

MAYOR
GARY F. WERNER

**CITY MANAGER/
SAFETY DIRECTOR**
ROBERT A. ZIENKOWSKI

CITY OF BRUNSWICK

COUNCIL
ANTHONY P. CAPRETTA
VINCENT CARL
JOSEPH P. DELSANTER
RONALD E. FALCONI
PATRICIA HANEK
PATRICK MCNAMARA
CHARLES J. RICCO

NEIGHBORHOOD STABILIZATION PROGRAM (NSP) PROGRAM SUMMARY DOWNPAYMENT ASSISTANCE/REHAB PROGRAM RENTAL REHAB

COMMUNITY DEVELOPMENT BULLETIN #1

Thank you for your interest in City of Brunswick's Neighborhood Stabilization Program (NSP). The attached information will briefly describe requirements for participation. An application is attached for those interested.

DOWNPAYMENT ASSISTANCE / REHAB PROGRAM

**Eligible Applicants can receive up to \$35,000 in assistance;
\$40,000 if lead hazards are present:**

- Minimum Down Payment Assistance: \$1,000.00
- Minimum Rehabilitation Assistance: \$1,000.00
- Maximum Down Payment Assistance: 10% of the purchase price with a maximum of \$10,000.00.
- Maximum Rehabilitation Assistance: \$34,000 (\$39,000 with Lead Based Paint Hazards)

Eligible Buyers:

- Household gross income at or below 120% of median Income (see chart page 3)
- Pre-qualified for a fixed rate loan through a lending institution
- Contributing a minimum of \$500. (either closing costs or down payment)
- Principal, Interest, Taxes & Insurance will not exceed 32% of gross monthly income
- Willing to complete 8 hours of homebuyer counseling (paid for by the program)
- Willing to allow the program to bring the home up to the State's Residential Rehab Standard

Eligible Properties:

- Single-family homes in the designated target area; see attached map.
- Foreclosed Upon and/or Vacant for 90 days
- Purchase price 1% less than the Appraised Value (full appraisal must be used)



4095 CENTER ROAD - BRUNSWICK, OHIO 44212

CITY HALL PHONE: (330) 225-9144 - FAX: (330) 273-8023 - POLICE & FIRE PHONE: (330) 225-9111 - FAX: (330) 225-6002
<http://www.brunswick.oh.us>

ABOUT THE DOWNPAYMENT ASSISTANCE/REHAB PROGRAM

City of Brunswick has obtained a grant from the State of Ohio. The intent of the Homeownership Program is to provide incentive for families to purchase foreclosed and/or vacant properties in the target area including funding to repair vital systems in the home and if funding remains to address items such as energy efficiency. The program operates on a first-come, first-serve basis. The City hopes to be able to address 3 homes in the target area. The NSP Program can provide 10% of the purchase price with a maximum of \$10,000.00 towards the purchase of an eligible property. Homebuyers participating in the program will be required to attend a series of Homebuyer counseling sessions which will be paid for by the program. All homes will be inspected prior to closing. Work on all homes must be competitively bid. Construction Management will be taken care of by the program.

All homes **must** at a minimum meet local building codes and the State of Ohio Residential Rehabilitation Standards within six months of occupancy. Funding will be provided in order to address these requirements as well as (if funding allows) address energy efficiency concerns, safety concerns, affordability improvements and functional improvements. The combination of down payment assistance and rehabilitation assistance may not exceed \$35,000.00 (\$40,000 when addressing lead hazards). A mortgage will be placed on the property for the down payment. The rehabilitation part of the project will not require a mortgage. In exchange, the buyer agrees to own and maintain the home for the affordability period. The affordability period is dependent upon the amount of funding utilized by the buyer as follows:

- Down payment assistance loans of \$14,999 or less will be in the form of a 5-year deferred, 100% forgivable loan; i.e., for every year of occupancy 20% of the principal loan balance is forgiven until the end of the 5th year at which time the loan is fully forgiven. This loan will be in the form of a mortgage and promissory note with a declining payment agreement. **NO PAYMENTS, NO INTEREST, AND NO FINANCE CHARGES WILL APPLY.**
- A walk-away policy has been established by the City. Should the home you are purchasing be considered a walk-away (not able to be brought up to code within the funding available), you will be notified.



RENTAL REHAB

Tenant qualifies the property (property must be rented by the grant completion):

- Household gross income of the tenant at or below 120% of median Income (see chart)
- Owner willing to allow the program to bring the home up to the State's Residential Rehab Standard

Eligible Properties:

IF CURRENTLY OWNED:

- Single-family **VACANT** homes in the designated target area; see attached map.
- Must be 3 units or less.
- Must be able to provide documentation of vacancy for 90 days.
- Property must be blighted. (This will be determined by County inspection.)

IF PURCHASING FOR FUTURE RENTAL:

- Single-family **VACANT** homes in the designated target area; see attached map.
- Must be 3 units or less.
- Foreclosed Upon and/or Vacant for 90 days
- Purchase price 1% less than the Appraised Value (full appraisal must be used)
- Must be able to provide documentation of vacancy for 90 days.
- Property must be blighted. (This will be determined by County inspection.)

ABOUT THE RENTAL REHAB PROGRAM:

Limits of Assistance: \$25,000 without lead based paint hazards
 \$30,000 with lead based paint hazards

This program is intended to bring vacant rental properties up to the State Standard and Local Code in order to make it possible for that property to be rented to an eligible family. All participating landlords must agree to bring to the unit up to the local code and the State Residential Rehab Standard. Should the rehab exceed the maximum assistance for rehabilitation, the purchaser or current owner of the rental property must agree to invest his/her own monies to bring the units into compliance.

- Rehabilitation loans of \$14,999 or less will be in the form of a 5-year deferred, 100% forgivable loan; i.e., fully forgiven after 5 years so long as the property is maintained and the owner makes every effort to rent to an eligible family. This is an assumable loan.



- Rehabilitation loans of \$15,000 UP TO \$39,999, will be in the form of a 10-year deferred, 100% forgivable loan; i.e., fully forgiven after 10 years so long as the property is maintained and the owner makes every effort to rent to an eligible family. This is an assumable loan.

IN ORDER TO BE ELIGIBLE FOR RENTAL REHAB THE PROPERTY MUST BE VACANT FOR 90 DAYS. AFTER COMPLETION OF THE WORK, THE APPLICATION WILL BE COMPLETED BY THE TENANT WHO WILL QUALIFY THE PROPERTY. PLEASE FILL IN ONLY THE INFORMATION THAT APPLIES TO THE OWNER AT THIS TIME. THANK YOU!

**Household Income Limits by Family Size
FOR ALL APPLICANTS**

Family Size (Persons)	Middle - Low Income (120% of MI)	Family Size (Persons)	Middle – Low Income (120% of MI)
1	\$54,450	4	\$77,750
2	\$62,200	5	\$84,000
3	\$70,000	6	\$90,200

Source: HUD FY 2009

Applications must be completed in full with all requested documentation and will be considered on a first come first serve basis.

Questions regarding the program should be directed to the attention of the City of Brunswick Community Development Department at (330) 558-6865 or Phyllis Dunlap, CT Consultants, Inc. at (440) 530-2230.

