

WHOLE-HOME REPAIRS PROGRAM

COUNTY OF BERKS
January 2023

BOARD OF COMMISSIONERS

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I. Program Summary

On behalf of the County of Berks, the Redevelopment Authority of the County of Berks (BCRA) will administer the Whole-Home Repairs Program which is designed to: 1) assist low-income families who own and occupy an attached or detached single-family home in need of a repair or replacement of a major system or items of their house; and 2) assist small landlords who will rent to low-income tenants with repair or replacement of a major system or items in a rental unit or the entire structure. This assistance to homeowners is provided as a forgivable grant.. This assistance to small landlords is provided as a one-time deferred payment loan and must be used for an item or items that threatens the health, safety, or welfare of a tenant household. The property must be located in Berks County. The Program may be funded by federal, state, or local sources.

II. Eligibility

Homeowner eligibility criteria for the Program are:

- A. Homeowner applicants must be the legal owner and reside in a single unit residential structure located in Berks County.
- B. Applicant must provide his or her share of the cost of rehabilitation if the total cost of the project exceeds the amount of Program financing available. The receipt of the share shall be noted in the project file and shall be made prior to the award of the agreement between the contractor and the owner. Should any change orders increase or decrease the cost of the work, the owner's share shall be adjusted accordingly.
- C. Applicant's total household income cannot exceed the income guidelines established for the specific program or funding source.
- D. A homeowner applicant's net household assets shall not exceed \$50,000.00. Net household assets shall be defined as cash on hand, cash of deposit, and the net cash value after deducting reasonable costs that would be incurred in disposing of marketable securities or other assets. The value of necessary items of personal property such as furniture, clothing, automobiles, and the equity in the property where the household resides shall be excluded when calculating net household assets.
- E. If the total acreage of the applicant's property exceeds 5 acres a calculation shall be performed to determine: (1) if the property can be subdivided; and (2) if the property can be subdivided, does the value equal or exceed the maximum amount of assistance provided by the County's Program.
- F. County, borough or township and school real estate taxes on the property must be current or the owner current with a repayment plan approved by the Berks County Tax Claim Bureau.
- G. Applicant(s) that are eligible for the Program may not have an interest in any other real estate or an interest in a business other than the business which is his/her primary source of income.

Small landlord eligibility criteria for the Program are:

- A. A small landlord is defined as one that meets all of the following criteria: 1) the person is a landlord; 2) the person has an ownership interest in no more than five (5) properties and no more than fifteen (15) residential rental units; and 3) the person rents those properties or units described immediately above for use as a primary residence for a fee, regardless of the length or form of the lease.
- B. Small landlord applicants must be the legal owner of a residential structure located in Berks County.
- C. Small landlord applicants must provide his or her share of the cost of rehabilitation if the total cost of the project exceeds the amount of Program financing available. The receipt of the share shall be noted in the project file and shall be made prior to the award of the agreement between the contractor and the owner. Should any change orders increase or decrease the cost of the work, the owner's share shall be adjusted accordingly.
- D. County, borough or township and school real estate taxes on the property must be current or the owner current with a repayment plan approved by the Berks County Tax Claim Bureau.
- E. Small landlord applicants must be currently renting affordable units in the structure or shall agree to rent affordable units upon completion of the work.
- F. Small landlord applicants must agree to provide an annual notarized document indicating the rent amount for each affordable unit, a copy of the lease for each affordable unit, and a copy of the documentation indicating the tenant's income.

III. Income Limits

Total household income is the adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 for individual Federal annual income tax purposes or the definition of income required by the funding source.

As income limits area amended, the new limits shall become effective for the Program. See Appendix A for current income limits.

“Family Size” will include all people occupying the property as their permanent residence, whether related or not. College age children, who reside at a college, can be included if counted as a dependent on the federal tax returns of the homeowner.

IV. Prior Applicants

The County of Berks and the Redevelopment Authority of the County of Berks have operated housing rehabilitation programs since the late 1970's. Prior program participants shall be eligible to receive financial assistance from the Whole-Home Repairs Program. Applicants that are eligible for, or have received assistance under other housing rehabilitation programs, may start or exhaust the benefits of those programs after utilizing the maximum Whole-Home Repairs

Program funding..

For the period of five (5) years from the date of the completion of Whole-Home Repairs Program work, no further Whole-Home Repairs Program financial assistance will be provided for previously covered work. If updates are made to the type of work eligible, recipients can reapply for that work so long as their total benefit does not exceed the program limits.

After a five (5) year period from the date of work completion, prior program participants can reapply. The amount of financial assistance previously received from the program shall be deducted from the amount available for the current Program. This provision shall not apply if the applicant has moved to a new property.

V. Mobile Homes

Program funds may be used for the rehabilitation of manufactured housing when such housing constitutes part of the County's permanent housing stock. Therefore, the mobile home must be owned by the applicant to be eligible for funding. A copy of the title will be required to prove ownership.

VI. Financial Assistance

Financing provided by the Program to small landlords shall be as a 0% interest, deferred payment loan. For this Program, a deferred payment loan is defined as the provision of Program funds which does not require any repayment so long as any parties to the original loan remain the owner of the improved property. At the time that the property is sold, vacated, leased or transferred through inheritance or any other means to any person or entity other than the original parties to the loan, the full amount of the loan becomes due and payable to the Redevelopment Authority of the County of Berks. The loan may be forgiven after fifteen (15) years if the landlord has: 1) corrected any and all serious code violations for the prior fifteen year period or less if the landlord has not owned the property for fifteen years before obtaining assistance from the Program; 2) leased the unit(s) at or lower than the PHFA PennHOMES rent limit; 3) limited annual rent increases to no more than three percent (3%) or the unit(s) have been leased to tenants participating in the Housing Choice Voucher Program; 4) leased the unit or units to persons with an annual income that does not exceed 60% of the area median income; and 5) has submitted all of the required annual reports.

Financing provided for the owner-occupied portion of the Program will be a grant.. If ownership transfers within ten (10) years of project completion, a portion of the WHRP project expenses will be recouped at the time of settlement. Every year, on the anniversary of project completion, the grant repayment will be reduced by 10%. For example, if you chose to sell your home between five (5) and six (6) years after WHRP completion, half of the total project costs from your settlement proceeds will be due and payable to the Redevelopment Authority of the County of Berks.

VII. Financial Assistance Limits

The maximum amount of financial assistance shall be \$24,900 for a homeowner. The maximum amount of financial assistance for a small landlord shall be \$24,900 for a common element of the structure and \$12,450 per rental unit. The amount shall be periodically reviewed to determine feasibility based upon the severity of housing conditions. The minimum project cost of rehabilitation for projects shall be \$5,000.00. The minimum/maximum cost requirement applies to total eligible costs for the work and shall not include delivery costs incurred by BCRA.

Eligible costs shall be the sum of:

- A. The amount of the contracts for the rehabilitation work including any change orders.
- B. Related fees required by the project which may include, but not be limited to, survey costs, percolation and probe fees, and municipal permit fees.

VIII. Security

Financial assistance provided to small landlords by a deferred payment loan shall be recorded as a lien secured by the property in the local land records. The lien shall be recorded upon completion of the project. The homeowner grant agreement shall be recorded.

BCRA may, on a case-by-case basis, agree to subordinate its liens on the property in the event the property owner desires to refinance their existing mortgage(s) with lien positions superior to BCRA's. The property owner shall provide BCRA with a title report, property appraisal, position and amounts of refinancing. The Executive Director and Deputy Director of BCRA shall review the information and make a decision.

IX. Eligible Work

Upon completion, all projects under this program must comply with all applicable state and local building, housing, property maintenance, fire, health or other public safety ordinances, laws or codes related to the use or maintenance of real property.

X. Rehabilitation Standards

The following standards shall be the basis for all rehabilitation activities undertaken as part of the Program. Upon completion of a project, the property must comply with the standards established for the Program.

RS-1 Structural members: All exterior and interior structural members shall be free from deterioration, and shall be capable of safely supporting the imposed dead and live loads.

RS-3 Public sidewalks: All public sidewalks, including curbs, shall be kept in a proper state

of repair and free from hazardous conditions. Official notification of a municipal code violation is required.

RS-4 Required plumbing facilities: Every dwelling shall contain its own bathtub or shower, lavatory, water closet and kitchen sink which shall be in a safe and functional condition. The lavatory shall be placed in the same room as the water closet or located in close proximity to the door leading directly into the room in which such water closet is located.

RS-5 Plumbing fixtures: All plumbing fixtures shall be properly installed, in proper working order, shall be kept free from obstructions, leaks and defects, and be capable of performing the function for which such plumbing fixtures are designed. All plumbing fixtures shall be in a safe and functional condition.

RS-6 Water supply: The water supply shall be free from contamination and to provide a supply of water to plumbing fixtures, devices and appurtenances in sufficient volume and at pressures adequate to enable the fixtures to function properly, safely, and free from defects and leaks. A water softening system should be utilized if scale buildup is apparent in plumbing fixtures, devices and appurtenances.

RS-7 Water heating: Water heating facilities shall be properly installed and capable of providing an adequate amount of water to be drawn at every required sink, lavatory, bathtub, shower and laundry facility at a temperature of not less than 110 degrees F. A combination temperature and pressure relief valve and relief valve discharge pipe shall be properly installed on water heaters. Storage tanks shall be constructed of non-corrosive metal or be lined with non-corrosive material.

RS-8 Sanitary drainage system: All plumbing fixtures shall be properly connected to either a public sewer system or to an approved private sewage disposal system. The sanitary drainage system shall be properly installed and in proper working order.

RS-9 Heating facilities: Every dwelling shall be provided with heating facilities capable of maintaining a room temperature of 70 degrees F. in all habitable rooms, bathrooms and toilet rooms at -10 degrees F. outside temperature. The heating facilities shall be properly installed and in proper working order.

RS-10 Electrical service: Every dwelling shall be served by a main electrical service that is not less than 100 amperes, three wires.

RS-11 Electrical system hazards: Where it is found that the electrical system in a dwelling constitutes a hazard to the occupants or the structure by reason of inadequate service, improper fusing, insufficient outlets, improper wiring or installation, deterioration or damage, or for similar reasons, the rehabilitation Generalist shall require the defects to be corrected to eliminate the hazard.

RS-12 Electrical receptacles: Every habitable space in a dwelling shall contain at least two

separate and remote grounded type receptacle outlets. Every laundry area shall contain at least one grounded type receptacle. Every bathroom shall contain at least one grounded type receptacle.

RS-13 Lighting fixtures: Every hall, interior stairway, water closet compartment, bathroom, laundry room and furnace room shall contain at least one electric lighting fixture.

RS-16 Chimneys: All chimneys shall be structurally safe and sound, and in good repair.

RS-17 Roof Systems: All roofs, gutters, and downspouts shall be properly functioning and taking water away from the inside of the building and foundation. Additionally, roofs that are not leaking, but are deemed to be at the end of their expected use should be replaced in full. In cases where different roofs of varying degrees of conditions are present, the ones that need repaired will be identified and repaired separately.

RS-18 Building Envelope: All exterior features of the home shall be weather-tight, free of any water infiltration and/or large gaps, which could allow outside air inside the residence. Doors, windows and all exterior building features (brick, siding, etc.) shall be in proper working condition.

RS-19 Energy and Water Efficiency: Improvements required to increase the energy or water efficiency of the structure or rental unit.

RS-20 Accessibility: Modifications or improvements required to make the structure or rental unit accessible and/or meet the needs of a person with physical disabilities.

RS-21 Health & Safety: Modifications or improvements required to make the structure to remove health and safety hazards related to asbestos, mold, pests or lead-based paint.

XI. Work by Owner

The property owner is not allowed to perform any of the work.

XII. Contractor Requirements

The property owner will be instructed to select his or her own contractors. The property owner may choose to use a general contractor or use trades to perform the work. As a convenience to the property owner, a list of bidders currently active in the Program shall be provided but the owner is under no obligation to select from the list. To be awarded a contract or be included on the bidders list, the contractor must provide the following:

- A. Evidence of comprehensive public liability insurance coverage protecting the owner for not less than \$100,000/\$300,000 in the event of bodily injury including death and \$100,000/\$300,000 in the event of property damage arising from the

work performed by the contractor. Such evidence of insurance shall be in the form of a certificate with a ten (10) day cancellation notice to the property owner and the County.

- B. Evidence of workmen's compensation insurance while performing work for the program. Such evidence of insurance shall be in the form of a certificate with a ten (10) day cancellation notice to the property owner and the County.

A contractor shall be removed from the bidders list, with proper written documentation, as a result of any of the following:

- A. If the contractor fails to respond to three (3) consecutive Invitations to Bid by either not bidding or failure to notify the Rehabilitation Generalist of the reason for not bidding.
- B. If the contractor violates any term or condition of the Property Owner-Contractor Rehabilitation Agreement.
- C. If the contractor fails to conduct himself or herself in an ethical and/or professional manner in dealings with the County, BCRA, other contractors, or property owners.

XIII. Procedures

Rehabilitation procedures for all programs and forms of assistance shall be as follows:

- A. Introduction - property owners will be notified by flyer, poster or publications in the local news media.
- B. Initial Interview - the property owner will be required to complete an application form, have incomes verified, provide evidence of ownership, and provide evidence that taxes are current. The staff of BCRA will assist the property owner with the application process and discuss the general procedures of the Program. The Fiscal Officer of BCRA shall review the determination of annual adjusted income and if correct, date and initial. The owner shall be notified of eligibility or ineligibility.
- C. Initial Inspection - property will be inspected by a Housing Generalist of BCRA to determine what work is required to bring the property into compliance with the Rehabilitation Standards of the Program. The Generalist shall also review weatherization measures, lead-based paint removal procedures, noise abatement procedures, and any necessary modifications for the elderly or handicapped family members.
- D. Work Write-up - the Generalist will prepare a rehabilitation work write-up which clearly defines the work items and which shall be used for bidding. An estimate of the cost of the rehabilitation will also be prepared by the Generalist.
- E. Work Interview - the property owner will be interviewed to explain the scope of the work, bidding procedures, contractor selection, payment procedures, etc.
- F. Addendum - if it becomes necessary to revise the Work Write-up and Bid Proposal prior to the designated bid opening date, the Generalist shall prepare an addendum and distribute copies to the property owner and the contractors.
- G. Bidding - the property owner will be required to select their own contractors. At

least two (2) contractors must bid on each work category. The contractors will forward bids to BCRA. The Program will only subsidize the lowest qualified bid.

- H. Review of Bids - bids will be opened at the BCRA Office and reviewed for completeness by the property owner, the Generalist, the Facilities & Housing Manager, or the Fiscal Officer.
- I. Settlement - settlement will be held for the property owner to sign the necessary forms and documents.
- J. Inspections - when work on the property has commenced, the Generalist shall monitor the progress of the work to ensure that it is being undertaken according to the contract and/or change orders.
- K. Payments - Based upon the payment provisions of the Property Owner-Contractor Agreement, the contractor(s) may request periodic payments. The Generalist shall inspect the work to certify that the work is of a satisfactory quality and that sufficient work has been completed to Justify a payment. No payments shall be made unless both property owner and Generalist are satisfied with completed work. Where the payment involves both funds of the County's Program and the owner, the payment shall include an equal share from both sources. Payments shall be dispensed directly to the contractor(s). Disbursal of the first request, however, shall be contingent upon the contractor(s) having provided copies of all required permits and/or certifications to the Generalist.
- L. Change orders - a contract amount, work items, or time of performance shall be altered by the use of a change order, change orders that change the work beyond the scope of the contract must be justified as a noncompetitive action. To justify a noncompetitive action, one of the following circumstances must apply: the item is available from only one source; the public or private exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; the funding source authorizes noncompetitive proposals; or after solicitation of a number of sources, competition is determined inadequate. The justification and reason must be stated on the change order. The order shall be issued when the change is made and signed by the contractor, property owner, the Generalist, and the Facilities & Housing Manager.
- M. Final Inspection - upon completion of all of the work, the project will be inspected by the property owner, the Generalist, and the Facilities & Housing Manager.
- N. Close Out - When final payment has been made to the contractor(s) and all other payments have been made, the project shall be determined to be completed.
- O. Follow-up Inspections - from time to time, it is possible that the property and work may be inspected by representatives of the funding source, the County, BCRA, or any of their duly authorized representatives.

XIV. Bidding Requirements

The following bidding requirements are established to provide the highest level of competitiveness among qualified bidders:

- A. Property owners shall select all bidders.

- B. Bidders shall submit a sealed bid to BCRA on approved form.
- C. Bidders shall be allowed a minimum of ten (10) to a maximum of thirty (30) days to review job and prepare bid. The length of the bidding period shall be established by the Housing Generalist based upon the amount and complexity of the work.
- D. A precise date and time will be established for each bid opening.
- E. Bids will be opened in the presence of at least one (1) witness.
- F. A bid review form will be completed for each bid opening.
- G. Bids will be reviewed for completeness and the lowest qualified bidder will be selected.
- H. A minimum of two (2) bidders will be required. The lowest qualified bid must be within 20% of the cost estimate.
- I. Successful bidder will be notified of the results.
- J. The County's Program shall only subsidize the lowest qualified bidder. Should the property owner choose another bidder, the owner shall pay the additional costs.

XV. Conflict of Interest

No person who is an employee, agent, consultant, officer, or elected or appointed official of the County of Berks or the Redevelopment Authority of the County of Berks who exercises or has exercised any functions or responsibilities with respect to assisted rehabilitation activities of the Whole-Home Repairs Program or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves, their immediate family, or with whom they have business ties, during their tenure or for one (1) year thereafter.

XVI. Confidentially

It shall be the administrative policy of the County of Berks and the Redevelopment Authority of the County of Berks that staff shall not permit the release of Whole-Home Repairs Program records and information in its custody concerning any applicant or borrower that would constitute a clearly unwarranted invasion of personal privacy" within the meaning of 5 U.S.C. 552(b)(6) unless required under state or local law. In applying this standard, staff may release:

- A. The name of the applicant, borrower, or participant.
- B. The address of the property.
- C. The proposed or actual amount of the financial assistance.

XVII. Complaint and Appeals

In conducting the Whole-Home Repairs Program, BCRA will follow a complaint and appeals procedure to insure an equitable treatment of all applicants and participants of the Program. BCRA has determined that various situations may arise which will require different degrees of concern and review on its part. Regarding complaints centering around the administrative practices of the Program, an informal review of the complaint will be conducted by the Executive Director, the

Deputy Director, and the Facilities & Housing Manager and the decision of the majority of the three will be final. This informal review may occur when applicants raise objections or questions regarding such administrative determinations as:

- A. income eligibility of applicant.
- B. work items to be performed.
- C. contractor selection procedures.

It is anticipated that complaints, other than those relating to administrative matters, may arise during the course of rehabilitation activities. Among other matters may be the following:

- A. interpretation of work specifications.
- B. value of work done or work omitted.
- C. quality of workmanship or materials.
- D. property damages sustained by homeowner.
- E. Other matters relating to specifics contained in the contract between the property owner and contractor.

In resolving disputes of the nature noted above, BCRA will seek to resolve disputes short of arbitration or legal proceedings. The County and BCRA recognize that such hearings and legal procedures are costly, time consuming and often counter-productive. However, to the extent that such legal action is required, the County and BCRA will cooperate fully with both parties and provide such information and data as may be required to effectively settle the case in point.

XVIII. Discrimination Prohibited

The Redevelopment Authority of the County of Berks certifies that no person will be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance because of race, color, religion, sex, national origin, handicap or familial status. Any person who feels they have been discriminated against due to handicap should contact Executive Director, 400 East Wyomissing Avenue, Ground Floor – Suite 2, Mohnton, PA 19540 (610-478-6325). This document is available, on request, from BCRA in the following accessible formats:

- Audiotape
- Large Print
- Braille
- Computer Disk

MAXIMUM INCOME

For the purposes of the County's Whole-Home Repairs Program, the maximum total household income of the **homeowner(s)** cannot exceed the following:

<u>Family Size</u>	<u>Income Limit</u>
1 person	\$53,400
2 persons	\$61,000
3 persons	\$68,650
4 persons	\$76,250
5 persons	\$82,350
6 persons	\$88,450
7 persons	\$94,550
8 persons	\$100,650

The referenced limits, as set forth by dollar amount and family size, were effective as of June 15, 2023. Income limits for families with more than 8 persons can be obtained from BCRA.

For the purposes of the County's Whole-Home Repairs Program, the maximum total household income of a **tenant** in an affordable unit cannot exceed the following:

<u>Family Size</u>	<u>Income Limit</u>
1 person	\$40,080
2 persons	\$45,780
3 persons	\$51,480
4 persons	\$57,180
5 persons	\$61,800
6 persons	\$66,360
7 persons	\$70,920
8 persons	\$75,480

The referenced limits, as set forth by dollar amount and family size, were effective as of June 15, 2023. Income limits for families with more than 8 persons can be obtained from BCRA.

MAXIMUM RENT

For the purposes of the County's Whole-Home Repairs Program, the maximum rent for an affordable unit cannot exceed the following:

<u>Size</u>	<u>Rent Limit</u>
SRO/EFF	\$570
1 BDRM	\$760
2 BDRM	\$894
3 BDRM	\$1136
4 BDRM	\$1422
5 BDRM	\$1,526
6 BDRM	\$1,755

The referenced limits were effective as of June 15, 2023.