

SANDUSKY
2018



SANDUSKY CITY HOUSING
DEVELOPMENT & BEAUTIFICATION
PROGRAMS

PROGRAM YEAR 2016

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 or would like to schedule a pre-application meeting, please do not hesitate to contact the City’s Chief Development Officer, Matt Lasko at (419) 627-5707 or mlasko@ci.sandusky.oh.us.

Section I - GENERAL TERMS:

FUNDING AVAILABILITY: Approximately \$250,000 is available for calendar year 2016

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 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 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. This assistance will be in the form of downpayment or closing cost assistance.

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. **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. Applications will also be taken 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. Incomplete applications will not be reviewed and will be returned to the applicants. Please allow for up to fourteen (14) days 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.

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 documented and in place before any HDB funds are disbursed. Grant proceeds are provided directly to third party contractors or on a reimbursable basis to the applicant 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.

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

APPLICATION FEES: None

MISCELLANEOUS: Applicants may be requested to sign certain waivers to allow the City of Sandusky 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 or other tax liens. 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. 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.
6. Financing of projects in which the applicant currently has utility delinquencies including but not limited to gas, electricity, water and sewer.
7. Financing of projects in which the applicant currently has either or both rental registration or administrative penalty delinquencies.
8. Financing to projects in which the applicant has ever had a property demolished by the City of Sandusky.

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.

FUNDING AVAILABILITY: Approximately \$100,000 annually, subject to change based on demand.

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 \$50,000+ per unit in total improvement costs which can include soft costs. Developer fees, when present, will not be considered as part of the total cost.
- For projects between \$50,000-\$99,999 per unit in improvements, assistance is \$3,500 per unit.
- For projects valued at \$100,000+ per unit in improvements, assistance is \$5,000 per unit.
- Applicants may be required to seek approval of enhancements by other administrative bodies, including but not limited to, the Downtown Design Review Committee or the Planning Commission – **approval which must be obtained prior to a determination of any HDB application.**
- Properties containing three (3) or less units must be assessed or valued at or below \$150,000 prior to work commencing.
- Applicants must be legally titled owner or authorized representative of the owner.
- **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.**
- **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
- Projects involving the enhancement of architecturally or historically significant properties.
- 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. Grants will generally be disbursed within approximately fourteen (14) days following confirmation of the above. **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.

FUNDING AVAILABILITY: Approximately \$75,000 annually, subject to change based on demand.

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
- Demolition (i.e. porch demolition, dilapidated fence removal, garage demolition)

REQUIREMENTS:

- City assistance for exterior enhancements cannot be in excess of \$2,500 per property or 50% of eligible project costs –whichever is less, or a flat \$1,000 regardless of total project cost.
- Applicants must be legally titled owner or authorized representative of the owner.
- 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 may be required to seek approval of enhancements by other administrative bodies, including but not limited to, the Downtown Design Review Committee 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.**
- **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 or recently foreclosed properties
- Projects that are located in a designated Community Reinvestment Area (CRA)
- Projects involving the enhancement of architecturally or historically significant properties
- Projects that involve the repair or elimination of existing and open code violations

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.

FUNDING AVAILABILITY: Approximately \$25,000 annually, subject to change based on demand.

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

REQUIREMENTS:

- City assistance for landscaping enhancements cannot be in excess of \$400 per property or 80% of eligible project costs – whichever is less.
- Applicants must be legally titled owner or authorized representative of the owner.
- 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 may be required to seek approval of enhancements by other administrative bodies, including but not limited to, the Downtown Design Review Committee 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.**
- **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: None

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

The intent of this program is to aid residents who want to buy a home but do not have enough money saved for their down payment and closing costs. Many times, people's buying decisions will lead them to purchase more expensive properties with amortizing mortgages if the closing costs and down payment requirements are less as compared to less expensive properties with larger closing cost and down payment requirements. This program further aims to increase home occupancy in the City and make the goal of homeownership a reality for residents.

FUNDING AVAILABILITY: Approximately \$50,000 annually, subject to change based on demand.

ELIGIBLE USES:

- Assistance with closing costs
- Assistance with lender down payment requirements

ELIGIBILITY – 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

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

- Maximum purchase price shall not exceed \$150,000
- 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

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

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

The application and approval process normally takes three-four (3-4) weeks. Delay in submitting required documentation may delay the closing date. Final approval is not determined until the City reviews the sales contract, lender information, and inspects the home.

REQUIREMENTS:

- Assistance for approved acquisitions will be capped at 3.5% of purchase price
- Purchase price cannot be in excess of \$150,000
- Properties must contain three (3) or fewer units

PREFERENCES:

- Projects that involve the acquisition and occupancy of vacant or foreclosed properties
- Projects in which the applicant is a first time homebuyer
- Projects located in a designated Community Reinvestment Area (CRA)
- Projects located in Nationally Registered Historic District(s) or individually listed on the National Register
- Projects involving the acquisition of architecturally or historically significant properties

TYPE OF FUNDING: All projects funded under this 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.

APPLICATION TO FOLLOW ON THE NEXT PAGE

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

- Substantial Redevelopment
- Exterior Repairs
- Landscaping
- Downpayment Assistance

Property Owner Information:

(Owner Name)

(Authorized Representative Name – if different than Owner Name)

(Property Address)

(Permanent Parcel Number)

(City, State, Zip)

(Phone Number)

(Email)

(Federal Tax ID or Last 4 of Social Security)

(Fax Number – if applicable)



Project Source & Use Of Funds:

Break out total project costs by use of funds and allocate each use cost by source.

Project Costs	City HDB	Owner Equity	Private Lender(s)	Other	TOTAL
Property Acquisition					
Closing Costs					
New Construction					
Renovation					
Exterior Improvements					
Landscaping & Site Work					
Soft Costs (i.e. legal, architectural, etc...)					
TOTAL COSTS:					

Attachments (Initial Application):

The following should be submitted with your HDB Application:

- Third Party Construction or Landscaping Cost Estimates
- Project Proforma (Substantial Redevelopment Only)
- Copy of Commitment Letter from Bank (Downpayment Assistance Only)

Attachments (Prior to Disbursement):

- Copy of HUD Settlement Statement (Downpayment Assistance Only)
- Copy of Purchase Agreement (Downpayment Assistance Only)
- Evidence of Cost Incurred (Exterior Repairs and Landscaping Only)
- Certificate of Occupancy (Substantial Redevelopment Only – 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. 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 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)

CONTACTS

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