

Home Improvement Program 101

Alpena County Home Improvement Program

Presented by: Nicki Janish, Housing Director

What is the Home Improvement Program?

- The Alpena County Home Improvement Program provides home repair assistance county-wide to low-income homeowners. The program is specific to owner-occupied, single-family dwellings.
- Grants and loans are available through the program depending on the type of repair, project cost and source of funding that is applicable.
- All program funding is provided to the County on a grant basis to develop programs to benefit low-income homeowners.

History

- Alpena County has 47 years of experience in housing repair & rehabilitation, administering programs since 1976.
- Prior to 1984, Alpena County operated housing rehabilitation projects utilizing funding from the US Department of Housing and Urban Development (HUD).
- Since 1984, funding has been obtained through State and Federal programs, including Community Development Block Grant (CDBG), Housing Preservation Grant (HPG), and numerous grants with the Michigan State Housing Development Authority (MSHDA).

Funding since 1984

(Fiscal Year, Source, Grant Amount, Households Assisted)

✓ 1984 MI/CDBG	\$200,000	40	✓ 1999 RD/HPG	\$31,827	8	✓ 2010 RD/HPG	\$25,207	4
✓ 1987 MI/CDBG	\$150,000	21	✓ 2000 MI/CDBG	\$300,000	35	✓ 2011 MI/CDBG	\$175,000	14
✓ 1988 MI/CDBG	\$150,000	16	✓ 2002 RD/HPG	\$39,396	7	✓ 2011 RD/HPG	\$40,000	7
✓ 1990 MI/CDBG	\$100,000	16	✓ 2003 MI/CDBG	\$200,000	16	✓ 2013 CDBG/HRF	\$213,400	5
✓ 1992 MI/CDBG	\$150,000	16	✓ 2004 RD/HPG	\$24,777	10	✓ 2013 CDBG	\$200,000	8
✓ 1992 FmHA/HPG	\$36,000	7	✓ 2004 MI/CDBG	\$200,000	13	✓ 2014 RD/HPG	\$18,547	3
✓ 1994 FmHA/HPG	\$50,000	7	✓ 2005 RD/HPG	\$29,928	6	✓ 2015 CDBG	\$414,600	9
✓ 1994 MI/CDBG	\$225,000	20	✓ 2006 RD/HPG	\$17,342	5	✓ 2016 HPG/CDBG	\$176,699	11
✓ 1995 FmHA/HPG	\$60,000	12	✓ 2006 MI/CDBG	\$200,000	14	✓ 2017 CDBG PI	\$118,493	6
✓ 1995 MI/CDBG	\$200,000	15	✓ 2007 RD/HPG	\$29,579	6	✓ 2017 MSHDA-HME	\$132,000	6
✓ 1996 FmHA/HPG	\$25,000	5	✓ 2008 RD/HPG	\$23,936	5	✓ 2018 CDBG PI	\$109,014	8
✓ 1997 MI/CDBG	\$200,000	16	✓ 2009 CDBG & PI	\$250,000	31	✓ 2019 CDBG PI	\$87,197	7
✓ 1998 MI/CDBG	\$300,000	15	✓ 2009 MSHDA-HRF	\$150,000	6	✓ 2020 CDBG PI	\$194,947	12

2021 CDBG Program Income July 1, 2022 through June 30, 2023*

(*End date was extended with MEDC Approval to August 31, 2023)

Amount of Program Income: \$155,093.64

The program assisted 13 homeowners, which included:

- 8 furnace/boiler replacements
- 1 septic/drain field replacement
- 1 well replacement
- 3 roof replacements

The total amount spent on Emergency Repair projects was \$131,435.29, and the total amount of administrative dollars collected on those repairs was \$23,658.35.

Current Funding

Award Amounts and Grant Expiration Date

2022 HPG (USDA-Rural Development)	\$137,220.00	March 31, 2024
2023 HPG (USDA-Rural Development)	\$147,760.00	October 1, 2025
2022 CDBG Program Income (MEDC)	\$115,360.00	June 30, 2024
2022 MI-HOPE Program (MSHDA)	\$400,000.00	April 30, 2026
(Funds must be committed to an address and under contract by September 30, 2024)		
TOTAL	\$800,340.00	

APPROVED ACTIVITIES

(CDBG Program Income and HPG)

Emergency Repairs: Repairs that are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse.

- Leaking and/or deteriorated roofs
- Sanitary water and waste disposal systems
- Malfunctioning or failing wells
- Plumbing, including necessary fixtures
- Malfunctioning or failing heating system and/or hot water equipment
- Faulty electrical wiring or gas hazards
- Structural supports and foundations
- Severely deteriorated siding and/or porches
- Emergency interior or exterior handicapped accessibility improvements, such as installation of a ramp
- Structural damage that creates an emergency safety situation
- Any item where the homeowner's insurance may be cancelled if not addressed

Housing Preservation: The repair and rehabilitation activities that contribute to the health, safety, and well-being of the occupant, and contribute to the structural integrity or long-term preservation of the unit.

- Installation and/or repair of sanitary water and waste disposal systems, together with related plumbing and fixtures, which will meet local health department requirements.
- Energy conservation measures such as: Insulation; Combination screen-storm windows and doors.
- Repair or replacement of the heating system including the installation of alternative systems such as: wood burning stoves or space heaters, when appropriate and if local codes permit.
- Electrical wiring.
- Repair of, or provision for structural supports and foundations.
- Repair, or replacement of the roof.
- Replacement of severely deteriorated siding, porches or stoops.
- Alterations to the unit's interior or exterior to provide greater accessibility for any handicapped person.
- For properties listed on or eligible for the National Register of Historic Places, activities associated with conforming repair and rehabilitation activities to the standards and/or design comments resulting from the consultation process contained in 1944.673 of the Rural Development HPG program guidelines.
- Additions to any dwelling only when it is clearly necessary to alleviate overcrowding or to remove health hazards to the occupants.

Housing Preservation Cont'd

HPG Funds may be used where they do not contribute to the health, safety and well-being of the occupant or do not materially contribute to the structural integrity or long-term preservation of the unit. The percentage of the funds to be used for such purposes must not exceed 20% of the total funding for the dwelling, and such work must be combined with improvements already listed. These improvements may include, but are not limited to the following:

- Painting;
- Paneling;
- Floor covering, including carpeting;
- Improving clothes closets or shelving;
- Improving kitchen cabinets;
- Air conditioning; or
- Landscape plantings.

Michigan's Housing Opportunities Promoting Energy-Efficiency (MI-HOPE)

*MSHDA Program - Federally funded utilizing American Rescue Plan (ARP)
Coronavirus State and Local Fiscal Recovery Funds (SLFRF)*

Energy-Efficiency Home Repairs may only include:

- Roofs
- Storm Doors/Exterior Doors
- Windows
- Insulation
- Heating/Cooling/Ventilation/Hot Water Equipment
- Appliance Upgrades
- Electrical Upgrades or Replacement

Household Size	1	2	3	4	5	6	7	8
Income Limits 300% PFG	\$38,640	\$52,260	\$65,880	\$79,500	\$93,120	\$106,740	\$120,360	\$133,980

Who is eligible?

Low-income homeowners -- Income guidelines vary by funding source and adjust annually.

- CDBG Program Income and HPG funding is available to homeowners whose total household income does not exceed 80% of the Area Median Income (AMI) for Alpena County, Michigan.
- MI-HOPE funding is available to homeowners whose total household income does not exceed 300% of the Poverty Federal Guidelines (PFG).

Household Size	50% AMI (for statistical purposes)	80% AMI (eligibility for all grants and deferred loans)
1	\$26,500	\$42,400
2	\$30,300	\$48,450
3	\$34,100	\$54,500
4	\$37,850	\$60,550
5	\$40,900	\$65,400
6	\$43,950	\$70,250
7	\$46,950	\$75,100
8	\$50,000	\$79,950

Initial Questionnaire

What repair(s) are you seeking? _____

Do you live in Alpena County? _____ Do you own your home? _____ Is it a mobile home? _____

Is this your primary residence? _____ How long have you owned & lived there? _____

Who is on the title? _____

Do you have a mortgage or land contract? (If so, how many?) _____

Do you have current homeowner's insurance? _____ Are your taxes current? _____

Have you received assistance from this program before? _____ If so, when? _____

How many people live in your household? _____ # of Adults _____ # of Children _____

What is your total gross household income? _____

What are all sources of income? _____

Homeowner Eligibility Criteria

- Single-family homes only
- Must own and occupy home for minimum of 1 year
- Home must be 5 or more years old
- Must meet income requirements
- No more than \$50,000 in liquid assets
- Taxes must be paid current
- Must have homeowner's insurance

For MI-HOPE Program specifically:

- Must have experienced and attest to a financial hardship due to the COVID-19 pandemic (on or after March 3, 2021)

Program Guidelines

Alpena County has established guidelines to meet the requirements of each grant program. All Program Guidelines must be approved by each funding source.

- CDBG Program Income and HPG are consolidated into one set of guidelines that are inclusive of both programs and were updated in October 2022
- MI-HOPE Program is contained in its own stand-alone set of guidelines

Local Program Guidelines - Key Highlights

- Asset limit to qualify for assistance is \$50,000
- Housing Director has the authority to proceed on projects not exceeding \$15,000
- Board approval is required on projects exceeding \$15,000
- Projects costing \$15,000 or less will be in the form of a grant
- Projects over \$15,000 will be in the form of a deferred, zero-percent interest loan and will have a lien placed on the property for the life of the loan. Deferred loans are due and payable when the property is no longer the applicant's primary residence, upon applicant's death, or transfer of ownership through sale of the property. (Repayment of these loans becomes future spending in the form of Program Income.)

Program Income

Program Income: Loan repayments/recaptured funds from all CDBG State programs during the fiscal year (July 1 through June 30) that total \$35,000 or more. Funds must be spent during the following fiscal year on emergency repairs only.

Outstanding Loans

(as of December 31, 2022)

Program Income after 1984	\$1,625,472.80
• Deferred Loans (103)	\$1,449,444.40
• Loans After 84 (24)	\$176,028.45
HPG – all loans(24)	\$97,624.02
Program Income before 1984 – all loans (20) (old HUD money)	\$231,402.42
TOTAL OF ALL LOANS (171):	\$1,954,499.20

Application Process

- Phone/In-Person Screening
- Submit Application
- Review all Eligibility Guidelines: income, assets, ownership, taxes, insurance, current liens
- Notify inspector to do initial inspection, write report and specs (if project is recommended)
- Notify homeowner of inspector report/recommendation & get approval to proceed
- Obtain Board approval, if necessary
- Seek cost estimates or bids from contractors
- Select contractor
- Sign contract and all required documentation between homeowner and contractor
- Work completion
- Pay contractor and collect administrative fees

Administration Fees

Administration Fees are usually collected when grant dollars are spent on specific projects (with some exceptions).

- *CDBG Program Income*: Admin fees may not exceed 18% of project costs.
- *HPG Program*: Admin fees may not exceed 15% of project costs.
- *MI-HOPE*: Admin fees may not exceed 5% of grant award; however, an additional activity delivery fee may be collected on each project not to exceed 10% of the project cost, and soft costs may be reimbursed on each project as well.

Staff

The Home Improvement Program is staffed by a housing director and a program assistant, both Alpena County employees, in addition to a housing inspector under contract with Alpena County.

Questions?