



# Rehabilitation Program Guidelines

## Purpose

The City of Gastonia Rehabilitation Program provides grant and loan assistance for repairs of major operating systems that pose a health and safety risk. Examples of inoperable or failing systems include, **but are not limited to:**

- Roofs
- Plumbing
- Heating Systems
- Flooring
- Electrical
- Handicap Accessibility – minor modifications, grab bars, accessible shower and/or toilets, handrails, ramp
- Rehabilitation is not limited to the above operating systems however, operating systems are priorities before we consider any other requested repairs. There will be **no cosmetic work done for rehab or remodeling.**

## Eligible Properties

- The home must be located within the city limits of Gastonia
- The home must be in need of repairs that pose a threat to the family’s health and safety
- The home must be the principal residence for the property owner
- The total household income must not exceed maximum qualifying income (see *Income* below)

## Maximum Qualifying Income

Total household income is calculated by adding the gross income of all household members.

<b>2020</b>	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Grant 50%	\$29,250	\$33,400	\$37,600	\$41,750	\$45,100	\$48,450	\$51,800	\$55,150
Loan 80%	\$46,800	\$53,450	\$60,150	\$66,800	\$72,150	\$77,550	\$82,850	\$88,200

**\* Income is effective 7/1/2020 for FY 7/1/2020 to 6/30/2021**

## Grant Description

- Households with incomes of 0 – 50% are eligible for grant assistance. Grant assistance does not require monthly payments.
- Grants that are \$7500.00 and under will not require a lien on the property.
- Grant assistance available from \$7501.00 up to a maximum \$25,000.00 (assistance is based on the current tax value of your home and the cost of the Rehab)
- A lien will be placed on the property for 10 years, this lien will pro-rate 1/10<sup>th</sup> each year. If the home is sold or is no longer the owner’s primary residence within the 10 year period, the remaining balance of the grant will become due and payable to the City of Gastonia.

## Loan Description

- Households with income between 51 – 80 % of maximum qualifying income are eligible for loan assistance. Loans are based upon ability to pay, and a credit review will be conducted
- Loan assistance available from \$7501.00 up to a maximum of \$25,000 (amount is based on current tax value of the property). The maximum term is 15 years at a fixed interest rate of 1% and a lien on the property for 15 years.
- Loan assistance from \$7500.00 and under will be at a rate of 3% for 60 months maximum and a lien on the property for 5 years. You will need to qualify for this payment based on your current income.

- The City of Gastonia has the right to call loan notes due immediately if the applicant fails to make monthly payments or applicant sells the property before the loan is paid in full or refinances the property.
- A credit report will be obtained on all loans. The credit history is part of the overall approval for a loan.
- To qualify for a loan you have to set the payment up on auto debit from a checking account or savings account.

### Other conditions

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- Property taxes must be current or a payment plan must be in place and the plan agreement must be in writing and a copy provided to the city. The home cannot be in bankruptcy.
- Assets cannot exceed \$20,000.00
- If you currently have a mortgage on your home, you will have to provide income verification to support the mortgage payment.
- We will verify the number of liens/mortgages attached to your home. Along with the balances of said liens/mortgages this can be a determining factor of eligibility. Each application will be reviewed for qualifying purposes.
- Homeowners who have received pass assistance will need to be reviewed by the Case Management Specialist for availability of additional assistance. If you have a current lien on your property from a Grant Rehab you would not be eligible for assistance until after the current City of Gastonia lien is released. If the lien is for a Loan Rehab, you would not be eligible for assistance until the loan is paid in full and the City of Gastonia lien is released
- We will bring the system/systems we are repairing up to minimum code requirements.
- **Homes built prior to 1978 will be tested for lead based paint.** If the house tests positive for lead paint then Rehabilitation Standards for lead will be followed by the Contractor and interim controls will be followed.
- Homes cannot exceed tax values for the 221(D)(3) rate for Gaston County.
- Priority given to disabled home owners, larger families and persons 62 and older.
- Must be able to provide a valid/active homeowners insurance policy.
- The cost of repairs cannot exceed 75% of the tax value of the home.
- Each application is different in nature and each application is reviewed on a case by case basis for approval.
- Other systems considered:
  - Windows and doors
  - Clearing brush and debris from the home
  - Installation/Repair of light and ventilation
  - Insulation and weather proofing
  - Site improvements (ex: diversion of water away from the home to prevent saturation detrimental to the structure.
  - Program will follow all HUD guidelines in addition to this policy.