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HOUSING REHABILITATION ASSISTANCE PROGRAM

The City of Framingham, through the U. S. Department of Housing and Urban Development (HUD), has federal funds that provide assistance to property owners with low to moderate income for housing rehabilitation. The principal purpose of the program is to increase and create safety and sanitary housing in the City of Framingham. Eligible properties are owner-occupied, one to four- family residential structures.

Borrower Qualifications

HUD Income Guidelines FY20

1-person household	\$67,400	5-person household	\$103,950
2-person household	\$77,000	6-person household	\$111,650
3-person household	\$86,550	7-person household	\$119,350
4-person household	\$96,250	8-person household	\$127,050

In order to be eligible for program assistance, beneficiaries must meet income limits established by HUD (See Attachment B: Income Limits). Under this program, annual income is defined in 24 CFR 5.609, which is used by a variety of federally-assisted programs. The Part 5 definition of annual income is the gross amount of income of all adult household members (over 18) that is anticipated to be received during the coming 12-month period. The three principal steps in the income verification process for the program include the following:

1. Document applicant's source(s) of income that may include employment/unemployment, social security, alimony, pension, monthly rental payments, child support, etc. (See *Sources of income* used to calculate household income below.)
2. Calculate the applicant's projected income using the source documentation submitted in step 1. This calculation includes all sources of income including assets (see below) and any regular financial contributions and gifts from persons not living in the household.
3. Compare the applicant's household projected income with HUD's income limits. Applicants whose household income does not exceed the 80% income limit, based on household size, are determined to be income-eligible for program assistance.

Calculating annual income: Inclusions and exclusions

Sources of income 24 CFR 5.609 (b)	Sources of income that are included in calculating household income
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services. Overtime earnings must be based upon the average of the year to date and projected over the next 12 months.
2. Business income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income
3. Interest and dividend income	Interest, dividends, and other net income of any kind from real or personal property. If assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a % of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement and	The full amount of periodic amounts received from SS, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar

insurance income	types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount.
5. Unemployment and disability income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare assistance	If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income.
7. Alimony, child, gift support,	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces	All regular pay, special day and allowances of a member of the Armed Forces.

Sources of income 24 CFR 5.609 (c)	Sources of income that are excluded from calculating household income (<i>Partial list. Other exclusions include reparations; income from full-time students; adoption assistance payments; deferred periodic social security and SSI benefits; property tax refunds; home care assistance and other federal exclusions.</i>)
Income of children	Income from employment of children (including foster children) under the age of 18 years.
Foster care payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
Inheritance and insurance income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
Medical expense reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
Income live-in aides	Income of a live-in aide (as defined in 24 CFR 5.403).
Gifts	Temporary, nonrecurring, or sporadic income (including gifts).

Funding assistance

CDBG funding assistance is in the form of a Deferred Payment Loan (DPL) at zero percent (0%) interest. DPL's do not require payments during the term but will be fully payable to the City of Framingham upon transfer, change or conveyance in ownership of the premises, or any part of the premises or the death of the owner(s).

All financial assistance provided through the program, is evidenced by a promissory note and secured by a mortgage filed with the Middlesex South Registry of Deeds.

Primary eligibility criteria

The primary eligibility criteria, which must be met by applicants wishing to participate in the program, are as follows:

Location of Property:

To be eligible for assistance, residential properties must be located in the City of Framingham.

Principal beneficiaries:

Low- and moderate-income owner occupants of one- to four-family properties are eligible applicants. In order for an owner-occupant of a two-family structure to be eligible for assistance, one or both of the units must be occupied by an income-eligible household. Property owner's household income must be at or below eighty percent (80%) of area median income, as defined by HUD's guidelines published on an annual

basis. Income verification by program staff is required. For the purposes of determining eligibility, an applicant's household size is established at the time the application is approved by program staff for funding. Income eligibility is required for program assistance.

Income eligibility:

In order to be eligible for assistance, the cumulative gross annual household income for all persons occupying a program-assisted unit cannot exceed eighty percent (80%) of the Boston-Cambridge-Quincy MA-NH HUD Metro FMR area median income ("area median income"). Low- and moderate-income limits are defined by HUD and revised annually. When determining income-eligibility, program staff use the most current income limits for households in effect at the time of processing. (See above income limits.)

Income eligibility will be determined in accordance with 24 CFR Part 5 Subpart F 5.609 (household income).

Secondary Eligibility Requirements

Property condition:

Residential structures may be assisted under the program if one or more of the following conditions exists: A health/safety/building code violation(s); immediate emergency assistance is required, as determined by housing inspector; a member in the household is disabled requiring accessibility improvements; it has been determined that hazard abatement measures to remove mold, asbestos or lead paint are required; or any of the conditions identified under eligible work.

Taxes, water/sewer payments:

To be eligible to participate in the program, the property's real estate taxes and water/sewer payments must be current.

Property status:

All mortgages or mortgage notes secured by the property must be in good standing. The property must not have any municipal, state or federal tax liens. Applicants are required to inform program staff if existing mortgages or mortgage notes secured by the property are not in good standing (e.g. in arrears, default or foreclosure). The program will not provide assistance to applicants who have not resolved issues pertaining to the above. Applicants who are currently in bankruptcy or foreclosure proceedings are not eligible to apply to the program.

Flood insurance:

If program staff determines through the required environmental review process that a property is located within the 100-year floodplain, the applicant will be required to submit evidence of flood insurance coverage to participate in the program.

Ownership:

For applicants seeking status as owner-occupants, ownership of the property must be in the name(s) of people who reside at the property. The title to the property must clearly establish that the occupants are the owners of the property. Applicants must be able to clearly demonstrate who owns or has beneficial interest in the property and will be required to provide deeds or trust documents, as applicable, to Program staff. If an applicant holds only a life estate in the property, program staff will require consent of the holder of the remainder interest.

Household size:

Household size will be determined as part of the income-eligibility process. In the event that there is a change in household size after a determination of income-eligibility, program staff may review the eligibility of the project in light of the change.

Eligible Work

The City of Framingham reserves the right to prioritize work on a case-by-case basis. Nonetheless, the city accepts applications on a rolling basis and provides funding on a first come first serve basis. Following is a list of eligible work:

Emergencies

An emergency is defined as a situation that presents an immediate threat to the integrity of a structure or the health and/or safety of the property's occupants as determined by Housing Inspector.

Emergency cases will be handled in the following way:

1. The City of Framingham housing inspector will assess any emergency conditions as well as check for other potentially hazardous conditions that might exist in the structure or on the property. The inspector will confirm the existence of any emergency conditions to the Community Development Coordinator, who is responsible for approving work on an emergency basis.
2. In order to be eligible to receive emergency assistance, an owner must provide program staff documentation verifying income-eligibility.
3. All emergencies will be handled as expeditiously as possible.

Lead-hazard abatement

Any HRAP projects requiring lead abatement will be paid by the grant. All lead paint abatement costs will be included in the mortgage.

In order for levels of lead work to occur, the following must be present:

- Property built prior to 1978 with a child under six present
- Risk assessment by a licensed lead inspector must determine lead hazards are present according to state and federal regulations
- Projects costs over \$5000.

If lead abatement work will occur, the city works with occupants to find suitable temporary units during the de-leading process. Qualified, certified and insured contractors will perform all de-leading work.

Removal of architectural barriers

• Eligible work includes the installation of ramps and stair lifts, interior modifications for persons with physical disabilities such as widening doorways for wheel chair access and making bathrooms accessible (e.g. installation of roll-in showers and ADA compliant sinks and toilets, etc.) and interior modifications for persons with other disabilities.

Structural failure

• Proposed work is considered eligible if not addressing the issue will adversely impact the health and safety of the residents. Examples of eligible work include repairing or replacing deteriorated stairs, entranceways (small porches), hand railings, chimneys and ceilings.

Correction of serious code violations or Housing Quality Standards' deficiencies

• Proposed work is considered eligible if not addressing the issue will adversely impact the health and safety of the property's residents. Examples of eligible work include repairing/replacing deteriorated, leaking roofs, boiler/furnace replacement, repairing/replacing broken windows and doors that cannot be secured and the installation of smoke and carbon monoxide detectors. Depending on the circumstance(s), the correction of some code violations may be considered emergencies.

Increase energy conservation and weatherization measures

• Examples of eligible work include insulation, reducing air infiltration through windows and doors, window/door replacement, weather-stripping and caulking.

Start of work

Work assisted under the program will only commence after an owner has the required closing documents, which include but are not limited to a mortgage and promissory note with program staff and permits issued by the city's Inspectional Services. Owners will not be reimbursed for work undertaken prior to approval and authorization under the program.