

City of Canton
Community, Economic Development and Planning Department
EFFECTIVE - JANUARY 2007

HOMEOWNER REHABILITATION
(HOME)

- * **REQUIRES A \$20.00 NON-REFUNDABLE APPLICATION FEE FOR EACH APPLICATION/RENEWAL**
 - * **LOW/MODERATE INCOME PROJECT AREA HOMEOWNERS**
 - * **DEFERRED LOAN/GRANT UP TO \$24,999**
 - * **MUST SIGN GRANT AGREEMENT - ONE GRANT PER LIFETIME**
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There is a two step qualification process. **Both steps must be met** to be determined eligible and to qualify for assistance:

- 1. Individual** - Individual/household must comply with City of Canton's Code and other Ordinances and all ownership, income, and other Program requirements.

- 2. Property** - Housing that is rehabilitated must meet the 2005 Residential Code of Ohio (RCO), and all ordinances and zoning requirements at the time of project completion to ensure that the housing is decent, safe, sanitary. An inspection will be performed by a construction coordinator from the CD Department. The maximum property value of the home may not exceed 95% of the median purchase price for the area upon completion of the project.

A "Lead Risk Assessment" which means an on-site investigation to determine the existence, nature, severity, and location of lead hazards in the structure may be required. The Lead Risk Assessment will be

done by a State Of Ohio licensed Lead Risk Assessor. The results of the Lead Risk Assessment will stay with the property even if you do not receive a Homeowner Rehabilitation grant. Lead Clearance Testing will also be required.

General Requirements:

- Applicants gross income may not exceed 80% of the area median income.
- Applicants may not have assets of more than \$10,000.
- Applicants that have received prior rehabilitation assistance through the HOME program are not eligible to participate.
- Applicants that have received prior rehabilitation assistance within the past 5 years with CDBG funds may be eligible for a reduced grant.
- Home must be located within the City of Canton corporate limits (for HOME grants) or located in the CDBG area (for CDBG grants).
- Property must be a single family unit.
- Homeowners must **own and occupy property as principal residence**. Ownership will be verified through Stark County Real Estate Records and/or title work. Occupancy will be verified by utility bills or other criteria acceptable to the Director of Community and Economic Development (CD Director). Income requirements are based on HUD Fiscal Year Income Limits which are updated annually. Income will be calculated and verified based on the Community Development's "Approved Definition of Income," which is the "Census Long Form". Income will be verified through source documentation such as; the most recent year income tax return and the last two pay stubs for each

working member of the household and verification of all other forms of income through the use of source documentation (public assistance, Social Security, Disability, SSI, etc). **Verifications will only be mailed when source documentation is not made available. Projects that have not started within 6 months of the approval date of the project, must be re-verified to determine that the homeowners are still HOME eligible. See verification process for details.**

- Any individual or family may receive only ONE Homeowner Rehabilitation Grant for as long as they own the home or any other home within the City.
- Homeowners must be current and not otherwise delinquent in payment of City utility bills, Income Tax, Real Estate Tax, Personal Property Taxes and/or outstanding loans or grants received from HUD provided by the City of Canton Community and Economic Development Department.
- The assistance from the City of Canton may not exceed \$24,999, including contingency and will consist of a deferred grant/ loan that is fully repayable to the City of Canton if the home is sold within 2 years. Each year thereafter repayment will be made in accordance with the following schedule until it is zero at the beginning of the 10th year. **During the 9 year repayment period, Mortgage Subordination Agreements will NOT be authorized.**

Year 1 - 2	Repayment of Grant will be:	100%
Year 3 - 5	Repayment of Grant will be:	75%
Year 6 - 7	Repayment of Grant will be:	50%
Year 8 - 9	Repayment of Grant will be:	25%
Year 10 and after	Repayment of Grant will be:	0%

- This program will operate under the Recapture provision which will allow the owner to sell the property to any willing seller at any price provided the owner repays the deferred grant/loan in accordance with the above schedule. **Once the HOME funds are repaid, the property is no longer subject to any HOME restrictions.** Recaptured funds must be used to carry out

HOME eligible activities in accordance with the HOME guidelines and are not considered proceeds .

- The homeowner must contribute the amount listed below before the project can be approved:

Moderate income = at least \$3,000
Low income = at least \$1,500
Very low income = at least \$ 500

- Any remaining cost of the rehabilitation shall be borne by the homeowner and must be escrowed before the project begins.