



**Pike County**

**Renter-Occupied Housing Rehabilitation Program**

**Program Guidelines**

**January 2022**

Pike County does not discriminate in any of its programs on the basis of race, color, religion, sex, age, national origin, ancestry, familial status, disability, or use of guide or support animals because of the blindness, deafness, or physical handicap of the user or because the user is a handler or trainer of support or guide animals.

Any complaints, grievances, or comments regarding any components of the program should be written and submitted to Robert Ruiz, Executive Director of Human Development, at [ruiz@pikepa.org](mailto:ruiz@pikepa.org) or 506 Broad Street, Milford, PA 18337. Written responses will be addressed within 15 working days when practicable.



## **Program Overview**

Pike County's Renter-Occupied Housing Rehabilitation Program was created as a result of a housing study recently prepared by Diana T. Myers & Associates. The study found that there is a shortage of affordable housing in Pike County. In fact, Pike County has the highest fair market rents in the Commonwealth of Pennsylvania. Pike County staff subsequently engaged local landlords in a conversation about their needs and opportunities to improve housing opportunities for low- to moderate-income households in the county.

In Pike County, having a sufficient supply of safe, affordable housing has become a priority because the quality of housing is a primary source of neighborhood stability and a positive quality of life. The condition of housing in Pike County can be attributed to transition of vacation homes to year-round residences, deferred maintenance, the minimum extra income of owners, and the increasing age of the housing stock.

The cost of building new affordable housing can be cost prohibitive. The aim of this program is to preserve and improve the existing housing stock. This effort will ensure more adequate housing for low- and moderate-income families.

## **Objectives of the Program**

The objectives of this program are to:

- Create new units of affordable rental housing
- Preserve existing units of affordable rental housing
- Create new units of accessible housing for low- and moderate-income households
- Improve the quality of rental housing
- Preserve the quality of Pike County's neighborhoods
- Stimulate broad interest in neighborhood preservation

## **Definitions**

### ***CDBG***

CDBG is an acronym for the Community Development Block Grant. This federal funding is being used to fund the renter-occupied housing rehabilitation program.

*Low- to Moderate-Income*

Low- to moderate-income households are those that have annual income below 80% of the area median. The thresholds for low- to moderate-income households are set annually by the U.S. Department of Housing and Urban Development. Currently, households with income below the following amounts are considered to be low- to moderate-income:

<b>Household Size</b>	<b>Annual Income</b>
1	\$44,200
2	\$50,500
3	\$56,800
4	\$63,100
5	\$68,150
6	\$73,200
7	\$78,250
8	\$83,300

*Fair Market Rent*

Fair market rent is determined annually by the U.S. Department of Housing and Urban Development. Currently, fair market rents are as follows:

<b># Bedrooms</b>	<b>Fair Market Rent</b>
Efficiency	\$1,048
1	\$1,055
2	\$1,368
3	\$1,863
4	\$2,341

Eligibility

Rental properties must be located in Pike County, Pennsylvania.

Participating landlords must not be debarred or excluded and must be current on all property taxes.

Applicants must demonstrate successful management and property maintenance of any owned rental properties.

Applicants who own properties with an extensive history of not addressing code violations during their ownership will not be eligible for the program.

Properties located in a flood zone must have appropriate flood insurance.

Manufactured housing must be on a permanent foundation and be connected to utilities.

Work must be completed by December 31, 2022 and leases must begin no later than January 1, 2023.

### Conflict of Interest Policy

A person who is an employee, agent, consultant, officer, or elected official or appointed official of Pike County may not obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

### Priorities

Pike County will prioritize applications that create new units of affordable housing and those that create new units of accessible housing for low- to moderate-income people with disabilities in accordance with ADA guidelines. Pike County will also prioritize rehabilitation projects that do not displace residents.

### Form of Assistance

Assistance will be provided in the form of a five-year forgivable loan. Twenty percent (20%) of the loan is forgiven each year. This agreement will be secured through a lien. The amount of assistance per property may be limited to \$25,000.

### Requirements

Landlords that participate in this program agree to make the improved rental unit available to a low- to moderate-income household referred by or approved by Pike County for five years. If a landlord is unable to fulfill this requirement, the remaining loan will be immediately payable to the County. Tenants will be required to provide proof of household income once per year.

Units must be rented to low- to moderate-income households for the full term of the loan. If units are vacant when the landlord applies for assistance, a low- to moderate-income household must reside in the home within one (1) month of repairs being completed.

Landlords that sell the rental unit within the five year forgiveness period may have the loan forgiven if:

- The purchaser is willing to assume the original terms of the loan; or
- The unit is sold for no more than the appraised value to an income qualified low- to moderate-income homebuyer

All properties must be improved in accordance with the Pennsylvania Department of Community and Economic Development Housing Rehabilitation Guidelines. Assisted properties must be maintained at these standards and local property maintenance standards until the loan is forgiven.

While participating in the program, landlords may not charge more than the current HUD fair market rent.

Participating landlords must follow all fair housing laws and regulations and may not discriminate on the basis of race, color, religion, sex, age, national origin, ancestry, familial status, disability, or use of guide or support animals because of the blindness, deafness, or physical handicap of the user or because the user is a handler or trainer of support or guide animals.

### Type of Work to be Completed

The program's goal is to create safe rental homes that are in substantial compliance with local building codes governing the condition and maintenance of the dwelling. The following types of improvements are included in rehabilitation projects:

#### 1. Code Violation Items

Improvements which ensure the health and safety of the occupants or assist in preventing neighborhood blight.

#### 2. Lead Hazard Reduction (required if found)

The treatment of lead-based paint hazards is a required repair. For pre-1978 housing, the rehabilitation specialist is required to ensure lead hazards are evaluated and eliminated as part of the repair loan.

#### 3. Healthy Homes Matrix

Many homes contain components that can hurt or poison the occupants. Program staff will analyze the home and make suggestions to create a safe, nonpoisonous home.

#### 4. Conservation Techniques

Program staff will explore and recommend cost-effective items to reduce utility costs.

The following repairs are required if needed:

- A. replacement of faulty private water and sewage systems
- B. repair or replacement of inefficient or dangerous heating systems
- C. repair or upgrading of electrical systems and fixtures
- D. replacement of defective plumbing, including defective sinks, tubs, and toilet facilities
- E. elimination of all lead-based paint hazards in the interior, exterior, and soil
- F. elimination of all serious insect and rodent infestations
- G. creation of safe ingress and egress
- H. attic insulation per established code standards
- I. hardwired smoke detectors and carbon monoxide detectors
- J. removal of all blighting exterior conditions

The following repairs may be completed if needed and if funding is available:

- A. appliances (when the existing is deteriorated, hazardous, and beyond repairs)
- B. wrought iron security bars
- C. burglar alarms

Examples of repairs that are not eligible for assistance under this program include:

- A. reimbursement for homeowner's personal labor
- B. room additions and extensions (unless family size demands it)
- C. purchase, installation, and repair of furnishings
- D. demolition that does not improve the existing structure
- E. free standing concrete block walls
- F. interior wood paneling
- G. materials, fixtures, or equipment of a type or quality, which exceed the customarily used on properties of the same general type as the property to be rehabilitated

## Program Procedures

### **Application**

The first step is to submit an application. Applications are reviewed on a rolling basis. Once eligibility is determined, applications will be prioritized based on the criteria described above.

Interested landlords should complete this application:

<https://form.jotform.com/213416304779054>

Additional information may be requested prior to completing the evaluation process.

### **Work Write-Up**

Once approved, a rehabilitation specialist (and a lead hazard risk assessor, if needed) will inspect the property and prepare a write-up of the work to be completed. The write-up will fix any code violations, energy requirements, and exterior blight. The

property owner will approve the final list of work to be completed before asking contractors to bid on the job.

## **Bidding**

The property owner with the assistance of the rehabilitation specialist will solicit proposals from a list of approved contractors. Bidding will follow Pike County Procurement Policies and Procedures. Property owners enter into an agreement directly with the contractor.

## **Loan Approval**

The completed application and acceptable bid will be reviewed and a loan approved or denied.

## **Loan Settlement**

After the loan and conditions are accepted, a title search will be conducted and the mortgage note will be prepared. The mortgage note will be reviewed during closing.

## **Relocation**

Because of the extreme danger from very fine lead particles generated during renovation and lead hazard reduction, all major interior jobs involving lead hazard reduction will require off-site relocation of the family, all furnishings, and belongings. Depending on the size and extent of the job, relocation can range from one (1) week to ninety (90) days. During this time period, the contractor will be responsible for securing the property. Relocation may also be required if there is asbestos in the home. Relocation expenses (furniture moving, furniture storage, packing materials, etc.) are all expenses eligible for both grant and loan financing.

## **Payments and Inspections**

After a portion of the work has been completed and an invoice is received and approved by the property owners, the rehab specialist will inspect the work completed. If satisfactory, the payment will be paid by a check issued in the name of the contractor.

## **Surviving Renovation**

If the unit to be rehabilitated is occupied, we will provide you with information about the program that you can provide to your tenants. Here are a few things to keep in mind during renovation.

1. Renovation creates dirt and noise. Remove what you want to protect.

2. Tenants' household routine may be disrupted by relocation if it is necessary due to hazardous material mitigation. This cannot be helped due to the federal regulations that protect families during dangerous lead and asbestos hazard reduction.
3. Accidents can happen; things can break. Pack all valuables and store them in a safe place outside of the worksite.
4. While working on the electrical, plumbing, or HVAC systems, the building may be without service for several hours or days.
5. Delays can often cause the work to take longer. Products may be out of stock and must be ordered. The weather may be too severe to permit the contractor to work.
6. In the event of any confusion or communication problems with the contractor, contact the rehabilitation specialist for the facts. The workers do not always know the whole story.
7. The rehabilitation specialist will take before and after photos of your rental unit.

#### Complaint Resolution Process

Complaints regarding the program should be submitted in writing to Robert Ruiz, Executive Director for Human Services, Pike County, 506 Broad Street, Milford, PA 18337 or [ruiz@pikepa.org](mailto:r Ruiz@pikepa.org). Pike County will respond to complaints in writing within 15 days of receipt. If the response is not satisfactory to the complainant, a response should be submitted within another 15 days of receipt. If needed and when feasible, the county will work with a neutral third party to resolve disputes between property owners and contractors.

#### Questions

If you have any questions about the program, contact Stephanie Everson, Human Services Housing Coordinator with Pike County, at (570) 832-0156 or [severson@pikepa.org](mailto:severson@pikepa.org).