

PRINCE WILLIAM COUNTY OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
NEIGHBORHOOD HOUSING REHABILITATION
FOR OWNER OCCUPIED PROPERTIES



Eligible Activities

- Repair substandard housing
- Make accessibility improvements (wheelchair ramps, kitchen/bath adaptations, door widening)
- Energy improvements (heating system replacement, insulation, skirting open foundations)
- Repair of foundation and site corrections
- Installation of complete indoor plumbing
- Repairs to failed and failing water delivery and/or waste water treatment systems
- Repair and/or replacement of windows and doors
- Repair and/or replacement of roof.
- Reduction & abatement of lead-based paint.

Who is Eligible?

Gross household income must be at or below 80% area median income (AMI), adjusted for family size per the following table:

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$44,800	\$51,200	\$57,600	\$64,000	\$69,100	\$74,250	\$79,350	\$84,500

Households at or below 50% of area median income will receive priority in being assisted

Property Ownership

Recipients shall possess fee simple title or a 99 year leasehold interest in the property which is to be improved, and shall maintain that property as their primary residence. The property owner must provide a copy of the certified deed to the property to document ownership.

Minimum Project Cost

The minimum project cost of rehabilitation for projects shall be \$2,000. The minimum cost requirement applies to total rehabilitation costs for work and shall not include delivery costs incurred by the County. Eligible rehabilitation costs shall be the sum of the amount of the contracts for the rehabilitation work including any change orders and any related fees required by the project, which may include survey costs, architectural fees, lead-based paint testing and one year's premium for insurance.

Maximum Project Cost

Community Development Block Grant (CDBG) regulations state that the maximum federal dollars for housing rehabilitation can not exceed 75% of the replacement cost. Therefore, if the replacement cost of a home is \$100,000, the maximum CDBG funds can not exceed \$75,000. Replacement is determined by identifying the cost of constructing a new housing unit of comparable size (i.e. square footage). The 75% rule for rehabilitation applies to rehabilitation cost only. The cost for lead-based paint testing and correction are not apart of this calculation.

In addition to the federal dollar limitations of the program the County must protect their interest on the investment. The total of all liens on the property and the estimated rehab dollars, including the cost of testing and correcting for lead-based paint, cannot exceed 100% of the assessed or appraised value of the property. Therefore, the County will not accept placement of their lien beyond second place. In situations where the homeowner has both a first and a second trust currently on the property, the program can pay off the second trust and include this amount as a part of the County's lien, taking into consideration that the first and second trust cannot exceed 100% of the assessed or appraised value of the property.

Assistance to the Homeowner

The amount of assistance provided for rehabilitation will be secured by a deferred deed of trust on the property. The trust will not be due and payable until the property ceases to be the principal residence, or is sold, or the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, or terms of the deed of trust are violated.

Contractor Requirements

As a convenience to the property owner they can either;

1. Select a contractor from a list of bidders currently active in the Program, or
2. Get three (3) sealed bids for other contractors, or
3. If under \$15,000 get 3 written quotes on work to be performed.

To be awarded a contract or to be included on the bidder list, the contractor must provide the following:

- Evidence of comprehensive public liability insurance coverage protecting the owner for not less than \$100,000/\$300,000 in the event of bodily injury including death and \$100,000/\$300,000 in the event of property damage arising from the work performed by the contractor. Such evidence of insurance shall be in the form of a certificate from the insurance provider.
- Evidence of workmen's compensation insurance while performing work for the program. Such evidence of insurance shall be in the form of a certificate of insurance from the insurance provider.
- Copy of Commonwealth of Virginia "A" or "B" contractor licenses.
- Copy of Prince William County Business License.
- Resume or Company Profile.
- Three (3) references from property owners who previously had work performed by the contractor.

Payments to Contractors

The property owner, contractor, and the Office of Housing & Community Development (OHCD) will enter into a contract for the work to be completed. The County, with funds provided by the CDBG program and with the property owners written consent, shall pay the contractor for performance of work. OHCD will serve as funds disbursement agent on behalf of the property owner, authorizing payments under the contract to the contractor.

Refinance and Subordination

The rehabilitation loan will not be subordinated at anytime during the deferral period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.).

Role of the Office of Housing & Community Development (OHCD)

OHCD staff will assess eligibility of family and property, complete work write-up, assist property owner with contractor selection, inspect work, make funds disbursement on behalf of the property owner, and serve as a liaison between contractor and property owner.

Homeowners have three options to obtain bids for the rehabilitation of their property. As a convenience we offer three options;

- Option #1 Select a contractor from a list of bidders currently active in the Program, or
- Option #2 Get three (3) sealed bids for other contractors, or
- Option #3 If rehabilitation is under \$15,000 get 3 written quotes on work to be performed.

How to Apply

Persons interested in Neighborhood Housing Rehabilitation can obtain a questionnaire by calling the Office of Housing and Community Development 703-792-5927, go to www.pwccgov.org/housing, or e-mail a Housing Rehabilitation Specialist at the addresses listed below. Once the questionnaire is returned, it will be screened for preliminary eligibility requirements. Applicants deemed potentially eligible will be placed on a waiting list. Due to funding limitations, persons will be contacted from the list for formal application/interview based on funding availability.

If you are interested in the Neighborhood Housing Rehabilitation Program, please contact:

Office of Housing and Community Development/Community Preservation & Development Division
15941 Donald Curtis Drive, Suite 112
Woodbridge, VA 22191 Telephone: (703) 792-5927 TTP: (703) 792-4364
E-mail: kbeard@pwccgov.org or dwatkins@pwccgov.org