provided to the owner of a mobile home or on behalf of a tenant is \$3,000.

5. Terms and Conditions

The first \$3,000 in assistance under this part will be provided as a grant that will not have to be repaid by the applicant. All program assistance greater than \$3,000 will be in the form of a 0% loan. There will be no payments during the term of the loan. Three thousand dollars of the loan will be forgiven each year for up to 4 years as long as the property is not sold, transferred, or leased. If the property is sold, transferred or if the applicant no longer lives in the home for 4 years, the balance of the loan is due.

**V. Lead Based Paint Removal Program**

1. Eligible Applicants

To be eligible to receive funding under this section of the program, the total household income of all residents residing in the home must be less than 80% of the median income for Sarasota County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.

2. Eligible Properties

All properties improved under this section must meet the following requirements:

- a. The property must be a single-family home or condominium located in Sarasota County.
- b. The home must need to have lead based paint removed or abated to participate in a federal loan program and be the primary residence of the applicant.

3. Uses of Funds

Funds awarded under this section may be used to remove lead based paint and any repairs associated with the removal of lead-based paint.

4. Maximum Award

The Maximum amount that may be provided under this section is \$30,000.

5. Terms and Conditions

All assistance provided under this part will be provided as a grant that will not have to be repaid by the applicant.