

**LINCOLN COUNTY COMMUNITY DEVELOPMENT CORPORATION**  
**OWNER OCCUPIED HOUSING REHABILITATION PROGRAM**  
**GUIDELINES** NHAP Grant #16-TFHO-33026  
Approved 4-14-2017

TO QUALIFY FOR ANY OF THE HOUSING REHABILITATION PROGRAMS, PROPERTIES MUST BE LOCATED IN LINCOLN COUNTY. HOUSEHOLDS MUST MEET INCOME GUIDELINES AND PROPERTIES MUST BE OWNER OCCUPIED.

**PURPOSE:** To promote safe, affordable and decent housing in Lincoln County, Nebraska

**GOAL:**

- 1) To rehabilitate existing homes that are owned by low to moderate income (LMI) homeowners
- 2) To bring those houses into code compliance and into compliance with the Nebraska Department of Economic Development's Minimum Rehabilitation Standards
- 3) To provide community development in Lincoln County by improving and retaining existing housing stock

### 1. APPLICATION PROCESS

- Homeowner requests and receives application and Program Guidelines
- If home is located outside of North Platte, homeowner applies for USDA Rural Development assistance. (North Platte is not USDA eligible.)
- Homeowner's application and third party verifications of income are processed. Home ownership and hazard insurance is verified.
- Program inspector inspects house and defines scope of work for the house
- LBP inspection is completed on houses constructed prior to 1978
- Board of Directors then approves the homeowner for this program. Once a homeowner receives program approval by the Board of Directors, they will not lose their place.
- Letter of qualification or denial is sent to prospective homebuyer.

### 2. APPLICATION SELECTION

Applications are selected on a first come/first served basis.

### 3. APPLICANT ELIGIBILITY

- Assistance is for homes and residents of the communities of Brady, Hershey, Maxwell, North Platte, Sutherland, Wallace and Wellfleet in Lincoln County, Nebraska.
- Applicants must meet low-moderate income guidelines as defined by US Department of Housing and Urban Development (HUD) (gross



annual income is at or below 80% of Area Median Income (AMI) for Lincoln County.)

- To qualify for this program, the total household income may not exceed 80% of the median income with respect to household size for a forgivable deferred loan.
- Property rehabilitated under this program must be occupied as the principal residence by the homeowner for a period of at least 5 years or as defined in the Deed of Trust and Promissory Note from the date of closing.
- If recapture provisions are utilized for the project and program income is received then the amount recaptured cannot exceed the net proceeds. Net proceeds are the sale price minus superior loan repayment, (other than NHAP funds) and any closing costs.
- Applicant must have no conflict of interest as defined below.
- Applications are available year round.
- Property owners may apply on a first come-first served basis.
- If you are currently under litigation with your home or will begin litigation including your home, you are ineligible for the program until after the conclusion of the litigation. This includes foreclosure.

#### 4. INCOME ELIGIBILITY

- Gross annual income is determined using HUD 24 CFR Part 5 Annual Income. The part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12 month period.
- HUD's Technical Guide for Determining Income and Allowances for the HOME Program (Third Edition) serves as the resource for this step in the eligibility process.
- Income is verified by third party verification forms.
- Lincoln County CDC adds no more expense to the applicant's housing costs to those households receiving assistance through the Owner Occupied Rehab Program.
- Applicant will receive a letter of award or denial by mail after gross annual income is verified. (Income is not the only determinant of eligibility. Condition of the house is also a factor, as described below.)

#### 5. APPLICANT DISCLOSURES

The following items must be disclosed to Lincoln County CDC at application: a copy of most recent year's income tax return in full, a copy of the most current pay stubs of all occupants of the household, a copy of the most recent bank statement from all accounts, checking and savings accounts, copy of property deed, insurance declarations, property tax



receipt for current year. There are no return benefits for the potential homeowner.

## 6. WAITING LIST

A waiting list is continually maintained for those requesting owner occupied rehabilitation, even when no funds are available.

- First completed applications received will be served first. Date the application is received is recorded on the application file.
- If one or more applications are received on the same day, date and the time application is received will be served first. In the case of several applications received at same date and time, the one with the lowest level of household income will be served first.

## 7. TYPES OF ASSISTANCE

This program assists lower income homeowners with moderate housing rehabilitation by bringing their property into compliance with housing codes. Demolition of condemned 'out' buildings in North Platte with city monies

- This assistance is in the form of a forgivable deferred loan used to correct major system deficiencies such as plumbing, electrical, heating, roofing, etc.
- Owner Occupied rehab is available to LMI home owners within incorporated areas of Lincoln County, Nebraska
- Property rehabilitated under this program must be occupied as principal residence by the homeowner for a period of at least 5 years from the date of closing, or the date when all funds for the project is spent.
- The Program's maximum assistance amount is \$25,000 per property. Any additional amount needed to bring the property to minimum code standards is the responsibility of the property owner.
- Grants: A maximum of \$5,000 in assistance may be granted (no lien placed on the home) for households whose income is below 80% of LMI for Lincoln County, Nebraska.
- Deferred Loan: For households with incomes equal to or less than 80% of the median income for Lincoln County forgivable deferred loans are available. The forgivable deferred loan requires no monthly payments and no interest is charged on the loan. This loan may be used with the \$5,000 grant to bring the total amount of funds available to the property up to \$25,000. One-fifth (1/5<sup>th</sup>) of the amount of the loan is forgiven for each year that the household continues to own and occupy the property. After 5 years from the date of completion of the project, if the household still lives in the property, the full loan amount is forgiven.



- Repayment policy: If the property is sold, transferred, refinanced or the household moves from the property during the 5-year period, the remaining balance (unforgiven portion) will be due and payable at the transfer of title. However, in the event an appraisal determines that insufficient equity exists in the home to meet the obligations of this lien at the time of the sale, the homeowner is to pay the program 100% of any net proceeds received after the primary mortgage and any closing costs are satisfied. Then the LCCDC shall consider the loan is paid in full. The amount of the recaptured funds cannot exceed the net proceeds from this sale. Resale provision will not be utilized through this project.

Borrowers are required to sign a Promissory Note, and a Deed of Trust lien will be placed on the property. Once the loan expires or is repaid, the LCCDC will release the property.

- Low-interest Loan: First National Bank-North Platte offers a low interest loan for households at 80% of median income for Lincoln County; loans are available at a 3% interest rate (simple interest) and are paid over a 10-year period from our partner, First National Bank of North Platte. This loan is paid in monthly payments. There is no penalty for early payoff. This is not a part of Lincoln County CDC program.
  - Repayment Policy for First National Bank-North Platte loan: If the property is sold, transferred, refinanced or if the household moves from the property during the 10-year period, the remaining balance of the loan will be due and payable. Borrowers are required to sign a Promissory Note, and a Deed of Trust lien will be placed on the property. Once the loan is repaid, the bank will release the lien on the property. These loans are available on first come first serve basis with preference given to the lowest income families.

## 8. PROPERTY ELIGIBILITY

- To qualify for the General Rehab Program the property must require at least \$2,000 in repairs to meet housing codes
- Any house considered for this program must be attached to permanent foundation
- NO MOBILE HOME IS ELIGIBLE FOR THIS PROGRAM
- The house must receive SHPO clearance
- The house must be located within the incorporated limits of the communities of Brady, Hershey, Maxwell, North Platte, Wallace, and Wellfleet in Lincoln County, Nebraska



- The house must be used as primary residence for homebuyer and not as a rental property
- No tenant occupied property will be rehabilitated
- If the house is not structurally sound or costs more than 50% of the after value rehabilitation to rehabilitate the house, the house is determined to be unfeasible and the house will not be rehabilitated
- The property owner must have clear title to the property; adequate insurance coverage and taxes must be current. Proof of ownership is provided by a copy of the deed; proof of insurance is provided by a copy of the insurance declarations from the insurer; proof of current taxes is provided by receipt from county treasurer's office.
- After rehabilitation the property must meet as a minimum Nebraska Department of Economic Development Minimum Standards for Rehabilitation.
- County Records Office is contacted for the last deed on the property.
- Properties involved in any type of dispute or litigation regarding the home or the land upon which the home is located, are not eligible until resolution has been achieved for such dispute or litigation. This includes foreclosure.

#### 9. MAXIMUM AFTER REHAB VALUE

The maximum after rehab value of any house rehabilitated under these guidelines will not exceed the Section 203(b) Single Family Mortgage Limit.

#### 5. MAXIMUM PER UNIT NAHP SUBSIDY

The Nebraska Affordable Housing Program financial assistance to the unit provided to the homeowner cannot exceed the Maximum per unit NAHP Subsidy. A listing of subsidy limits by county can be found at [http://crd.neded.org/publications/application\\_guidelines](http://crd.neded.org/publications/application_guidelines).

#### 11. AFFORDABILITY PERIOD

The affordability period is 5 years.

- Homeowners will sign a deed of trust and promissory note to ensure the affordability period upon closing.

#### 12. AFFIRMATIVE FAIR HOUSING PLAN

Actions taken include but are not limited to:

- Material about fair housing, including Equal Housing Opportunity logos posted in Lincoln County CDC office
- Program guidelines limit assistance to those under 80% of area median income and target to the greatest extent possible those under 50% of area median income



### 13. DISABLED HOUSING

- If a person with a disability applies for assistance they will be referred to Assistive Technology Partnership and other organizations for consulting and possible assistance in constructing or rehabilitating a disabled accessible house.

### 14. CONFLICT OF INTEREST

No official, employee, or agent of a Municipality who exercises policy and/or performs decision making functions or responsibilities in connection with the planning and/or implementation of the program shall directly or indirectly benefit from this program. The prohibition shall continue for one year after an individual's relationship with the program ends. Any other employee, officer, or board member may be eligible, but will be treated without preference in the determination of the application accepted for funding. Enclosed with such application shall be a statement of disclosure, which outlines any interest the applicant may have in the operation of the program.

A waiver process shall be available to allow for the previously identified ineligible persons to be eligible for participation in the program. Each person requesting a waiver must describe their need for participation in the program and, if approved, agree to disassociate themselves from any decision making that directly affects them.

### 15. GRIEVANCE PROCEDURES

For Lincoln County CDC a grievance must be received in writing from the applicant. Written grievance must be submitted to Program Manager. Within fifteen (15) working days, the Program Manager will follow up with a written response to the applicant. If the applicant is not satisfied with this response, a written grievance must be submitted to the Executive Director, LCCDC, PO Box 1413, North Platte, NE 6953. The Executive Director has fifteen (15) working days to respond in writing to the applicant. Should the applicant not be satisfied, a written response must be submitted to the Board of Directors, at PO Box 1413, North Platte, NE 69103. The Board of Directors will discuss the matter at the next scheduled Board meeting. This meeting will be followed with a written response to the applicant. The next level of appeal is to Nebraska Department of Economic Development, Community and Rural Division, Complaint Manager, PO Box 94666, Lincoln, NE 68509-4666. The complaint must be in writing.

### 16. RETURN BENEFICIARIES

LMI home owners are eligible for additional assistance; however, priority will be given to applicants that have not already received funding.



Homeowners who satisfy current program requirements and move into another eligible unit in the community will be considered eligible for the program on a case-by-case basis.

#### 17. REFERRALS/LEVERAGE

In order to assist customers in their search for affordable housing, referrals are made to various partners who can leverage funds

- USDA Rural Development
- Assistive Technology
- MidNebraska Community Services

#### 18. CONTRACTOR SELECTION AND CONSTRUCTION MANAGEMENT

- Lincoln County CDC or its agents are responsible for the rehabilitation process and management including:
  - Checking the Nebraska Debarred Contractor List
  - Reasonableness and cost of rehabilitation of work
  - Assuring timely contractor payments
  - Contractor qualifies for the program
- Contractor selection is done by the homeowner and the work to be completed is contracted by the homeowner. Lincoln County CDC will provide a list of local contractors who have Lead Safe Work Practices training. The contractor must be local. Contractor payments will be made in a timely manner following the proper inspection of the work, receipt of an invoice for payment and approval signed by the homeowner, contractor and inspector. Contractor must provide to Lincoln County CDC, federal ID number, certificate of insurance and license number (if required).
- Lincoln County CDC will keep \$1,000 from the final payment of the contractor until the project receives LBP clearance.
- Lincoln County CDC will pay for the first LBP Clearance, if the home does not pass clearance; it is the contractor's responsibility to pay for the subsequent clearance test(s) until the home reaches clearance.

#### 19. REHABILITATION PROCESS

- The inspector will conduct a thorough inspection of the house and assess the rehab needs. A work write-up is completed incorporating the rehab needs.
- During inspection, a list of rehab requirements that assures DED standards, NDED Rehabilitation Standards and HUD lead base paint hazard control requirements are made for the house.
- Bids are prepared from the list of rehab requirements and bids requested from local contractors.





- Contractors are required to attend a Pre-Construction Conference conducted by the inspector.
- Contractor and homeowner sign a Contract Agreement for the work to be completed.
- Inspector, staff and homeowner work closely during the actual rehabilitation. The homeowner is responsible for on-site quality of the work; inspector is responsible for inspecting that the work is completed.
- Inspector performs all inspections to the project. No funds will be disbursed without progress inspection.
- Inspector performs a final inspection before final payment is made.

## 20. LEAD-BASE PAINT REQUIREMENTS

The US Department of Housing and Urban Development (HUD) has issued new regulations regarding lead-based paint hazards in federally funded programs. These regulations address properties build before 1978 (the last year that lead-based paint was manufactured). Lincoln County CDC is a recipient of Federal funds and must comply with these regulations.

Lead-based paint in residential homes can pose a serious health risk to families. Children under the age of seven particularly are vulnerable to the health effects of lead poisoning because their bodies and nervous systems are still developing.

Their bodies absorb lead faster than adult bodies do. Low levels of lead can have a great impact on a child's development, brain and nervous system, causing reductions in IQ and attention span, reading and learning disabilities, hyperactivity and behavioral problems. Housing renovation work can add to the risk factors by disturbing lead-based paint surfaces, which can generate high levels of lead-contaminated dust. These hazards can cause adverse health effects for all household members, regardless of age.

The new lead-based paint regulations may affect a project if 1) the property was built before 1978, 2) the property shows visual signs of deterioration (chipping or peeling) paint and 3) the work on the property will disturb surfaces that contain lead hazards.

Therefore, rehab projects built before 1978 will be screened for lead based paint hazards, initially through a visual inspection of the deteriorated paint or a lead test to determine if surfaces with lead based paint will be disturbed during renovation. If it is determined that lead hazards are present, a contractor trained in lead safe work practices as a minimum will be required to perform that portion of work and a clearance





test will be performed at the end of the project to make sure that all lead hazards have been eliminated.

#### 21. STATE HISTORICAL REQUIREMENTS

If a property was built more than 50 years ago and/or if it is located within ¼ mile of designated Historical District (as is determined by a required Environmental Review completed by CDC staff) then the proposed renovation work must be reviewed by Nebraska State Historical Society. The Historical Society may take up to one month or longer to review the inventory and make their decision. Work may not begin until/unless it meets approval by the Historical Society.

#### 22. PROCESS FOR AMENDING GUIDELINES

From time to time the Lincoln County Community Development Corporation Board of Directors determines it is prudent to amend aspects of the Program Guidelines. The normal process for this is for the Board of Directors to approve the amendment and then apply to the funders for the approval of the amendment to the Program Guidelines. Should all funders, including Nebraska Department of Economic Development, agree in writing to the amendment, then guidelines are changed. The Program is then implemented based upon those amended guidelines.

#### 23. PLAN FOR REUSE OF CHDO PROCEEDS

Lincoln County Community Development Corporation Board of Directors plan for the reuse of any CHDO proceeds from grant #16-TFHO-33026 is to reuse those monies for housing. This includes all administrative costs normal to operations of the Lincoln County CDC and the said project up to 10% for general administration. This plan is approved by all funders.

#### 24. PLAN FOR RECAPTURED FUNDS

Lincoln County Community Development Corporation Board of Directors plan is to use any recaptured funds from grant #16-TFHO-33026 within the Affordable Housing Program for home ownership programs and operational expenses.

#### 25. RELOCATION POLICY

Uniform Relocation & Acquisition (URA) compliance is not triggered because this construction/rehab program only applies to vacant or owner-occupied homes. Tenant-occupied units are ineligible properties. No permanent displacement requiring relocation benefits will occur. As is required in voluntary acquisitions utilizing Federal and State funds, owners will be appropriately notified that 1) there is no threat of eminent domain and 2) the fair market value of the home.



## 26. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. Lincoln County CDC is an equal housing provider/lender and does not discriminate in its operation or in Project activities on the basis of age, religion, sex, race, color, national origin, disability or familial status.

Lincoln County CDC complies with all provisions of the Americans With Disabilities Act (ADA) with respect to hiring, training, and employment practices, including reasonable accommodation of persons with disabilities in hiring, training, and employment practices; and assuring access by persons with disabilities to facilities and services provided by us to the general public.

Lincoln County CDC also complies with all federal and local laws applicable to this Program and applicable to the use of Nebraska Affordable Housing Trust Funds, including, but not limited to the following:

- Civil Rights Act of 1964.
- Age Discrimination Act of 1975.
- Section 504 of the Rehabilitation Act of 1973.
- Architectural Barriers Act of 1968.
- The Equal Employment Opportunity Act.
- Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.
- The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002).
- The Immigration Reform and Control Act of 1986.
- The Nebraska Fair Employment Practices Act.
- The Housing for Older Persons Act of 1995.
- Flood Disaster Protection Act of 1973.
- National Environmental Policy Act of 1969.
- National Historic Preservation Act of 1966.
- Lead-Based Paint Poisoning Prevention Act of 1971, the Residential Lead-Based Paint Hazard Reduction Act, and regulations at 24 C.F.R. Part 35.
- Clean Air and Federal Water Pollution Control Act, as amended.
- Fair Labor Standards Act of 1938, as amended.
- Contract Work Hours and Safety Standards Act.
- Section 3 of the Housing and Urban Development Act of 1968; and 24 C.F.R. Part 135.



Fair Housing Actions to meet requirements to Affirmatively Further Fair Housing will consist of an educational program to provide information on fair housing rights. Lincoln County CDC's Deputy Director will be attending a Fair Housing conference to become more familiar with fair housing issues. Following the training received, the Deputy Director will be conducting informational sessions with the City of North Platte Planning & Building Department.

All Lincoln County CDC programs are in compliance with Fair Housing Act. The Fair Housing logo will be placed on all outreach materials.

Fair housing marketing actions for this Program will be based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of population. This information is used to show that protected classes (age, gender, ethnicity, race and disability) are not being excluded from the Program.

This information will also be used to determine areas of more specific marketing needs in order to reach those who are most likely to qualify yet least likely to apply. Information about the program will be widely distributed in Lincoln County and provided to the social service agency and area housing authorities. Lincoln County CDC works closely with these organizations and will seek their referrals.

## 27. PROGRAM INCOME REUSE PLAN

Lincoln County Community Development Corporation Board of Directors plan is to retain any Program Income from grant # 16-TFHO-33026 and reuse the funds for additional housing related activities.

Lincoln County CDC will use program income directly generated from the use of NAHP funds to further affordable housing programs eligible under the Nebraska Affordable Housing Act.

1. Program income funds are those funds returned to Lincoln County CDC during the Affordability Period when the property is sold or is no longer the initial and subsequent homebuyer's principal residence.
2. Program income funds must be utilized for the current Project if the current Project has not been completed. This program income received must be applied to the current Project prior to requesting additional NAHP funds.

3. If program income is utilized for another housing related activity, other than the same activity from the Project which generated the program income, then Lincoln County CDC will be responsible for developing and utilizing new Program Guidelines for the new eligible activity.
4. Up to 10% of program income may be utilized for General Administration expenses.
5. If resale provisions are utilized for the Project, and program income is received, then the subsequent purchasers of each unit will be eligible homebuyers and the original homebuyer will receive a fair return on investment.
6. If recapture provisions are utilized, the Project and program income is received, then the amount recaptured cannot exceed the net proceeds. Net proceeds are the sales price minus superior loan repayment (other than NAHP funds) and any closing costs.
7. All program income will be returned to DED for reuse unless DED offers the option to Lincoln County CDC to retain the program income or DED approves Lincoln County CDC's Program Income Reuse Plan prior to receiving Release of Funds.

