



CDBG Home Repair Program Policies

City of Providence, Division of Community Development
444 Westminster, Suite 3A
Providence, RI

Mayor Jorge O. Elorza

Effective Date: November 10, 2020

Program Policies

The purpose of the City of Providence's Home Repair Program is to foster and maintain affordable, decent, safe, and sanitary housing in the City. The Home Repair Program is funded by the City through its allocation of federal Community Development Block Grant (CDBG) funds from the U.S. Department of Housing & Urban Development (HUD). The level of funding for the Program varies annually.

The City of Providence's Program is available to income-eligible owner-occupied single- and multi-family residential homes in Providence.

Note: The Community Development Division reserves the right to change, modify or amend the Program at any time to facilitate the administration of the program and to implement HUD notices and monitoring findings. The current "Step-by-Step" procedural process is included in the Home Repair Procedures Manual (available online and upon request).

Assistance Available:

All funding assistance to approved owner-occupied single family or owner-occupied multi-family homeowners is in the form of a 0% interest, deferred payment loan not to exceed a maximum value of \$25,000. This loan becomes due and payable upon sale, change of primary residence, refinance with cash out, debt consolidation or transfer of the property title. Loans are subject to the availability of funds.

The Home Repair Program shall be limited to one approved Program loan per household per year.

Clients may enroll in other City or area programs for home repairs as they exist to leverage funds; however, it is important to note that combining sources may trigger more stringent federal regulations pertaining to lead paint remediation.

Eligible Work:

Work eligible for assistance is categorized as “High Priority” and “Low Priority” by the City. The primary purpose of the City of Providence’s Home Repair Program is to correct code violations and substandard living conditions to bring local housing up to federal “Housing Quality Standards”. “Substandard”, as defined for the purpose of this program, is a structure exhibiting significant deviation from the Housing Quality Standards (HQS) of the Section 8 Existing Program (882.109). The following criteria will be used to determine whether a structure will be eligible for assistance under the City of Providence Program.

Section 8 Housing Quality Standards (HQS) define the existence of substandard conditions as:

- a) Serious deficiencies representing an immediate threat to the health or safety of the occupants;
- b) Serious deterioration to individual components of the structure has occurred due to poor design, poor workmanship, or premature failure of materials;
- c) Periodic maintenance to individual components of the structure, or the structure as a whole, has been deferred to the extent that if left further unattended, serious conditions will result; or
- d) The building systems (plumbing, heating, electrical) are antiquated to the extent that they are generally accepted to be no longer the standard and may constitute a health or safety hazard or an unrealistic financial hardship on the structure’s occupants.

It is not the intention of the program to eliminate further maintenance costs to a property owner and/or make general property improvements to the structure. Property owners must recognize periodic maintenance as unavoidable.

The City will prioritize applications which request emergency repairs (such as failed furnaces, failing electrical systems) which if unabated are likely to result in loss of habitability, prosecution for code violations, or loss of insurance coverage; all other applications shall be processed as funding permits on a first-come, first-served basis. All work completed must comply with Rhode Island State Building Code

and meet federal Housing Quality Standards (“HQS”). The City of Providence will determine priority work and may not be able to assist all eligible applicants in a program year.

Eligible applicants may be placed on a waitlist for later funding if they wish. Intake of waitlisted clients will be handled as follows: 1) applicants seeking emergency repairs or hazard remediation; then 2) date of application received. If and when new Program funding is received in the next fiscal year, homeowners on the waitlist (if one exists) will be prioritized over new applicants. First-time applicants will also receive priority over returning clients.

High Priority Work:

Emergency Work: Work requests will only be considered an emergency if qualified City inspectional staff determines that not addressing the issue will adversely impact the health or safety of the property’s residents. Examples of work that can be classified as an emergency include: no running water, blocked plumbing due to failed or deteriorated pipes, broken/unusable/leaking furnaces, or exigent lead paint hazards. Emergencies will be handled on a case-by-case basis and may take precedence over applicants on the waiting list for funding.

Correction of Code Violations: Depending on the circumstances, the correction of some code violations may be considered an emergency. Proposed work is considered eligible if not addressing the issue could adversely impact the health or safety of residents. Examples of this type of work could include the replacement of boilers or furnaces, repair or replacement of broken windows and doors posing a security or safety issue, lack of legal egresses, installation of railings, electrical system upgrades, installation of carbon monoxide or smoke detectors, and repair or replacement of deteriorated or leaking roofs. *All existing Building or Sanitary code violations must be corrected through, or by the completion of, the City-assisted rehab work, and work must be permitted and approved by the City’s Department of Inspections and Standards.*

Structural Failure: Correction of building structural or maintenance deficiencies. Examples of eligible work include repair/replacement of deteriorated stairs, entranceways (small porches), emergency egresses, hand railings, chimneys, and ceilings.

Incipient Code Violations: Correction of deficiencies or conditions of deterioration that if left unattended would continue to deteriorate into a code violation, such as replacement of building components that have exceeded their life expectancy.

Removal of Architectural Barriers/Accessibility Modifications: Removal of architectural barriers for persons with disabilities, such as the installation of ramps and stair lifts or interior modifications, is an eligible expense.

Ineligible Work:

The purpose of the City's federally-funded rehabilitation activities is to correct housing code and/or health code violations, perform emergency repairs, or other necessary activities that will make the property safe and livable. Funds will not be used for cosmetic or luxury improvements on the property, repairs to outbuildings, or garages unless connected to the property (and a source of code or safety concern), and improvements/installation of porches/decks that do not affect safe egress. Cosmetic improvements include, but are not limited to: landscaping work, additions, fireplaces, pools, hot tubs, area rugs, steam showers, skylights (unless to repair existing), and kitchen/bath cabinetry.

Eligibility & Underwriting Criteria:

Any work that will eliminate or address substandard living conditions, incipient or existing code or sanitary violations, remove architectural barriers for the disabled, and/or conserve energy is eligible for assistance, as long as the household meets Program income and underwriting guidelines. Current Program income limits are included in the Appendix.

The City determines borrower eligibility by the following guidelines:

- 1) Location: The residence must be located in the City of Providence.
- 2) Beneficiaries: Eligible applicants must be low- to moderate-income at the time of assistance. Income is determined on a household basis. In the case of multi-family properties, at least 51% of the units must be occupied by income-eligible households.
- 3) Demonstration of need: Due to limited Program funding, it is expected that applicants will have explored traditional financing through area conventional lenders (such as home equity loans), or pursued insurance claims (when applicable), prior to applying for City assistance.
- 4) Income Eligibility: In order to be eligible for assistance, the cumulative adjusted gross household income for all persons occupying a program-assisted unit cannot exceed 80% of area median income as defined by HUD at the time of loan closing. Low- and moderate-income guidelines for the City of Providence are defined by HUD and revised annually. Program staff will use the most current income limits to verify eligibility at the time of intake and at the time of assistance. If a household is placed on the waitlist for funding or more than six months passes between approval and loan closing, Program staff will need to request that the household recertify their income and provide updated household and/or tenant income documentation to ensure that the household is still eligible for funding at the time of assistance. *If updated documentation is not provided, the City reserves the right to reject the application and remove it from the waitlist. Please note: at the time of eligibility determination, all income documentation (pay stubs, bank statements, etc.) must be current as of the last 30 days.*
- 5) Property Condition: Residential structures may be assisted under the Program if at least one of the following conditions exists: a health, safety, or building code violation(s); an emergency

situation requiring immediate assistance; or a member of the household is disabled and requires accessibility improvements.

- 6) Ownership: Owner-occupant applicants must be the listed owners on the property title. Applicable deed and/or trust documents must be provided to Program staff.
- 7) Household Size: The size of the applicant household will be determined as part of the income eligibility process. Household size refers to all persons occupying the housing unit. Occupants may be a single family, a single person living alone, multiple families living together, a multi-generational single family, or any other group of related or unrelated persons sharing living arrangements. All residents of the housing unit must be reported on the application. In the event that there is a change in the size of a household after the application is submitted, Program staff will review the eligibility of the project in light of the change prior to final loan closing.
- 8) Property Status: The property must be occupied as the applicant's principal residence. All mortgages or notes on the property must be in good standing to be eligible to receive a Program loan. It is the responsibility of the applicant to inform Program staff if existing mortgages on the property are in arrears, foreclosure, or default. The property must not have any federal, state, or municipal tax liens. Applicants in bankruptcy or foreclosure proceedings are not eligible to apply for the Program. Applicants in the process of seeking a loan modification are not eligible to apply until the mortgage company has approved the modification and the client can document successful payment history. *Note: Home Repair funds will not be provided if there is an existing reverse mortgage on the property.*
- 9) Taxes, water/sewer payments: At the time of assistance, the property's real estate taxes, water, and sewer payments must be current and in good standing with the City.

- 10) Flood Insurance: Evidence of flood insurance coverage will be required if the property is determined to be located in the FEMA-designated Floodplain.
- 11) Homeowner's Insurance: The homeowner must have homeowner's insurance on the property to be assisted and must maintain coverage throughout the period of the loan.

Additional Program Policies:

All dwellings rehabilitated with federal funds must comply with all statutory requirements of the CDBG Program, with the Federal Lead Safe Housing Rule, and the Rhode Island Lead Law. Applicants must comply with all Federal, State and local regulations pertaining to Fair Housing and Equal Opportunity, as well as comply with all other local, State and Federal regulations, which may include the Uniform Relocation Act, state and local building and sanitary codes, affirmative marketing, environmental review, labor standards, conflict of interest provisions, and refusal to use federally debarred or suspended contractors as well as other regulations not listed here. Potentially historic properties (those located in a historic district) may require additional review for some exterior improvements.

City Employees and Officials: Program staff and any other City employees or officials who may have authority with respect to the administration of the CDBG Program are not eligible to receive Program assistance. City employees or relatives of Program staff may apply, but a Conflict of Interest determination must be made prior to funding approval. All exceptions to a Conflict of Interest determination are granted at the discretion of HUD. All potential conflicts must be disclosed at the time of application.

Providing False Information: If an applicant falsifies or provides misleading information in an application, the applicant may be permanently disqualified from participation in the Program and will be

required to repay any Program assistance already expended. Examples of this may include failure to report income from employment or failing to report an accurate account of residents in the household.

Denial of Service Policy:

The policy of the City of Providence is to provide rehabilitation loan services when those services may be delivered safely and effectively, without undue hazards to staff, independent contractors, or clients. In some circumstances, assistance may be denied due to the magnitude of health and safety issues and associated costs. It is the policy of the City of Providence and HUD to correct all code violations during the rehabilitation of the unit. Refusal by the homeowner to correct code violations or to abide by any other applicable program policy such as those listed above may result in denial of assistance.

Providence staff and contractors must be able to perform rehab measures without threats to their health or safety and in a non-hostile work environment. Work will not be performed in homes that are structurally unsound and should be condemned, homes where non-Program rehab work is ongoing or underway, homes substantially infested with vermin, or homes with hazards that cannot be resolved prior to or during the rehab. *The dwelling must be free of animal feces, excessive garbage, and illegal controlled substances during the period of rehabilitation.*

In all cases of denial, the applicant will be informed in writing when services are denied or withdrawn. The denial notice will include instructions for appeal of the denial or steps that can be taken to allow for rehabilitation services to proceed, if applicable. In the event an applicant submits a request for appeal, the Director of Community Development will respond, in writing, within 15 days of receipt.

COVID-19 Policy:

To safely deliver rehab services during the COVID-19 pandemic, homeowners and program contractors are asked to wear masks and abide by social distancing during inspections and completion of rehab activities. While an adult over 18 must be present for a property inspection, homeowners will be asked to limit the number of people in the property while City staff or contractors are present to ensure all can maintain a safe distance. Prior to any inspection, applicants shall be screened to determine if anyone in the household is experiencing symptoms, is under self-isolation or under quarantine, and inspections rescheduled as needed. Applicants will be required to sign a COVID-19 Waiver that indemnifies the City prior to loan closing. Failure to abide by the COVID-19 Policy may result in cancellation of services and notification to Department of Health.

Amendments and Revisions:

Program guidelines and forms may be revised periodically as deemed necessary by Program staff or HUD. Major revisions to the Program Guidelines will require the approval of the Community Development Director.

To Apply for Funding Assistance:

Applications for assistance can be requested from:

City of Providence, Division of Housing & Community Development

444 Westminster Street

Suite 3A

Providence, RI 02903

401-680-8400

sprince@providenceri.gov

APPENDIX

HUD Maximum Qualifying Income* & Relocation Policy

FY 2020 Income Limits

Units assisted under this program must be rented to, or occupied by, income-eligible households earning at or below 80% area median income, as defined by HUD, for the City of Providence, RI HUD- Metro FMR Area. *Maximum income amounts are updated by HUD periodically. These income limits are effective for Program Year 2020.

Household Size:	1	2	3	4	5	6	7	8
80% AMI	\$48,750	\$55,700	\$62,650	\$69,600	\$75,200	\$80,750	\$86,350	\$91,900

Relocation Policy

In some cases, work may trigger temporary relocation of occupants to enable safe and effective rehabilitation. In accordance with the Uniform Relocation Act, when relocation is applicable, occupants will be notified of their eligibility for temporary displacement benefits as applicable under URA at least 15 days prior to the estimated relocation date.