

HOMEOWNER ASSISTANCE PROGRAM

Guidelines

Amended December 2024

**Housing Opportunity Fund (HOF)
Homeowner Assistance Program (HAP)
Guidelines**

I. PROGRAM OBJECTIVE

The main objective of the Homeowner Assistance Program (HAP), a program of the Housing Opportunity Fund, is to provide financial assistance to eligible homeowners for rehabilitating and improving residential owner-occupied properties citywide. Through the HAP, the Urban Redevelopment Authority of Pittsburgh (URA) provides financing to assist low-income homeowners in bringing their homes into compliance with city codes and to undertake energy efficiency improvements and eligible general property improvements.

The funds will be deployed in one of three ways:

1. The URA will grant/lend the funds directly to the homeowners.
2. The URA will contract with Program Administrators to administer the program on the URA's behalf.
3. The URA will issue a Request for Proposals (RFP) to solicit nonprofit Program Administrators to administer a portion of the program. The URA will enter into contracts with the Program Administrators and reimburse them for costs incurred on a per-project basis. Program Administrators will need to apply and be awarded a contract for specific geographic areas, which may be neighborhood-based or as large as the whole City. The URA will directly service homeowners not in the service areas of Program Administrators or in areas where the need exceeds their capacity. The HAP is only available to City residents.

II. PROGRAM FUNDING

The following funding sources may be utilized to stimulate the rehabilitation of single-family owner-occupied housing under the HAP:

- A. HOF funds, which come from the City of Pittsburgh's annual operating budget.
- B. Federal appropriations such as, but not limited to, the Community Development Block Grant (CDBG) Program and Home Investment Partnership (HOME) Program funds from the U.S. Department of Housing and Urban Development.

- C. Funds received by the URA from the Commonwealth of Pennsylvania designated for the rehabilitation and improvement of owner-occupied housing.
- D. Funds received from philanthropy and/or other private organizations/companies.
- E. Revolving loan repayments from loans previously funded with any of the abovesources.

III. **ELIGIBLE GRANTEES**

Grantees receiving financing under the HAP must meet the following requirements:

- A. Each Grantee must be an owner occupant of the property to be improved.
- B. The annual gross household income of the Grantee may not exceed 80% of the local Area Median Income with adjustments made for family size.
- C. Determination of the household's annual income shall be based on current income projected from the date of application. Annual income should be based on the gross income from all sources before taxes or withholding from all household members who are not minors or full-time students. The most recent federal income tax form will also be required to verify the applicant's income history.
- D. The Grantee must hold a fee simple or life estate interest in the property. Inthe case of a Grantee who is a holder of a life estate, both the Grantee andseller must sign a grant agreement.
- E. The Grantee must not have any outstanding City, School, and County real estate taxes or the Grantee must be on a payment plan.

- F. The Grantee must have a current homeowner insurance policy.
- G. Grants may be made to a Grantee owning less than a full interest in the property so long as such owner has one-half (1/2) or more interest in the title of the property. In this instance, the signatures of all individuals with an ownership interest in the property will be required on the closing documents.
- H. A Grantee who has previously gone through the HAP Program will not be eligible to re-apply until after 10 years have passed from the final inspection of the project and the deed restriction is removed.

IV. ELIGIBLE PROPERTIES

- A. Each property must be a permanent structure used primarily for year-round residential use. If the property to be improved is vacant, the Grantee must certify in writing prior to closing their intent to occupy the property within 30 days of work completion.
- B. Eligible properties cannot contain more than two (2) connected dwelling units.
- C. Properties financed under HAP must be the principal residence of the Grantee.
- D. Each property must comply with Environmental Review regulations and procedures required by the federal government and the Commonwealth of Pennsylvania if applicable. Reference HUD (U.S. Housing and Urban Development) Environmental Review Procedures (24 CFR Part 58).

V. ELIGIBLE AREAS

Properties must be located within the City of Pittsburgh.

VI. HAP PROJECT DOCUMENTATION REQUIREMENTS

- HAP application
- Proof of income (One month of paystubs, current tax return, and any other income documentation for the entire household)
- Proof of ownership of home (screenshot from Allegheny County Real Estate portal)
- Proof of taxes paid (County, City, and School real estate taxes), or proof of current payment plan
- Proof of homeowners insurance coverage

- Copies of all fully executed closing documents (grant agreement, Declaration of Restrictive Covenants)
- RFP and/or contractor onboarding records
- Documentation of initial inspection, stage inspections, and final inspection
- Scope of work write-up and approval
- Signed scope of work: program official, homeowner & contractor
- Photos of job progress
- Owner/Contractor Agreement
- Grant Agreement
- Deed of Restrictive Covenant
- Invoice(s)
- scope of work approval
- URA 'Next Steps' Letter, if applicable
- Contractor Selection Letter
- Contractor Rejection Letter if applicable
- Homeowner Rejection of Contractor and Quitting Program email, if applicable
- Homeowner Orientation Checklist

VII. GRANT PARAMETERS

- A. Grants are available in an amount equal to or less than \$35,000. The final grant award will be determined based on an approved scope of work and contractor pricing for the approved scope of work.
- B. A 10-year Restrictive Covenants Deed will be executed. The deed of Restrictive Covenants will restrict the resale of the home to a person at or below 80% Area Median Income (AMI) for 10 years.
- C. The Restrictive Covenants will have a 10-year term. At year 10, the declaration and agreement of Restrictive Covenants will be forgiven.

VIII. FUNDING TERMS, LIMITS AND OTHER REQUIREMENTS

- A. URA and/or Program Administrator will underwrite all applications, Restrictive Covenants and grants.
- B. All Restrictive Covenants will be prepared by URA staff and/or the Program Administrator. The agreement of Restrictive Covenants will be recorded in the name of the Urban Redevelopment Authority of Pittsburgh.
- C. In the event the Grantee vacates or sells the property, the Restrictive Covenant will remain on the property for the full 10-year period.

- D. The maximum total project cost for construction is \$35,000.
- E. The maximum Restrictive Covenant is 10 years.
- F. A Restrictive Covenant may not be assumed without the prior written permission of the URA. Proposed assumptions will be reviewed and approved by a URA Committee on a case-by-case basis.
- G. When the 10 year restrictive covenant period passes, the Restrictive Covenant will be forgiven.

IX. ELIGIBLE AND REQUIRED IMPROVEMENTS

- A. As a condition of such financing, the Grantee will be required to undertake all improvements necessary to remedy the conditions presenting a danger to the health and safety of the property's occupants. The URA (sometimes with a representative of the City's Department of Permits, Licenses, and Inspections) will inspect each property identifying code violations and conditions presenting a danger to health and safety. Improvements necessary to remedy these conditions are to be included in the scope of work to be financed with the loan. In the event the scope of work exceeds the \$35,000 maximum program threshold and the homeowner is unable to finance the remaining portion of the work, the financing may be denied.
- B. The HAP may be used to finance any general property improvement eligible for financing under the Federal Housing Administration Title I Program. Limits may be established for general improvement items to be financed including, but not limited to, flooring, kitchen cabinets, bathroom fixtures and decks.
- C. Priority use of loan funds will be initial code violations, energy related improvements, and, finally, general property improvements.
- D. Work started prior to URA approval and inspection will not be eligible for financing.
- E. Work proposed for a building listed in the National Register of Historic Places or located in an historic district listed in or eligible for the National Register, or for a building determined by the City's Historic Preservation Planner to be eligible for listing in the National Register, shall be reviewed by the City's Historic Preservation Planner to ensure that it conforms to the Secretary of the Interior's Standards for Rehabilitation. Any exterior work proposed for a building designated by the City as a historic structure, or located in a City-designated historic district, must first be reviewed by the Historic Review Commission of the City of

Pittsburgh.

X. INSPECTION AND BIDDING PROCEDURES

All properties rehabilitated under HAP are subject to inspections by the URA.

- A. Either a URA approved contractor or a Program Administrator will prepare a scope of work which identifies code violations and conditions presenting a danger to the health and safety of the occupants including lead hazards. The scope of work can also include energy efficiency and general property improvements.
- B. The URA will review the scope of work to determine a fair and equitable cost of the proposed improvements.
- C. The approved scope of work will be subject to a competitive bidding process administered by the URA or subject to the URA review of the private program administrator's proposed construction costs.
- D. The Grantee may elect to forego the URA bidding process by obtaining their own contractor meeting the requirements of Section XI of these guidelines. In the event the Grantee waives the bidding process, the chosen contractor(s) is/are bound by all relevant payment and inspection procedures imposed by the URA.
- E. The URA or Program Administrator's Quality Control Inspection Manager will conduct on-site stage inspections at the time the contractor and/or the Program Administrator requests payment for work completed. The URA will make payments directly to the contractor and/or the Program Administrator based on work completed and an approval by the Quality Control Inspection Manager and the Grantee. If a Program Administrator is being used, the Program Administrator will make payments directly to the contractor and the URA will reimburse the Program Administrator.
- F. After the work is finished, the URA's Quality Control Inspection Manager will complete a final inspection. If necessary, a City of Pittsburgh Department of Permits, Licenses, and Inspections advisor may also inspect the completed work.

XI. PAYMENT PROCEDURES

Contractors/Program Administrators must request payments on the proper URA form(s), duly signed and approved by the Grantee, for a specified dollar amount. No request for payment will be processed unless the amount of work completed is equal to or greater than the dollar amount applied for according to the URA's contractor payment schedule.

Final payments will not be released until all required permits and proper documentation have been received and approved.

XII. CONSTRUCTION STANDARDS

All properties rehabilitated under the HAP must comply with all relevant codes of Allegheny County and the City of Pittsburgh, comply with the General Specifications of the URA's Housing Rehabilitation Programs, and comply with HUD's Lead Safe Regulation (24 CFR Part 35). All contractors, including construction staff of Program Administrators, shall:

- A. Meet all licensing requirements necessary to perform the construction.
- B. Be of good reputation, financially sound and fully qualified to perform the required work outlined in the work write-up as evidenced by previous professional construction experience.
- C. Provide current insurance coverage for comprehensive public liability, property damage liability and worker's compensation in form and amounts required by the URA while participating in the program.
- D. Provide current Contractor City License while participating in the program.
- E. Provide City Business Registration form/letter.
- F. Perform all work covered by the work write-up and drawings in conformance with the contract and all applicable laws, codes and URA construction standards, and in a competent, workmanlike manner equal to the standards of the General Specifications of the URA.
- G. Comply with all applicable laws, ordinances and regulations relating to the protection and safety of persons and property.
- H. Furnish all labor, materials, and equipment and obtain and pay for all licenses, permits, and privileges required to rehabilitate the property in accordance with the contract documents.
- I. Agree to complete construction according to the specifications of the work write-up within the completion date stated in the agreement.
- J. Agree to provide a one-year warranty on all work funded by the URA.
- K. Indemnify and hold the URA harmless from all liability and loss due to injury to or death of any person, or damage to any property which may

occur or be alleged to occur during performance of the contract as a direct or indirect result of any act or omission, whether intentional, negligent or otherwise by the contractor, subcontractors or their agent, servants and employees. The contractor shall defend all suits or claims involving the above at his or her sole cost and expense.

- L. If the homeowner is required to complete lead hazard reduction work, the work must be performed by a certified Lead Abatement Contractor.
- M. Must submit a written scope of work to the URA within 60 days of the project assignment.

XIII. APPEALS COMMITTEE

The URA will establish an Application Appeals Committee whose purpose is to review HAP Guideline(s) waiver requests. The Appeals Committee will recommend approval or disapproval of the applicant's request to the Chief Housing Officer. The Chief Housing Officer can choose to accept or reject the recommendation of the Application Appeals Committee.

XIV. TANGLED-TITLE AND FORCLOSURE PREVENTION SERVICES

If a homeowner needs assistance with Tangled Title or foreclosure prevention services, they will be referred to the Legal Assistance Program, a program of the Housing Opportunity Fund, which provides free legal assistance to households under 80% of the Area Median Income. The tangled title must be cleared before closing on HAP financing. If the homeowner is in pre-foreclosure or foreclosure proceedings, a referral will be made, and the homeowner must agree to a repayment plan with their servicer before closing on HAP financing.

XV. PROGRAM ADMINISTRATOR RESPONSIBILITIES AND PROGRAM DELIVERY FEE

- A. The URA will determine homeowner eligibility based on documentation verifying homeowner income. The URA will evaluate the income prior to the Program Administrator entering a contract with the URA.
- B. The Program Administrator will coordinate property inspections with the URA's Quality Control Inspection Manager and certified Risk Assessor. The Program Administrator will prepare a work write up for URA review with a scope that addresses all health and safety issues, code compliance, and other eligible improvements. Approved work write-ups may be subject to a competitive bidding process, or, if renovation is performed by the Program Administrator, will be subject to the URA's review of the Program

Administrator's proposed construction costs.

- C. The Program Administrator and the URA will facilitate closings between homeowners and the URA.
- D. The Program Administrator will oversee all contractors, including the Program Administrator's construction staff, and ensure all licensing, certifications (including lead safe work practices, if applicable), permitting, and insurance requirements are met, and work is performed on a timely basis consistent with contract and drawings.
- E. The Program Administrator will pay the contractor for completed work and request reimbursement from the URA.
- F. Program delivery funds may be provided to nonprofit Program Administrators for reasonable and necessary program delivery expenses such as an allocation for staff time.
- G. Program delivery funds must not exceed 20% of the overall financing for each unit.
- H. Program delivery funds will be budgeted per property and paid to the Program Administrator on completion of a property.
- I. If lead-based paint testing and/or asbestos testing needs to be done, the Program Administrator should work with the URA to have this testing done. Within reason, the URA will pay for the cost associated with the lead-based paint testing, asbestos testing, and/or historic preservation compliance.

XVI. CERTIFICATIONS

In accordance with 24 CFR Part 8, the Authority certifies its compliance with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended on June 2, 1988.

XVII. NON-DISCRIMINATION CERTIFICATION

The Urban Redevelopment Authority of Pittsburgh abides by all applicable laws and regulations regarding nondiscrimination and refrains from discriminating on the basis of age, race, color, religious creed, ancestry, national origin, sex, sexual orientation, genderidentity, gender expression, political or union affiliation, and/or disability. No person shall be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination solely on the basis of any of the above factors under the loan and grant programs operated by the Urban Redevelopment Authority ofPittsburgh.

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