

192.2 SUBJECT: HOUSING REHABILITATION**:1 OBJECTIVE:**

Improve owner-occupied individual housing units by correcting conditions, which threaten health and safety of occupants.

:2 AUTHORITY:

This procedure amended by City Council February 21, 2005, Item A7.

:3 DIRECTION:

Housing Development Program Manager under the supervision of the Housing Division Manager and the Housing Director.

:4 METHOD OF OPERATION:

- A. A housing inspection is performed to identify emergency conditions or non-compliance with the Housing Code of the City of Orlando and HUD's Housing Quality Standards. Repairs shall not be made to homes where additions have been made without the necessary permits and approvals from City inspectors or where the property is in violation of relevant zoning ordinances.
- B. An application for assistance is made to the Housing Rehabilitation Staff. Only owner-occupied single-family properties located within the Orlando city limits are eligible. The household must earn no more than eighty percent (80%) of the median income {120% for the SHIP Program} for the Orlando Metropolitan Statistical Area. Additionally, staff shall perform an income and asset review to determine the applicant's income eligibility in accordance with the requirements of the appropriate funding source, e.g., CDBG, HOME or SHIP. The applicant's failure to assist in and comply with such income and asset review shall result in a denial of assistance. Furthermore, all properties are required to have property taxes and mortgages current and the property must be covered by adequate homeowner's insurance. Homeowners who have received substantial rehabilitation assistance within the past ten years shall not receive additional assistance, except for warranty work.. Evidence that current problems were caused by abuse or neglect of previously provided assistance shall be grounds for denying an application.
- C. A work write-up and cost estimate are prepared for the housing unit which identifies the corrections needed to address the emergency conditions or bring the unit into compliance with the City's Housing Code. All items in the write-up must conform to the City's housing rehabilitation general specifications and the write-up must document that the proposed work will not exceed seventy-five percent (75%) of the total estimated replacement cost of the unit after rehabilitation.
- D. Homeowners may choose their own contractor, according to the City of Orlando Housing Rehabilitation Program operating policies and procedures, or they may

request the City's assistance to solicit bids. Selected contractors must be licensed and meet the City's minimum requirements as defined in Section 161.3 of the City Policies and Procedures Manual. Where possible, procurement of contractors to perform rehabilitation work will be conducted through the contractors register, which is a list of contractors who have been pre-qualified by staff. In emergency cases, staff may select contractors from the City's contractors list to perform the work. All rehabilitation work will be performed under a written contract between the homeowner and contractor, and monitored and enforced by the Housing Department.

- E. The application with documentation and the work write-up will be reviewed by the Housing Development Program Manager and the Housing Department Director for compliance with all applicable program requirements, policies and procedures prior to final approval of rehabilitation assistance.
- F. Assistance under \$7,500 shall be provided in the form of a grant. Assistance over \$7,500 shall be provided in the form of a deferred loan and shall require the homeowner to execute a Lien Agreement and a Promissory Note for the amount of the approved rehabilitation assistance, as well as a Notice of Commencement. These three documents must be properly executed at least three days prior to the execution of a contract between the homeowner and the selected contractor. The Lien Agreement and Promissory Note may be subsequently modified to reflect the actual amount of assistance finally provided. Housing Code Assistance of over \$750 shall require a one (1) year lien. Rehabilitation assistance of more than \$7,500, but no greater than \$10,500, shall require a three (3) year lien. Assistance of more than \$10,501, but no greater than \$25,000, shall require a five (5) year lien. Assistance of more than \$25,001, but no greater than \$35,000 shall require a ten (10) year lien. Assistance of more than \$35,001 shall require a fifteen (15) year lien. If a homeowner is still the owner occupant of an assisted unit at the end of the applicable lien period, and is otherwise not in default, the deferred loan will be forgiven and the lien released. If staff determines that an eligible unit requires more than \$45,000 worth of work, staff may also determine that it would be more cost effective to replace the existing unit with new construction rather than rehabilitate it. New construction of replacement housing shall meet all of the requirements of the funding source, local housing codes, and HUD's Housing Quality Standards.

:5 FORMS:

Application forms as developed by the Housing Department and reviewed by the Office of Legal Affairs.

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:

Procedure adopted by City Council August 23, 1982, Item 19A; amended June 4, 1984, Item 12 (A-8); amended August 25, 1986, Item 16 (A-27), amended April 19, 1993, Item VV; amended August 26, 1996, Item 7-B; amended September 29, 1997, Item 3-YY; amended September 15, 2003; amended February 21, 2005, Item A7.

:8 EFFECTIVE DATE:

This procedure effective February 21, 2005.