

**TOWN OF LINCOLN
HOUSING REHABILITATION GRANT PROGRAM
GUIDELINES
JANUARY 2011**

I. INTRODUCTION

The Town of Lincoln historically receives a grant award from the State Department of Administration, Office of Housing and Community Development to assist residents in repairing and making improvements to their homes. The source of funding is the Small Cities Community Development Block Grant (CDBG) program, allocated to the individual states by the U.S. Department of Housing and Urban Development (HUD).

The primary goal of the Program is to provide financial assistance to ensure decent, safe and suitable housing for persons of low to moderate income (defined later). Grants are awarded on the basis of need and are available to eligible applicants up to a maximum amount of \$10,000 per dwelling in any given grant year.

A limited amount of funds are available for rehabilitation. Grants are generally awarded on a first come first serve basis for completed applications. Preference is given, but not limited to persons of very low income, elderly and disabled applicants. The Program is administered through the Town of Lincoln Housing Department, 100 Old River Road, Lincoln, RI 02865.

All procedures and provisions of the Housing Rehabilitation Program are subject to the rules and regulations of the U.S. Department of Housing and Urban Development and the State of Rhode Island, Department of Administration.

II. GRANTS

There are basically two grant categories available under the Housing Rehabilitation Program. The maximum amount available for each dwelling unit is \$10,000 in any given grant year. Any exception to these regulations for individual special cases will be determined by the Town. The Town, at its discretion, may waive the maximum grant amount on a case by case basis.

(NOTE: HUD requires that all chipping or peeling of lead based paint be removed from the interior and exterior of a dwelling before the dwelling is rehabilitated with HUD funds. The cost of removal of a lead paint hazard, when added to the cost of necessary repairs, may exceed \$10,000.)

A. 100% Grants - These grants are intended to assist low income home owners who cannot qualify for a loan or do not have the financial resources to make the necessary improvements to their dwellings. The maximum grant available is \$10,000 in any given grant year; applicants are limited to one grant in a five year period.

B. 50% Grants - These grants are intended to assist home owners who have the resources to pay for one half of the home improvement cost. These grants provide the eligible applicant with a grant of 50% of the total cost needed to accomplish the necessary improvements. The applicant is expected to provide the remaining 50% of the project cost. The maximum 50% grant available is \$5,000 in any given grant year, based on the maximum project improvement cost of \$10,000; applicants are limited to one grant in a five year period.

III. ELIGIBILITY

A. Income - General - Grants are available to qualified low and moderate income applicants. Income guidelines are detailed in Appendix A. Applicants must meet the eligible income guidelines during both the application review process and at the time the grant category agreement is executed.

B. Income - Owner Occupied - Applicants must have gross household incomes at or below the low to moderate levels, as determined for Lincoln by HUD (see Appendix A). Income is determined by the gross amount earned during the twelve (12) months immediately prior to the date of application. Applicants must be over eighteen (18) years old and live in the dwelling proposed for improvement. The income level will determine if the applicant is eligible for a 50% or 100% grant.

C. Location - Units located anywhere within the Town of Lincoln are eligible for grant consideration.

IV. INCOME DETERMINATION - Annual income is the total income received by all members (over eighteen years old) of a household. Income includes, but is not limited to the following:

1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.

2) Interest, dividends, and other net income of any kind from real or personal property, savings, checking, stocks, money market or other such accounts. Ten (10) percent of all savings and checking accounts (except IRA or similar) in excess of \$1,000 will be considered as income.

3) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pension, disability or death benefits and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment.

4) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay.

- 5) Welfare assistance, except for specific food, housing or utility vouchers.
- 6) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
- 7) All regular pay, special pay and allowances of a member of the Armed Forces.
- 8) The income of a paying unrelated boarder living in the dwelling with the owner will not be included, although that boarder's rental payment to the owner will be added to the owner's gross income.

The following are not included as income when determining income eligibility.

- 1) Casual, sporadic or irregular gifts.
- 2) Amounts that are specifically for or in reimbursement of the cost of medical expenses.
- 3) Lump sum additions to family assets, such as inheritances, insurance payments (including health and accident insurance, and worker's compensation), capital gains and settlement for personal or property losses.
- 4) Amounts of educational scholarships paid directly to the students or to the educational institution, and amounts paid by the Government to a veteran, for use in meeting costs of tuition, fees, books and equipment.
- 5) The hazardous duty pay to a family member in the Armed Forces.
- 6) Income from employment of children (including foster children) under the age of eighteen years.
- 7) Payments received for the care of foster children.
- 8) Payments or allowances made under the Low-Income Home Energy Assistance Program.
- 9) Payments received from the Job Training Partnership Act.

V. PROJECT ELIGIBILITY

The primary goal of the program is to make improvements which will correct problems that pose an immediate threat to the health, safety or welfare of the inhabitants, neighbors, or will substantially increase the energy efficiency of the dwelling unit.

Following is a partial list of representative improvements that would be eligible under the program.

a) The correction of an inadequate electrical service and/or wiring which presents a hazard of fire, shock or electrocution.

b) The correction of a leaking or inadequate water supply.

c) The replacement or rehabilitation of inoperable or grossly inadequate windows and doors that make proper and efficient heating of the dwelling unit impracticable at a reasonable cost to the owner.

d) The improvement to the roof, walls, ceilings, floors or other structural elements which are in danger of collapse because of cracking, shifting, etc. or which leak moisture or air in a manner to affect the health of the occupants.

e) The replacement of heating units or systems that are inadequate to properly heat the dwelling unit or present fire or other health or safety hazards.

f) The repair or replacement of an inadequate or improperly functioning septic system.

g) The provision of insulation to a structure that is not now insulated.

h) The rehabilitation or removal and replacement of unsafe stairs or porches.

i) Any other improvements deemed eligible by the Town of Lincoln under the Home Rehabilitation Grant Program.

VI. LIMITATIONS / RESTRICTIONS

A. Prior Improvements - Grant funds cannot be used to reimburse the owner for work done prior to approval of their application to the Program.

B. Ineligible Improvements - Grant funds cannot be used to reimburse the owner for any repairs or improvements deemed to be not consistent with the Program goals.

C. Sale of Dwelling - The owner who receives either a 50% or 100% grant must agree to placement of a legal lien, held by the Town, on the property. The lien shall expire after three (3) years. However, re-payment of the grant shall be made in those cases where the dwelling is sold within the three year period. The amount of grant re-payment shall be calculated based on and reflect the remaining period of the lien.

D. Grant Award Limit - An applicant is eligible to receive only one (1) grant, either a 50% grant or a 100% grant, in any given grant year.

VII. APPLICATION PROCEDURE

The following procedures shall be followed for the application and approval of a grant under the Town of Lincoln Housing Rehabilitation Grant Program.

- 1) Applicants receive program description and application, which includes income/family size guidelines.
- 2) Applicant completes and signs application. Employer, Bank and Benefit Verification Forms for each adult in the household must be signed by both the applicant and respective official(s) (i.e. employer, bank official, benefits administrator, etc.).
- 3) Applicant returns application and verification forms. The Town or its contracted representative will mail each verification form for authorized signatures unless the applicant has obtained those signatures. Proof of ownership and flood insurance shall also be provided.
- 4) Property of applicant is inspected by the Town or its contracted representative.
- 5) The application, preliminary work specifications and verification forms are reviewed. The initial review shall be performed by the Town's contracted representative, such as a housing rehabilitation specialist.
- 6) The housing rehabilitation specialist shall make a recommendation to the Town for approval or denial of the application.
- 7) The Town shall review the application and make the final decision for approval or denial.
- 8) Applicant signs the certification of income and grant category agreement.
- 9) Contracts between the contractors and owners are signed.
- 10) The contractor procures a building permit from the Town of Lincoln Building Official's office. The owner forwards a copy of the building permit to Lincoln's Housing Department.
- 11) The Town or its contracted representative inspects the work upon completion to ensure compliance with the agreed upon project scope.
- 12) The contractor requests that the Town of Lincoln Building Official inspect the completed work for compliance with the Rhode Island State Building Code.
- 13) The contractor procures a Certificate of Use and Occupancy from the Town of Lincoln Building Official.
- 14) The owner of the property signs an owner satisfaction form.

15) The housing rehabilitation specialist submits a payment request voucher to the Finance Department for approval.

16) Payment, in the form of a check is made. The check is made payable to both the owner and the contractor.

VIII. CONTRACTORS

A. Bid Solicitation - Bids for specific home improvement work shall be solicited from a minimum of three (3) contractors where feasible. Applicants are responsible for bid solicitation. The applicant shall make every reasonable effort to include MBE's and WBE's in the bid solicitation and selection process. Projects under \$1,000 may not be subject to bids. In this case the owner and housing rehabilitation specialist will solicit a quote from an approved contractor.

B. Bid Selection - The owner selects a contractor from the list of returned bids. The Program will pay only the amount of the lowest bid. The owner may select a higher bid with the understanding that he/she is responsible for payment of the difference between the selected contractor's bid and the lowest received bid.

**TOWN OF LINCOLN
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**INCOME GUIDELINES
(Effective 5/31/2011)**

Household Size	To be eligible for a 100% grant - total income must not exceed:	To be eligible for a 50% grant - total income must not exceed:
1	\$ 26,100	\$ 41,750
2	\$ 29,800	\$ 47,700
3	\$ 33,550	\$ 53,650
4	\$ 37,250	\$ 59,600
5	\$ 40,250	\$ 64,400
6	\$ 43,250	\$ 69,150
7	\$ 46,200	\$ 73,950
8 +	\$ 49,200	\$ 78,700

(NOTE: Figures are gross income amounts)