

CDBG Emergency Housing Rehabilitation Program Frequently Asked Questions (FAQ)

What is CDBG Emergency Housing Rehabilitation Program?

The U.S. Department of Housing and Urban Development (HUD) awards Community Development Block Grant (CDBG) funds to the City of Lebanon each year. The City uses a portion of these funds for the Emergency Housing Rehabilitation Program to assist low- and moderate-income Manhattan homeowners with home repairs critical to the livability of the home to help maintain the supply of affordable housing.

Who is eligible for this program?

To be eligible, you must own and reside in the home that is being applied for, it must be a residential structure located in a residential zoning district within city limits, and your total combined gross household income must not exceed 80% of the Area Median Income limits, which HUD changes annually. CDBG Emergency Housing Rehab assistance is disbursed to eligible applicants on a first-come, first-serve basis as funding permits. Other additional requirements:

- The applicant's home must not be located in a Flood Hazard Area.
- The property cannot be in foreclosure and must not have delinquent on property taxes.

What are the types of grant funding available to me?

An **Emergency Rehab** project is for repairs to single-family structures that fully forgives construction costs of up to \$15,000 over 5 years, so long as the owner(s) abide by the terms of the grant during that period.

Why is it called a grant when it looks like a loan & do I have to pay this back?

The CDBG Housing Rehabilitation Program is a grant, structured as a loan that is forgiven over a period of years depending on the type of work done, so long as the owner(s) continue to live in and own the home and abide by the requirements of the Housing Rehabilitation Program. It only becomes a loan if the owner(s) no longer live in and own the home, or maintain the requirements of the agreement for the use of Grant Funds.

- For **Emergency Rehab** projects the City requires the homeowner(s) to sign a mortgage that will be filed with the Lebanon County Register of Deeds Office prior to the start of work on the home with a Final Note to be signed that indicates the actual construction cost funded by the program.

There is no interest charged on any of the Grant Programs and no repayment requirement if the homeowner abides by the Housing Rehabilitation Agreement. The Mortgages/Liens are released by the City after the term of the grant has been completed.

How Do I Apply:

Applications can be picked up at:

- Lebanon City Hall, Department of Administration
- downloaded from the City Website.

When you submit with your application, attach the most current:

- signed most current tax return,
- 3 months most current bank statements,
- 3 months of most recent pay stubs and,
- Any other documents listed in the application packet that may apply to you.

Compile all documents and email to jgroh@lebanonpa.org, or deliver to Lebanon City Hall in person or by mail to :

Lebanon City Hall
Community Development
735 Cumberland Street
Lebanon, PA 17042

What type of repairs are eligible?

The Emergency Rehab program is for owner-occupied Single-Family structures to help improve livability, and/or addresses health and safety issues. This activity is used to make improvements to address an emergency. Examples of these types of repairs include:

- Furnace/AC replacement
- Plumbing repairs and/or replacement
- Electrical repairs and/or replacement
- Any other improvement critical to the livability of the home.

What is the process after I submit my application?

- Income eligibility is verified
- Environmental review is conducted to identify any unknown issues
- Scope of Work is developed (radon & lead testing, if needed), with homeowner's input.
- Homeowner and Risk Reduction reviews Scope, Homeowner approves Scope for Bidding.
- City conducts Bidding process, including project walkthrough. Homeowner approves recommended award.
- City conducts contract signing, files mortgage/lien, and works with Homeowner and Contractor to establish a start date, and coordinate access to the property to complete the work.
- Contractor secures permits and calls for Inspections of work, as needed.
- Work completion includes final inspection with homeowner and contractor and final documents are signed/filed by Homeowner, Contractor and City
- City pays contractor.

What are the most common problems with applications?

- Homes must be located within City Limits.
- Applicants must have owned and lived in the home for 1 full year prior to applying to the program.
- Applicants must have homeowner's insurance prior to the beginning of repair work.
- The property may not be used as a rental unit, it must be owned and occupied by the applicant.
- The property may not be held in an estate/trust account.
- There is a list of Income Documents that are required for the applicant to supply to begin the income eligibility process. This list is located on the city web site.
- You must not be delinquent on Property Taxes

Read the Administrative Plan attached to the Application; it contains all the Requirements of the Program. If you have questions about the program and the requirements, or for other possible resources for assistance, contact the Housing Rehabilitation Inspector.

What if I am behind on Property Taxes or other debt?

- If you are on a payment plan with Lebanon County Treasurers Office, then provide a Letter from that office that includes your payment status with the CDBG Housing Rehabilitation application.
- Applicant must be current on all utility bills
- Applicant must not have a tax lien with the State of Pennsylvania
- Applicant must not have a federal tax lien
- The property may not have a reverse mortgage.
- If an Applicant is in bankruptcy, the application will be reviewed on a case-by-case basis, but this usually requires the involvement of a “Bankruptcy Manager” assigned by the court.
- The property must not be in Foreclosure.