

SANDUSKY
2018



SANDUSKY CITY HOUSING
DEVELOPMENT & BEAUTIFICATION
PROGRAMS

PROGRAM YEAR 2017

INTRODUCTION

The Housing Development and Beautification (HDB) program intends to spur new housing development while preserving existing housing stock in an effort to retain and attract residents to the City of Sandusky (the “City”). Financial assistance is available for new or substantially redeveloped housing units, homebuyers and property owners desiring to undertake exterior enhancements to their property.

The City strongly believes that preservation of existing housing stock and the creation of new and diverse housing options are critical to retaining and attracting residents to the City. Increased investments in housing units will also stimulate economic development activity - which will strengthen the real estate market, increase property values, create a more walkable community and improve overall quality of life.

HOUSING DEVELOPMENT & BEAUTIFICATION PROGRAMS

The City’s intention is for its programs to be fair, straightforward, and easy to navigate. If you have any questions, please do not hesitate to contact the City’s Development Specialist, Maria Muratori at (419) 627-5891 or mmuratori@ci.sandusky.oh.us.

Section I - GENERAL TERMS:

FUNDING AVAILABILITY: Approximately \$300,000 is available for calendar year 2017

USE OF FUNDS: HDB funds can be used for the following purposes:

Substantial Redevelopment: HDB grants may be used to subsidize the cost of constructing new housing units or substantially rehabilitating existing housing units. These grants may also be used for the creation of new housing units through adaptive reuse of non-residential properties into residential properties.

Exterior Repairs: HDB grants may be used to undertake certain exterior home repairs and improvements visible from the public-right-of-way including but not limited to roof repairs, window replacement, porch reconstruction, and painting.

Landscaping: HDB grants may be used for certain landscaping and related improvements visible from the public right-of-way including, but not limited to, new shrubs/trees/flowers, tree removal, planting bed construction and landscaping light and decorative fence installation.

Downpayment Assistance: HDB grants may be used for the acquisition of one-, two- and three-family residences that will be owner occupied.

ELIGIBILITY REQUIREMENTS: The properties must be located in the municipal boundaries of the City. HDB funds, depending on the program, may be used as gap financing, matching funds or funds not requiring a match. All projects must meet applicable zoning requirements. Applicants with mobile homes that are permanently affixed to the ground are eligible to apply. **Projects with outstanding code violations are eligible to apply – but all code violations must be repaired prior to grant disbursement.**

APPROVAL PROCESS: Completed applications will be accepted on a rolling basis throughout the year on a first come – first serve basis. The Department of Community Development reviews applications first for completeness and to ensure compliance with eligibility criteria. All approved applications will be provided an award letter. **Estimates must be included with applications.** Applicants who submit incomplete applications and/or applications with compliance issues will be contacted and will have four (4) weeks to rectify all identified issues. If the issues are not rectified within four (4) weeks to the satisfaction of the City, the application will be discarded and the applicant will need to submit a new application. Please allow for up to four (4) weeks for application review. Applications for assistance greater than \$10,000 that are approved by the Department of Community Development will require final

approval by the Sandusky City Commission. Accepted applications must be for the current program year. Once funds for the current program year are exhausted, applicants must wait until a new application and funding are available.

AVAILABLE FINANCING: HDB funding is intended to be an additional or secondary financing source and is not intended to cover 100% of a potential project's cost – with the exception of those applying for modest exterior repair assistance. **For those applying for other types of funding assistance, all other sources of funding must be utilized before any HDB funds are disbursed.** Grant proceeds are provided directly to third party contractors or on a reimbursable basis, payable to the property owner of legal title with the exception of those applying for down payment assistance funding. For those applying for downpayment assistance funding – grant proceeds will be disbursed only to the Title Company handling the transaction prior to closing. Applicants have up to 180 days to complete projects after receiving an award letter, subject to adjustment based on the condition of the property. Applicants who receive a Downpayment Assistance grant have 90 days to close on a home purchase. Grants will generally be disbursed within approximately four (4) weeks following confirmation of all program requirements required for disbursement.

REQUIRED EQUITY: The amount of required equity will vary depending on the particular program being applied for.

APPLICATION FEES: None

MISCELLANEOUS: Applicants are permitted in certain instances to perform improvement work themselves; however in this case, City grants will be available for materials only (no labor). Applicants may be requested to sign certain waivers to allow the City to share information with relevant lending institutions and obtain credit reports for those seeking funding for downpayment assistance and substantial redevelopment. Requests for funding will be denied if applicants have outstanding collections, judgment liens, other court judgments, delinquent taxes, other tax liens, or any delinquent outstanding money owed to the City. Any previous bankruptcy must be fully discharged prior to submitting an application.

No person shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with HDB funds.

Section II – PROJECT EXCLUSIONS:

Each program outlined in Section III may have specific and more restrictive eligibility requirements than those listed in this Section. The project exclusions outlined in this Section generally apply to all applications and projects regardless of the type of financial assistance being requested.

PROJECT EXCLUSIONS: Projects will not be considered for financial assistance through HDB if they involve:

1. Rehabilitation, construction or redevelopment that involuntarily and permanently displaces businesses, residents or tenants.
2. Refinancing of existing debts and mortgages.
3. Financing of speculative projects, buildings, or activities such as land banking or acquisition of real estate with no planned capital improvements or re-occupancy.
4. Projects in which the property or project in question does not meet zoning or occupancy codes.
5. Projects for properties that contain four (4) or more units.
6. Financing to projects in which the applicant has ever or currently owns entirely or in part, real estate that is tax delinquent and not on a payment plan, contains non-registered rental units, or is

in foreclosure. Applicants who have previously had real estate in foreclosure are eligible after a period of seven (7) years from the date of case closure.

7. Financing of projects in which the applicant currently has utility delinquencies including but not limited to water and sewer.
8. Financing of projects in which the applicant currently has rental registration and/or administrative penalty delinquencies or has any outstanding delinquent or defaulted liabilities with the City.
9. Financing to projects in which the applicant has ever had a property demolished by the City.
10. Financing of projects in which the applicant has been convicted or has a pending conviction of a felony within seven (7) years from the date of application submittal.

Section III – FUNDING PROGRAMS:

(1) Substantial Redevelopment

The intent of this program is to spur new in-fill housing construction, redevelopment of vacant homes and apartments and major renovations to existing units in order to preserve existing building stock and increase the diversity of housing options and types within the City. Projects that involve the adaptive reuse of non-residential properties into residential units will be considered.

ELIGIBLE USES:

- Environmental remediation (i.e. asbestos abatement)
- Demolition
- Physical construction costs (both new construction or rehabilitation)
- Site work and improvements
- Soft costs including but not limited to architectural drawings, surveys, cost estimates, market studies, environmental reports and appraisals

REQUIREMENTS:

- Projects must be \$20,000+ per unit in total improvement costs which can include soft costs. Developer fees, when present, will not be considered as part of the total project cost.
- For projects between \$20,000-\$49,999 per unit in improvements, assistance is \$3,500 per unit.
- For projects valued at \$50,000+ per unit in improvements, assistance is \$5,000 per unit.
- The total amount available to a single applicant under Substantial Redevelopment is \$40,000 per project.
- Properties containing three (3) or less units must be assessed or valued at or below \$150,000 prior to work commencing.
- Properties are eligible to receive HDB funding only once every five (5) years.
- Applicants must be legally titled owner or authorized representative of the owner.
- Applicants may be required to seek approval of enhancements by other administrative bodies, including but not limited to, the Downtown Design Review Committee, the Landmarks Commission or the Planning Commission – **approval which must be obtained prior to a determination of any HDB application.**
- **Funds will be disbursed as reimbursement only or directly to the contractor (if applicable) performing the work. Applicants will be required to show both proof of project completion and, evidence of payment when contractors are not being paid directly by the City. Applicants must pay their portion in full prior to City grant disbursement.**

- **All successful applicants are required to secure all necessary permits prior to commencing work. Further, certain work will require completion by licensed and registered contractors and applicants should contact our Building Division at (419) 627-5940 to determine if these requirements apply.**

PREFERENCES:

- Projects that involve the redevelopment of vacant, foreclosed or underutilized sites and buildings
- Projects that leverage a significant percentage of private investment
- Projects located in a designated Community Reinvestment Area (CRA)
- Projects located in National Registered Historic District(s) or individually listed on the National Register
- Businesses and/or projects that promote goals and objectives of the City Comprehensive Masterplan and Strategic Plan

TYPE OF FUNDING: All funds under this program are grant funds to be provided as reimbursement to the applicant or paid directly to the contractor. Completion will be achieved when a Certificate of Occupancy is received for the particular unit from the City's Building Division (if required) or the close out of all required permits.

DISBURSEMENT GRANT: The grant will be disbursed in one lump sum at the completion of the project and cannot be drawn down during the course of construction. Completion will be achieved when a Certificate of Occupancy is received for the particular unit from the City's Building Division (if required) or the close out of all required permits. **If awarded funds under this program, applicants are not eligible for exterior repair funding.**

(2) Exterior Repairs

The intent of this program is to aid in the redevelopment and beautification of existing housing units. These efforts will preserve the quality and condition of existing housing stock, address major physical needs and code violations, increase property values and spur additional private investment.

ELIGIBLE USES:

- Physical construction costs, visible from the public right of way and exclusively for exterior improvements, including but not limited to:
 - Porches and Steps
 - Siding
 - Windows and Doors
 - Roofs
 - Foundations
 - Repair to or installation of chain link fences are NOT eligible for grant funding
- Demolition (i.e. porch demolition, dilapidated fence removal, garage demolition)

REQUIREMENTS:

- City assistance for exterior enhancements cannot be in excess of 40% of eligible project costs or \$2,000 per property –whichever is less, or a flat \$500 regardless of total project cost.
- Owners of multiple properties can apply for financial assistance for multiple properties but can only receive funding for up to three (3) properties in any calendar year.
- Properties are eligible to receive HDB funding only once every five (5) years.
- Applicants must be legally titled owner or authorized representative of the owner.

- Applicants may be required to seek approval of enhancements by other administrative bodies, including but not limited to, the Downtown Design Review Committee, the Landmarks Commission or the Planning Commission - **approval which must be obtained prior to a determination of any HDB application.**
- **Funds will be disbursed as reimbursement only or directly to the contractor (if applicable) performing the work. Applicants will be required to show both proof of project completion and, evidence of payment when contractors are not being paid directly by the City. Applicants must pay their portion in full prior to City grant disbursement.**
- **All successful applicants are required to secure all necessary permits prior to commencing work. Further, certain work will require completion by licensed and registered contractors and applicants should contact our Building Division at (419) 627-5940 to determine if these requirements apply.**
- **Any work completed prior to notice of award from the City will be ineligible for this program.**

PREFERENCES:

- Projects that involve the redevelopment of vacant, foreclosed or underutilized sites and buildings
- Projects located in a designated Community Reinvestment Area (CRA)
- Projects that involve the repair or elimination of existing and open code violations
- Projects located in National Registered Historic District(s) or individually listed on the National Register

TYPE OF FUNDING: All projects funded under the Exterior Repairs program receive grant proceeds.

TERM OF GRANT: Provided directly to third party contractors or on a reimbursable basis to the applicant after the completion of all exterior improvements and evidence of expenses incurred.

(3) Landscaping

The intent of this program is to aid in the redevelopment and beautification of existing housing units – namely through aesthetic enhancements. These efforts will preserve the quality and condition of existing housing stock, increase property values through enhanced walkability and aesthetics and will spur additional private investment and beautification efforts.

ELIGIBLE USES:

- Physical landscaping and related improvements, visible from the public right of way including, but not limited to:
 - New shrubs/trees/flowers
 - Tree removal
 - Planting bed construction and/or improvements to existing
 - Landscaping lights and poles
 - Decorative fencing or walkways
 - Repair to or installation of chain link fences are NOT eligible for grant funding

REQUIREMENTS:

- City assistance for landscaping enhancements cannot be in excess of 80% of eligible project costs or \$400 per property – whichever is less.
- Owners of multiple properties can apply for financial assistance for multiple properties but can only receive funding for up to three (3) properties in any calendar year.

- Properties are eligible to receive HDB funding only once every five (5) years.
- Applicants must be legally titled owner or authorized representative of the owner.
- Applicants may be required to seek approval of enhancements by other administrative bodies, including but not limited to, the Downtown Design Review Committee, the Landmarks Commission or Planning Commission - **approval which must be obtained prior to a determination of any HDB application.**
- **Funds will be disbursed as reimbursement only or directly to the contractor (if applicable) performing the work. Applicants will be required to show both proof of project completion and, evidence of payment when contractors are not being paid directly by the City. Applicants must pay their portion in full prior to City grant disbursement.**
- **All successful applicants are required to secure all necessary permits prior to commencing work. Further, certain work will require completion by licensed and registered contractors and applicants should contact our Building Division at (419) 627-5940 to determine if these requirements apply.**
- **Any work completed prior to notice of award from the City will be ineligible for this program.**

PREFERENCES:

- Landscaping projects serving to mitigate stormwater (i.e. rain gardens)

TYPE OF FUNDING: All projects funded under the Landscaping program will receive grant proceeds.

TERM OF GRANT: Provided directly to third party contractors or on a reimbursable basis to the applicant after the completion of landscaping installation and evidence of expenses incurred.

(4) Downpayment Assistance

This program aims to increase home owner occupancy in the City and make the goal of homeownership a reality for residents, including those whom may not have enough money saved for a down payment. It further seeks to attract residents to the City.

ELIGIBLE USES:

- Assistance with lender down payment requirements

REQUIREMENTS – PROSPECTIVE HOMEBUYER: (must meet ALL of the following criteria)

- Have secured a mortgage/loan preapproval from lender which outlines:
 - Type of loan (fixed or adjustable)
 - Term of loan (in years)
 - Interest rate of loan
- Provide a mortgage interest rate that does not exceed the national average rate more than 1.5 percentage points as determined by Bankrate, Freddie Mac or other comparable company as determined by the City
- Provide a mortgage term of at least 15 years with a fixed interest rate for the life of the loan and be fully amortizing

REQUIREMENTS – PROSPECTIVE HOMES: (must meet ALL of the following criteria)

- Maximum purchase price shall not exceed \$350,000

- Homes can only be purchased for the purposes of owner occupancy and must remain so for minimally three (3) years
- Tenant occupied homes, that intend to remain tenant occupied, do not qualify for the program

REQUIREMENTS – LENDER/TITLE COMPANY (must meet ALL of the following criteria)

- Be licensed in the State of Ohio
- Lender must provide escrow services to buyers for insurance and property taxes

The application and approval process normally takes up to four (4) weeks. Delay in submitting required documentation may delay the closing date. Final approval is not determined until the City reviews the sales contract and lender information.

REQUIREMENTS:

- Assistance for approved acquisitions will be capped at the lesser of 3% of purchase price OR \$5,000
- Purchase price cannot be in excess of \$350,000
- Properties must contain three (3) or fewer units

PREFERENCES:

- Projects that involve the acquisition and occupancy of vacant, foreclosed or underutilized properties
- Projects in which the applicant is a first time homebuyer
- Projects in which the applicant is relocating from outside the City
- Projects located in a designated Community Reinvestment Area (CRA)
- Projects located in Nationally Registered Historic District(s) or individually listed on the National Register

TYPE OF FUNDING: All projects funded under the Downpayment Assistance program will receive grant funds.

DISBURSEMENT GRANT: The grant will be disbursed in one lump sum at the time of property closing and disbursed directly to the Title Company handling the property transaction. **Applicants must be sure to notify the City at least seven (7) to ten (10) days prior to the scheduled closing date in order to ensure the grant funds are disbursed in time for closing. For closings that occur during the last two (2) weeks of December, the City will need to be notified by no later than December 8th.**

APPLICATION TO FOLLOW ON THE NEXT PAGE

Program Being Applied for (may check more than one):

Substantial Redevelopment

Exterior Repairs

Landscaping

Downpayment Assistance

Applicant Information: Check if applicant currently resides within the City of Sandusky

Check if applicant has outstanding delinquent/defaulted liabilities to the City

(Applicant Name)

(Authorized Representative Name – if different than Applicant Name)

(Home Address)

(Permanent Parcel Number – Obtained from the Auditor’s web site)

(City, State, Zip)

(Phone Number)

(Email)

(Federal Tax ID or Last 4 of Social Security)

(Fax Number – if applicable)



Project Information (if different than Applicant Information):

(Property Address)

(Permanent Parcel Number – Obtained from the Auditor’s web site)

(City, State, Zip)

Type of Property: Single-Family Duplex Tri-plex Apartment Building
 Mixed-Use Other _____

Occupancy of Property: Occupied Vacant

Occupant Information: Owner Occupied Tenant Occupied Both

Listed on the National Register of Historic Places or in a Historic District: Yes No

First Time Homebuyer (for Downpayment Assistance): Yes No

Date of Property Purchase or Anticipated Date of Purchase: _____

To your knowledge, do ANY of your past or current properties have the following:

- | | | |
|---|------------------------------|-----------------------------|
| (1) Delinquent real estate taxes: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (2) Delinquent rental registration (if applicable): | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (3) Delinquent utility payments: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (4) Delinquent administrative fees with City: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (5) Open code violations: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (6) A property currently in foreclosure: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (7) A property formerly in foreclosure: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (8) A property demolished by the City | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If any answers to the above list of questions was “YES” – please explain and provide the address of the property in question: _____

Project Description (N/A for Downpayment Assistance):

Please provide a brief description of the project to be undertaken for which City assistance is being sought. Please detail the types of improvements to be completed and anticipated timeline for completion.

Contractor Information (N/A for Downpayment Assistance):

(Company Name)

(Personal Contact Name)

(Company Address)

(City, State, Zip)

(Phone Number)

(Email)

(Fax Number – if applicable)

Project Source & Use Of Funds:

A. State the total project cost for the applicable category/categories:

Substantial Redevelopment (must be \$20,000+) _____
Exterior Repair _____
Landscaping _____
Downpayment Assistance (purchase price) _____

B. Request from HDB program:

Substantial Redevelopment (\$3,500 or \$5,000 per unit) _____
Exterior Repair (40% of "A"; \$2,000 MAX) _____
Landscaping (80% of "A"; \$400 MAX) _____
Downpayment Assistance (3% of "A"; \$5,000 MAX) _____

C. Portion Applicant pays (difference between A and B):

Substantial Redevelopment _____
Exterior Repair _____
Landscaping _____
Downpayment Assistance _____

Attachments (Initial Application):

The following should be submitted with your HDB Application:

- Third Party Construction or Landscaping Cost Estimates (Ext. Repairs, Landscaping)
- Project Proforma, Cost Estimates or Project Budget (Subst. Redevel.)
- Copy of Purchase Agreement (Downpayment Assistance)
- Copy of Loan Estimate or Term Sheet (Downpayment Assistance)

Attachments (Required Prior to Disbursement):

- Copy of Closing Disclosure/Settlement Statement (Downpayment Assistance)
- Evidence of Cost Incurred (Subst. Redevel., Ext. Repairs, Landscaping)
- Evidence of Contractor Registration/Permits (Subst. Redevel., Ext. Repairs, Landscaping)
- Certificate of Occupancy (Subst. Redevel., Ext. Repairs – if required)

Projects require both an initial inspection by City staff prior to work beginning and a final inspection to ensure completion of work prior to disbursement of grant proceeds.

Submission Acknowledgment

The undersigned certifies that he/she is authorized to complete, sign and submit this application on behalf of the applicant/owner. Further, the undersigned certifies that the information contained in this application has been reviewed by him/her and that all information, including exhibits, are, to the best of his/her knowledge, complete and accurate and presents fairly the condition of the applicant and project accurately. Intentionally falsifying information in this document constitutes a criminal offense. The undersigned hereby authorizes the City of Sandusky to investigate the credit worthiness and of the undersigned, and/or applicant. The undersigned understands that information submitted to the City of Sandusky as part of this application is considered a public record. The undersigned also agrees to display signage showing City support on their property for up to three (3) months.

The undersigned understands that additional information may be required to finalize the approval process, and that, if the project is funded, **HDB funds cannot pay for expenditures made before grant approval and notice of award.** The undersigned also understands that the submission of the application for financial assistance does not automatically constitute approval.

By: _____

(Print or type name and title)

(Signature)

(Date)

By checking this box, I acknowledge that I have read, understand, and agree to the policies and procedures outlined in this document. Please contact the Department of Community Development with any questions.

Please check this box if you are willing to be interviewed or photographed or have your property photographed for Housing Development and Beautification marketing purposes

Please check this box if you are willing to attend a City Commission meeting as a result of your experience with the Housing Development and Beautification program

CONTACT

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