



# Huron Housing Authority Owner-Occupied Single-Family Home Rehab Program Program Information

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Huron Housing Authority (HHA) offers single-family owner-occupied homeowner Home Rehab low-interest loans (loans may be converted to grants) for home rehab to assist with:

Accessibility issues  
Deck and Porch Repair  
Foundation repair  
Plumbing and electrical

Retaining Walls  
Roof repair or replacement  
Windows and doors  
Other life safety issues.

All materials MUST be purchased and installed by a licensed contractor.

## **UNACCEPTABLE EXPENSE ITEMS OR ACTIVITIES:**

- ✗ Appliances
- ✗ Area/Throw Rugs
- ✗ Changes just for cosmetic purposes
- ✗ Expenses to repair a detached building (storage shed or garage)
- ✗ Finish basement or attic
- ✗ Landscaping
- ✗ Luxury or recreational items
- ✗ Tools
- ✗ Water Softeners
- ✗ Window Coverings

Though these “Unacceptable Expense” items or activities may be important to the homeowner, they cannot be purchased with Huron Home Rehab Program funding. Housing Rehab funds cannot be used to reimburse the homeowner for materials or supplies they have purchased.

The aim of this program is to provide safe, sanitary, energy efficient, and accessible housing. We will attempt to bring your house up to code and attempt to meet the HUD Guidelines by making repairs.

If your home is in the Campbell Park Historic District, we will help you work through the process of making your project “fit” within state and local Historic Preservation requirements.

The program is intended to help homeowners carry out improvements preserving pride of ownership as well as the value of homeowner’s equity, which for most homeowners represents most of their life savings. Once we have the application and required income documents, we will conduct an interview to determine if you qualify for financial assistance. Once your eligibility is confirmed, we will inspect your home to determine if it is feasible to repair and will obtain cost estimates for the desired repairs.

Depending on homeowner income qualification, homeowner may be eligible for loans or grants ranging from \$1,000 to \$10,000. Rehabs costing more than \$10,000 require the homeowner to pay that part of the job that costs more than the \$10,000 loan or grant award. SD Housing Development Authority may offer a waiver of the \$10,000 cap under some circumstances.

Households must own and occupy the project home to be rehabbed as their principle residence. When the funded rehabilitation work is done, continued ownership is required for at least five years and is subject to recapture provisions that will be incorporated into loan documents through a mortgage document.

Funding can be provided to the homeowners in the form of an 5-Year Amortized Loan or as a Conditional Deferred Payment Loan which is a forgivable loan with no more than 1/60th of loan forgiveness for each month (60 months equals five years) the person owns and maintains the property as their primary residence.

A mortgage will be placed on the home for five (5) years and is reduced each month that the home remains as the applicant's primary residence and is not sold, transferred, rented or refinanced with cash back. Repayment will be required if any of these residential criteria are no longer applicable.

In the event that the homeowner sells the assisted property during the 5-Year affordability period, the portion of assistance that was not repaid or forgiven at the time of sale or transfer will have to be repaid to SD Housing Development Authority (SDHDA).

Homeowner applicants must income qualify to be eligible for the program. Households must have an annual income less than 80 percent of the Beadle County Area Median Income. **Table 1** shows the maximum income for households -- depending on the number of persons in the household -- for the household to qualify for the Huron Housing Rehab Program.

The application process is in two parts. The first is for the homeowner to complete a Pre-Application. The sole purpose of the pre-app is to determine if the household income qualifies for the program. When complete, the pre-app goes to the HHA Housing Rehab Specialist for consideration. If the household appears to income qualify, the Rehab Specialist will invite a full application from the household. The Pre-Application can be obtained here: <https://huronrehab.com/files/PRE-Application%20for%20Income%20Qualification%2026OCTOBER%202020.docx>

The full application is here:

<https://huronrehab.com/files/Application%20for%20Home%20Rehab%20Program%2016%20OCTOBER%202020.docx> The full application is several pages long and requires the homeowner to submit many attachments. Please do not attempt to complete the entire application on your own. The Huron Housing Authority Housing Rehab Specialist can help you. You can print the application on your computer printer and fill it out with a pen. Or you can save the application to a MS Word file and fill it out on your computer. Or you can call or stop at the Huron Housing Authority office at 255 Iowa Avenue SE and pick up a copy of the application. Or you can call the Huron Housing office at 605-352-1520 and HHA staff can mail a copy of the application form.

#### **Application Conditions:**

- The applicant must own the home. It **cannot** be a rental unit or contract for deed property. The deed must include the applicant's name as the owner of the property.
- Mobile homes are **not** eligible.

- The applicant and current household members must be income eligible. Income limits for the current year are based on the 80% median income for Beadle County.

Table 1. Beadle County Income Guidelines.							
1 Person Inco me	2 Person Inco me	3 Person Inco me	4 Person Inco me	5 Person Inco me	6 Person Inco me	7 Person Inco me	8 Person Inco me
\$40,950	\$46,000	\$52,650	\$58,500	\$63,200	\$67,900	\$72,550	\$77,250
These are 2020 #'s for Beadle County. Revise to show 2021 #'s when available.							
NOTE: Income limits are set by SD Housing Development Authority and HUD and vary by household size and county.							

- The maximum allowable funds to be used on the home is dependent on funding for the program. From this funding HHA will charge a fee to cover the costs related to administering the project. For example, HHA will charge the project for the cost of filing the Mortgage at the Beadle County Register of Deeds Office.
- Property taxes **must** be current on the residence.
- The home **must** have a current homeowners insurance policy.
- If cost of the project is over the eligible spendable grant amount **(about \$10,000)** it is the homeowner's responsibility to pay the overage to the contractor at the beginning of the project.
- All grants are dependent on program funding availability.

Huron Housing Authority (HHA) staff will evaluate the home and work with the homeowner to obtain cost estimates for the needed repairs. HHA staff will ensure that the homeowner and household is qualified based on eligibility criteria and determine that all the work requested is necessary and can be completed with the funds committed.

HHA will coordinate the rehabilitation activity, facilitate the completion of all required documents, ensure that work is performed in accordance with all required property standards, and submit required project documentation to get contractors paid. We hope that most rehab projects will be accomplished by local contractors.

Homeowners receiving homeowner rehabilitation assistance must sign and file a Promissory Note and Mortgage and Security Agreement securing the property as collateral for the financing during the five-year affordability period. Homeowners must also sign an agreement detailing applicable program processing procedures and requirements.

**Application Requirements:**

Applicants must provide the following information:

- A completed Pre-Application and then a complete Full Application. Both applications must include income information for all members of the household living in the home.

- The applicant must provide documents needed to verify the household income, provide a copy of warranty deed, income tax return(s), and the most recent property tax receipt must be sent with the application.
- Income from **ALL** household members. Each wage earner must include:
  - Copies of the past two consecutive months' pay stubs from all employers
  - If a household resident is Self-Employed the person must provide two (2) years of tax returns, including all schedules
  - If a household resident is unemployed (for less than a year) and not collecting unemployment then the person must provide the name, address and phone number of the most recent employer
  - Workers Compensation, Social Security, SSI, Disability, Veterans Benefits: **Verification must be in the form of the annual benefits statement** (bank statements are not acceptable)
  - TANF, Child Support, Alimony: (Court records are preferred documents)
  - Rental payments, lease payments or land payments and all other income not listed on tax return.
  - A copy of the most current tax return for each household wage earner
- Other necessary information:
  - A copy of the most recent property tax payment receipt
  - A copy of the Warranty Deed to the property showing applicant as owner. (A copy may be obtained at the Beadle County Register of Deeds office for a small fee.)