

OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM

The Housing and Community Development Act of 1974 provides funds for the cities to rehabilitate current housing stock for low to moderate-income homeowners. Grants are made to cover the cost of repairs and improvements necessary to make the property conform to public standards for decent, safe and sanitary housing as required by applicable codes. The purpose of the Owner-Occupied Housing Rehabilitation Program is to encourage the rehabilitation and conservation of the community's older housing stock.

The program requirements are based on home ownership within the city limits and annual income. The income guidelines include all sources of income for all members of the household. The program will assist homeowners with rehabilitation of safety, health and code violations (such as electrical, plumbing, foundation, and roof repair) and/or a handicap/disabled modification (such as access ramps, grab bars, and widening of doors). A person shall not be eligible for rehabilitation assistance if (i) such person has already received assistance through the handicap/disabled modification program or (ii) the home for which assistance is sought has previously been modified through the handicap/disabled modification program. Cosmetic repair items are considered only after all code items have been corrected. The Owner-Occupied Housing Rehabilitation Program operates on a first-come, first-serve basis. There is a waiting list. The homeowner shall complete the application process and return the application to the Planning and Development Services Department, Community Development Division.

The Owner-Occupied Housing Rehabilitation Program provides the following types of assistance:

- I. Up to \$5,000 for Handicap/Disabled Modifications;
- II. Up to \$25,000 for Rehabilitation;
- III. Up to \$47,000 for a 2-Bedroom Reconstruction; and
- IV. Up to \$53,600 for a 3-Bedroom Reconstruction.

An applicant and/or house that have previously received rehabilitation under the Owner-Occupied Housing Rehabilitation Program shall only be eligible for a handicap/disabled modification project. An applicant and/or house that have received a handicap/disabled modification shall no longer be eligible for the Owner-Occupied Housing Rehabilitation Program.

REQUIREMENTS FOR THE APPLICATION

The application for participation in the Owner-Occupied Housing Rehabilitation Program must be completed by the homeowner(s) and shall include appropriate documentation to verify the following:

I. Composition of Household

Household composition should include all persons who occupy the applicant's housing unit at the time of application. The occupants may consist of a single person; group of persons related by birth, marriage, adoption, or law; or a group of unrelated persons who share living arrangements. Documentation shall include the following information for each person:

- A. Copy of Social Security Card;
- B. Proof of marital status shall be required in instances of divorce, widow, or widower; and
- C. Verification of Student Status.

II. Household's Annual Gross Income.

The applicant household's annual gross income must not exceed the maximum income limits calculated each year based on HUD's guidelines and fifty percent (50%) of the median income of residents of the Houston Primary Metropolitan Statistical Area. Documentation for this eligibility requirement shall include, but will not be limited to, all of the following that apply for **ALL** household members of the house:

- A. Income tax returns for the past three years;
- B. Social Security Award Letter stating amount of monthly Social
 - 1. Security or S.S.I.
 - 2. for all household members;
- C. Unemployment Verification for all non-working household members;
- D. Proof of interest from investments for all household members;
- E. Proof of child support, alimony, or separate maintenance;
- F. Award letter from Veteran's Administration;
- G. Verification of self-employment wages;
- H. Food stamp award letter;
- I. Welfare verification;
- J. Employment Verification for all working household members;
- K. Verification of regular gifts/contributions;
- L. Copy of the deeds or contracts for deed to any other properties owned by the applicant(s) or any other member of the household;
- M. Copy of all checking and savings account(s) monthly statements for the past three months; and
- N. Proof of any other source of income.

III. Ownership and Occupancy.

The applicant must have owned and occupied the home for which assistance is sought for three years as his/her primary residence prior to requesting assistance through this Program. Please submit all of the following that apply for proof of ownership:

- A. A copy of the deed on the home for which assistance is sought. (A copy of a contract for deed will not fulfill Program requirements);
- B. Verification from the lienholder or the mortgage company that the house payments are current;
- C. Verification from the taxing entities that all ad valorem taxes are current;
- D. Copy of current utility bills; and
- E. Verification from the utility companies that all payments for utility services are current.

IV. Eligible Homes.

Eligible homes must meet the following criteria:

- A. Located within the city limits of the City of Baytown;
- B. Single-family, detached dwelling units, excluding accessory structures, mobile and manufactured homes; and
- C. The Director of Planning and Development Services or his/her designee shall approve applications for handicap/disabled modifications, without rehabilitation.
- D. A handicap/disabled modification project, without rehabilitation, is a one-time assistance. No rehabilitation assistance will be provided
- E. An applicant whose home has had rehabilitation, without handicap/disabled modifications, may be eligible for a one-time handicap/disabled modification project.
- F. All governmental liens and assessments must be paid in full.

V. Property Condition and Maintenance

In order to qualify, during the eligibility phase and throughout the term of the lien agreement, the homeowner must be in compliance with the City of Baytown Code of Ordinances, including, but not limited to, the following:

- A. Chapter 26 “Urban Rehabilitation Standards” of the Code of Ordinances of the City of Baytown,
- B. Chapter 34, Article III, “Junked, Wrecked, Abandoned Property” of the Code of Ordinances of the City of Baytown,
- C. Chapter 18, Building and Building Regulations, Article VII, International Property Maintenance Code and Article IX, Minimum Property Standards,
- D. Chapter 42, “Health and Sanitation” of the Code of Ordinances of the City of Baytown.
- E. Chapter 130, Zoning, Article IV, Nonconformities, Supplementary District Regulations.

GENERAL INFORMATION ON THE REHABILITATION PROCESS

Once an application has been reviewed, and it has been determined that you qualify for the Owner-Occupied Housing Rehabilitation Program, the Property Maintenance and Housing Rehabilitation Specialist will take the following steps:

1. Conduct a Homeowner's Workshop at which time Staff will meet with the homeowner to discuss the program process and any known problems with the home, including, but not limited to, leaking roof, faulty electrical, faulty plumbing, and foundation repair;
2. Walk through and evaluate interior and exterior of structure, including, but not limited to, lead evaluation;
3. Walk through with the Chief Building Official, or his/her designee for final evaluation of code compliance issues;
4. Complete a work write-up that includes the scope of work to be performed on the home;
5. Prepare a bid package and advertise for bids;
6. Conduct a pre-bid conference to ensure that all bidders understand the rehabilitation specifications;
7. Open bids and submits the bids to City Council who will award the contract to the lowest responsible bidder;
8. Prepare all other necessary forms for execution by the homeowner, contractor, and the Property Maintenance and Housing Rehabilitation Specialist. These forms include, but are not limited to:
 - a. Contract,
 - b. Owner Lien Agreement,
 - c. Intent to Place Lien,
 - d. Supplemental Side Agreement,
 - e. Right to Financial Privacy Act,
 - f. Affidavit & Indemnity,
 - g. Non-discrimination Clause,
 - h. Disposition of Property,
 - i. Notice to Proceed,
 - j. Lead Disclosure,
 - k. Pre-Construction Conference,
 - l. Contractor Authorization,

- m. "No Employee" Affidavit, and
- n. Bidder's Security Return.

Once these steps have been completed, work should begin on the home within ten (10) days of the date the contract being executed. Depending on the scope of the project, the work will take approximately forty-five (45) to sixty (60) working days. A working day is an eight- (8) hour day, Monday through Friday, excluding holidays. The work schedule will be adjusted for inclement weather.

The City of Baytown's Owner-Occupied Housing Rehabilitation Program is an owner-occupied program. Neither the contractor, nor the Property Maintenance and Housing Rehabilitation Specialist can force the homeowner to move during the course of the work. However, the repairs can generally be completed in less time if the homeowner has somewhere else to stay at his/her expense. There will be a period of time when the utilities may be disconnected, which may cause a great inconvenience to the household. Prior to any work being done, it is the homeowner's responsibility to remove pictures from the walls, pack away breakable items, and remove articles from closets and cabinets as needed based upon the extent and location of the repair work. The homeowner is responsible for breakage or loss of personal items. It is also the homeowner's responsibility to move the furniture. The homeowner shall secure all pets during the inspection, write-up and rehabilitation process.

The homeowner may be required to replace the kitchen stove if the plumbing inspector determines that it will not meet the applicable code requirements. If all of the burners, pilot lights, and broiler are not in good working order, the inspector cannot approve final gas inspection and Reliant will not turn on the gas. The homeowner shall be responsible for any deposits or back payments to the utility providers.

The scope of work may include installing sheetrock or repairing existing sheetrock and applying paint. If floor covering is to be installed, the homeowner will be given a choice between carpet and vinyl floor covering. Ceramic tile will not be installed. Floor covering will not be replaced merely because the homeowner no longer likes it.

The City of Baytown's Owner-Occupied Housing Rehabilitation Program will only add a room or make a room larger if the house does not meet the requirements of Chapter 26, Section 226 of the Code of Ordinances, which requires a certain number of square feet per sleeping quarters. Adding or enlarging a room is only done in extreme cases.

The City of Baytown's Owner-Occupied Housing Rehabilitation Program does not include the installation of cable, air conditioning units, or telephone lines.

The contractor will furnish a one-year warranty on all the repairs made to your home. If you have any problems, you should contact the Community Development Division as soon as possible. If the homeowner or someone other than the original contractor attempts to make a repair, the warranty may be voided, and the homeowner will be responsible for the cost of the repairs. The warranty **does not cover damages caused by homeowner abuse, normal wear and tear, weather, neglect, or intruders.**

The owner(s) of the property shall be required to attend a Community Development homeowners' workshop that includes education on maintenance and homeowner responsibilities after the work is complete.

**RELATIONSHIP BETWEEN THE CITY OF BAYTOWN, THE CONTRACTOR,
AND THE HOMEOWNER**

The Director of Planning and Development Services or his/her designee will represent the City of Baytown, when it is necessary to resolve disputes between the homeowner and the contractor. Upon both the Director of Planning and Development Services or his/her designee has the right to change the write-up as necessary as work progresses. The contractor, Community Development Planning Manager, Property Maintenance and Housing Rehabilitation Specialist, Community Development Planner, and Director of Planning and Development Services shall sign the change orders necessitated by a change in the scope of the project. The Property Maintenance and Housing Rehabilitation Specialist and the contractor will only speak with the person/persons who signed the contract regarding the project. If the need arises to speak to the contractor, the homeowner should contact the Property Maintenance and Housing Rehabilitation Specialist. The homeowner shall not interfere with the work of the contractor. The contractor and his/her employees shall not be discriminated against on the basis of religion, race, national origin, or gender. The homeowner shall not have any additional work performed on the house during the rehabilitation process. Only the work described in the work write-up or approved change order will be done.

The City of Baytown shall act as the homeowner's representative throughout the entire course of rehabilitation.

INFORMATION ON THE LIEN AGREEMENT

In the event the owner(s) sells, assigns, encumbers, or transfers the property within five years from the date of acknowledgement of final completion of the work required, the owner will be held liable to the City of Baytown for the amount of reimbursement according to the schedule below. In the event of the death(s) of the owner(s) of the property, the estate will be required to reimburse the City the following amounts if the death occurs within:

- the first twelve (12) months - 100% of the total rehabilitation project
- thirteen (13) to twenty-four (24) months - 80% of the total rehabilitation project
- twenty-five (25) to thirty-six (36) months - 60% of the total rehabilitation project
- thirty-seven (37) to forty-eight (48) months - 40% of the total rehabilitation project
- forty-nine (49) to sixty (60) months - 20% of the total rehabilitation project

The lien will not be released until the estate as described above makes the appropriate payment. During the five (5) year period upon sale, transfer of title, failure to maintain completed code compliant repairs, or cessation of owner-occupied status, the unforgiven balance of the assistance provided shall be due within sixty (60) days and payable to the City of Baytown. If not paid within the time specified, interest will be accrued at a rate of one percent (1%) each month.

GENERAL INFORMATION

Violating the guidelines in any manner constitutes violation of the contract and the homeowner will be disqualified from the Owner-Occupied Housing Rehabilitation Program and all other housing programs offered by the Community Development Division. Upon the determination by the Director of Planning and Development Services or his/her designee that a violation of the guidelines has occurred, the applicant(s) must repay the City of Baytown in full for all work performed on the home.

Any person wishing to appeal a decision of the Director of Planning and Development Services or his/her designee on the grounds that the decision misconstrues or wrongly interprets these guidelines may, within thirty (30) days after the decision, appeal the decision to the City Manager and/or his designee, provided that the homeowner gives notice of appeal in writing to the City Clerk within such thirty (30) day period detailing the basis of the appeal.