

Village of Rantoul

Housing Program Manual



Prepared by:
Village of Rantoul Community Development Department

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**Village of Rantoul
Housing Rehab Program Manual
Years 2020-2024**

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1.0 INTRODUCTION

1.1 Background

The Village of Rantoul created the Citizens Advisory Committee (CAC) to annually develop a Community Development plan for the Village. Consistent with national Community Development Block Grant (CDBG) objectives, the CAC identified the need to provide housing rehabilitation assistance to low- and moderate-income residents of substandard dwellings as a high priority and annually given greater consideration when developing the Consolidated Plan and Annual Action Plan. Since the late 1970's housing renovation has been a major component of Rantoul's U.S. Department of Housing Urban Development (HUD) funded programs.

The Community Development Block Grant (or CDBG) Program is a federal entitlement program authorized by the Housing and Community Development Act of 1974, as amended. The Program provides annual grants on a formula basis to entitled cities and counties. Congress determines the amount of Community Development Block Grant funds available to entitled cities and counties through passage of the annual federal budget.

HUD is responsible for management and oversight of the CDBG Program. Under this program, the Village is responsible for deciding how the CDBG funds will be used in its jurisdiction and for daily administration of the funds. The Village of Rantoul's Community Development Department (CDD) is responsible for the day-to-day administration of the grant funds and programs.

The purpose of the CDBG Program is to develop viable urban communities and neighborhoods by providing decent housing and a suitable living environment, and by expanding economic opportunities for low- and moderate-income persons. Under the CDBG Program, the Village retains the right to design housing assistance programs, as funding is available and to respond to local needs. Because community needs change over time, it is periodically necessary to review and revise the Village's housing rehab programs.

1.2 Programs

This manual contains guidelines for housing rehabilitation programs offered, as funding is available, by the Village of Rantoul during the 2020 through 2024 program years. This manual supersedes all guidelines previously issued by the Village of Rantoul. Table 1 summarizes the purpose and general requirements of each program.

- Major Rehabilitation Deferred Loan (MR)
- Accessibility Grants (AG)
- Minor Rehabilitation Grant/Loan (ER)

Housing rehabilitation programs are made available to households anywhere within the Village of Rantoul. Households assisted by these housing programs must meet federally mandated income guidelines for low- and moderate-income persons. The current incomes are included in Exhibit B and are subject to periodic revision by the U.S. Department of

Housing and Urban Development. The income of the household and the location of the property to be renovated determine the program for which the household is eligible.

1.3 Authorized Activities

In adopting this manual the Rantoul Village Board directs its Community Development Department to implement housing rehabilitation programs as described herein. The Village Board authorizes the Community Development Director to enter into contractual agreements with individual property owners to implement housing rehabilitation programs in accordance with these guidelines. The Village Board further authorizes the Community Development Director, Village Administrator, and Mayor to execute mortgages, releases, and subordination agreements necessary to implement these housing programs.

The Village Board directs the Community Development Department to pursue additional funding that may be available to help fund the programs listed in the manual. Additional funds may be used as Grants, Deferred Loans, Loans, etc., depending on the guidelines attached to said funds. Additional funding agents may be, but not limited to: Tax Increment Finance (TIF), Federal Home Loan Bank (FHLB), Illinois Housing Development Authority (IHDA), or other participating financial institutions.

1.4 Conflict of Interest

Employees, agents, consultants, officers, elected officials, and appointed officials of the Village of Rantoul who either 1) exercise functions or responsibilities with respect to the CDBG Program, 2) are in a position to participate in the decision-making process relative to CDBG, or 3) may gain inside information with regard to CDBG activities are ineligible for assistance through the housing rehabilitation program. Such persons include, but are not limited to: the Mayor, Village Board Members, Citizen Advisory Committee members, the Village Administrator, Comptroller, City Attorney, Community Development Director, Inspection Department Superintendent, and the Community Development Department and Inspection Department staffs. Also included are immediate family members of these individuals. HUD may grant an exception to this rule on a case-by-case basis for these individuals upon filing by the Community Development Department of 1) disclosure of the conflict, 2) an assurance that public disclosure of the conflict has been made, and 3) a legal opinion that the interest would not violate state or local law. Village employees who are not otherwise excluded by this conflict of interest provision are eligible to apply for housing rehabilitation assistance.

1.5 General Guidelines

The Village's Community Development Department shall generally process applicants for assistance through programs described in this manual on a first-come/first-served basis. From time to time, however, the demand for assistance through these programs may exceed the availability of funds or staff time to process all cases. The Community Development Department may institute a prioritization system on either a temporary or permanent basis to determine the order in which projects will be funded. Any such prioritization system shall give highest priority for funding to persons who are elderly and/or disabled.

Rehabilitation work financed through these programs is covered under a one-year guarantee on labor and product warranties that vary in scope depending on the product. At the time of project close out, the General Contractor shall provide the applicant with information on the guarantee, warranties, and home maintenance procedures. Defects in work noted within the one-year warranty period are generally repaired under the one-year labor guarantee. Thereafter, the property owner is responsible for home repairs and for claims under product warranties.

The Village of Rantoul recognizes that in unusual circumstances defects in renovation work may occur due to errors or omissions on the part of the contractor or Village staff after the one-year warranty period. If this is truly the case, the Village shall provide the owner with the opportunity to request grant funds to correct the defects through the Village's Housing Rehabilitation Program. Corrective action grants may be authorized by the Community Development Director. The income of the homeowner at the time of the request for correction assistance need not meet housing program eligibility requirements. Corrective action grants are processed in accordance with the Emergency Grant guidelines regardless of whether the homeowner would otherwise be eligible for the Emergency Grant Program.

The Village of Rantoul recognizes it may be relevant to make a conditional change to the outlined program guidelines throughout the program years in the manual. In these instances, Community Development Department staff shall submit the reason or reasons for the conditional change for that specific program. The CAC may authorize Community Development staff to proceed with the changes to the program with a majority vote of a CAC quorum.

**TABLE 1: VILLAGE OF RANTOUL COMMUNITY DEVELOPMENT DEPARTMENT
HOUSING REHABILITATION PROGRAMS FOR PROGRAM YEARS 2020-2024**

PROGRAM	PURPOSE	ELIGIBILITY AREA	INCOME ELIGIBILITY	INTEREST RATE	MAXIMUM \$ AMOUNT	UNDER-WRITING CRITERIA
(MR) Major Rehabilitation Deferred Loan	Provide an income eligible owner-occupant of a single family dwelling a Deferred Loan for comprehensive rehabilitation to correct code violations and bring the structure into compliance with the currently adopted codes.	Village Wide	0 – 80% MFI	None 0.00%	\$20,000 Maximum Deferred loan; up to 95% of the properties Loan-to- Value Ratio	CDD
(AG) Accessibility Grant	Provide grant assistance to an income-eligible homeowner or renter of a single-family residence or up to a four-unit complex to eliminate physical barriers which inhibit the use of the dwelling unit by the person with Disability.	Village Wide	0 – 80% MFI	None 0.00%	Grant assistance up to a maximum amount of \$7,000	CDD
(ER) Minor Rehabilitation Grant	Provide an income eligible owner-occupant of a single family dwelling a grant and/or deferred loan to alleviate a hazardous condition that poses a threat to the health and safety of the occupants.	Village Wide	0 – 80% MFI	None 0.00%	Grant assistance up to \$12,000. Any project costs above \$12,000 through a Deferred Loan.	CDD

2.0 DEFINITIONS

Accessibility Grant (AG): A grant of up to \$7,000 made available to an income-eligible homeowner or renter of a unit in a one to four unit structure to eliminate physical barriers, which inhibit the use of the dwelling unit by a person with disability.

Amortization: The gradual extinguishment of a debt (including interest) by periodic payments.

Citizens Advisory Committee: A committee of Rantoul residents appointed by the Mayor of the Village of Rantoul with the approval of the Rantoul Village Board for the purpose of making recommendations regarding the annual Community Development Block Grant programs and budgets, and monitoring CDBG funded programs.

Code Violations: Violations of the International Residential Code and Property Maintenance Code, as adopted and amended by the Village of Rantoul, other applicable codes and ordinances adopted by the Village, and applicable Department of Housing and Urban Development (HUD) and Illinois Department of Public Health (IDPH) standards.

Community Development Department (CDD): The Village of Rantoul Department responsible for administering the Community Development Block Grant Program (CDBG) for Rantoul and coordinating all CDBG activities.

Community Development Director: The head of the Rantoul Community Development Department. Reviews and recommends approval of applications from residents and property owners for rehabilitation assistance.

Contractor: A general contractor who meets the qualification guidelines set forth in Section 8.0 of the manual.

Elderly Person: Person 60 years of age or older.

General Property Improvements: Work which is not required to bring a building into code compliance but which generally improves the condition and economic life of the property (painting, replacement of wood, floor covering, etc.).

Gross Annual Income: Annual income is the gross amount of income anticipated by all adults in a family during the 12 months following the effective date of determination. To calculate annual gross income the Department of Housing and Urban Development's Part 5 definition (commonly referred to as Section 8) is used for all programs. See Appendix A for the complete HUD Part 5 income inclusions and exclusions.

Household: All persons who occupy a housing unit at the time the application is taken. CDD staff shall use the guidelines provided by the HUD Part 5 definition of household to determine whether or not persons with an ownership interest in the property who do not reside at the property shall be considered to be an "occupant" of the household for the purposes of determining household eligibility. Regardless of whether such individuals are counted as household members, they will be required to sign all applicable agreements, liens and other documents provided by the Village in order for the property to be eligible for Village programs.

Housing Expenses: The sum of payments for principal and interest on loans secured by a lien on the property, hazard insurance premiums, and real estate taxes.

Incipient Code Violations: An element of the structure which is not in violation of the housing code but which will likely deteriorate into a code violation in the near future.

International Residential Code (IRC): Code adopted by the Rantoul Village Board, the IRC provides the minimum requirements to safeguard the public safety, health and general welfare through affordability, structural strength, means of egress facilities, stability, sanitation, light and ventilation, energy conservation and safety to life and property from fire and other hazards attributed to the built environment. The provisions of the IRC shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal and demolition of detached one- and two-family dwellings and townhouses not more than three stories above-grade in height with a separate means of egress and their accessory structures.

Lien: A duly recorded encumbrance upon a property.

Major Rehabilitation Deferred Loan (MR): A Deferred Loan of up to \$20,000 made available to provide labor, materials, and supplies to rehabilitate substandard single family dwelling units for income eligible owner-occupant applicants. Through the renovation, the code violations on the premises are addressed. A lien is placed on the property to secure repayment of the forgivable deferred loan.

Minor Rehabilitation Grant/Loan (ER): A grant up of to \$12,000 made available for an income eligible owner-occupant of a single family dwelling to repair health or safety items. Any project costs above \$12,000 will be made available through a deferred loan. A lien is placed on the property to secure repayment of the forgivable deferred loan. Minor Rehabilitation Grant funds are available only if the repair is immediately needed to mitigate a hazardous condition.

Owner: The property owner as recorded in the Champaign County Recorder of Deed's office.

Owner-Occupant: A person who occupies the property of which he/she is the owner (as defined above) and uses the property for residential purposes.

Person with Disability: A person who is receiving Supplemental Security Disability Income (SSDI) and is permanently impaired to the extent that he/she cannot fully utilize his/her living space without some physical modification(s).

Property Maintenance Code (PMC): Code adopted by the Rantoul Village Board, the PMC shall be construed to secure its expressed intent, which is to ensure public health, safety and welfare in so far as they are affected by the continued occupancy and maintenance of structures and premises. Existing structures and premises that do not comply with these provisions shall be altered or repaired to provide a minimum level of health and safety as required herein. The provisions of this code shall apply to all existing residential and nonresidential structures and all existing premises and constitute minimum requirements and standards for premises, structures, equipment and facilities for light, ventilation, space, heating, sanitation, protection from the elements, life safety, safety from fire and other hazards, and for safe and sanitary maintenance; the responsibility of owners, operators and occupants; the occupancy of existing structures and premises, and for administration, enforcement and penalties.

Rehabilitation: The renovation of a reusable structure which overcomes deterioration and provides a satisfactorily improved physical condition for residential purposes.

Residential Property: A property used solely as a dwelling unit.

Self-Help: Completion of all or a portion of housing rehabilitation work by the property owner/borrower. Self-help is not allowed in any project funded in accordance with this manual.

Single-Family Residence: A single-family owner-occupied residential unit.

Standard Dwelling Unit: A dwelling unit in compliance with the current Residential Building Code, Property Maintenance Code, the current National Fire Protection Association (NFPA) Life Safety Code as amended, the current Illinois Plumbing Code, and HUD Minimum Property Standards. Generally, a dwelling unit which meets all existing minimum housing code standards for habitation.

Substandard Dwelling: A dwelling unit that does not meet the criteria for a standard dwelling unit through: lack of maintenance; age of unit; neglect; lack of part or all plumbing, electrical, and heating facilities; or overcrowded conditions. The substandard dwelling can be considered to be one of two classifications: 1) deteriorated unit, i.e., one that is substandard but is structurally sound or able to be made structurally sound and can be brought up to standard condition with rehabilitation (formally known as substandard, suitable for rehabilitation); or 2) dilapidated unit, i.e., a substandard unit that has deteriorated to the extent it is unsafe, unsanitary, or dangerous to human life, and rehabilitation is not feasible (formally known as substandard, unsuitable for rehabilitation).

Three-Day Truth-in-Lending Recession Period: A three-day period generally commencing with loan closing during which a borrower may legally cancel a real estate loan without penalty. The three-day period commences with the latest of the following dates.

- 1) The date of loan closing
- 2) The date Truth-in-Lending disclosures are received
- 3) The date the owner receives the Notice of Right to Cancel

To cancel a loan transaction the borrower must return a signed and dated cancellation notice to the lender during the three-day recession period. A contract proceed order is issued after expiration of the three-day recession period if the loan has not otherwise been canceled.

Vested Title: An interest in real estate carrying a legal right of present or future enjoyment and a legal right to convey the interest to another party.

Zero Lot Line Housing Unit: a housing unit in a planned development where the allowance of a structure to be built at or near the lot line is permissible. Townhomes and row housing are common examples of zero lot line housing.

3.0 PROGRAM OBJECTIVES

The Village of Rantoul Housing Rehabilitation Programs are designed to further the following objectives:

- 1) To encourage the revitalization and stabilization of low- and moderate-income neighborhoods by implementing housing rehabilitation programs.
- 2) To remove unhealthy or hazardous housing conditions in low- and moderate-income areas.
- 3) To use CDBG funds as a catalyst to encourage residents of low- and moderate-income neighborhoods to improve their home and neighborhood.
- 4) To revitalize and preserve the existing housing stock.
- 5) When possible, to reduce utility costs and to improve the comfort of low-income families by incorporating energy conservation techniques into housing rehabilitation assistance.
- 6) To conserve the property tax base in low- and moderate-income neighborhoods.
- 7) To encourage employment and training opportunities for minority persons and females through the opportunity to bid on rehabilitation contracts.
- 8) To remove physical barriers impeding maximum use of residential property by persons with disabilities and to increase the number of handicapped accessible dwelling units, both owner-occupied and renter-occupied, in the Village.
- 9) To further implement the Village of Rantoul's Consolidated Plan.

4.0 MAJOR REHABILITATION DEFERRED LOAN PROGRAM

A Deferred Loan of up to \$20,000 made available to provide labor, materials, and supplies to rehabilitate deteriorating single family dwelling units for income eligible owner-occupant applicants. Through the renovation, code violations, and defective or aging systems on the premises can be addressed. A lien is placed on the property to secure repayment of the forgivable deferred payment.

Up to \$20,000 is provided by the Village in the form of a forgivable deferred payment loan. No monthly, quarterly, or annual payments are required. The loan is amortized over a 5 year period forgivable at 1/60 per month.

During the loan term, if the home is not occupied as the primary residence, vacated, sold, rented to others, or title is otherwise transferred the entire balance of the deferred loan shall become due and payable to the Village.

4.1 Eligible and Ineligible Activities

Eligible activities include general repairs which will bring the house into compliance with Village of Rantoul's adopted IRC and PMC while eliminating lead-based paint hazards in the work areas. Eligible activities include, but are not limited to the following:

- repair or replacement of hazardous, defective or aging mechanical systems, i.e., electrical, plumbing and heating
- repair or replacement of defective building components and surfaces, i.e., foundations, roofs, porches and stairs, floors, ceilings and walls, doors and windows, siding and trim
- lead-based paint hazard reduction
- energy conservation activities, i.e., insulation, caulking and weather-stripping, siding, doors, and windows
- accessibility for disabled persons
- site improvements and utility connections
- Correction of fire and life safety hazards related to the structure and/or mechanical systems.

Ineligible activities include:

- temporary improvements
- cosmetic improvements
- improvements solely to increase energy efficiency
- fixtures not permanently attached including appliances and window air conditioners
- fees for professional services of architects, engineers and other consultants
- construction or renovation of detached garages or out buildings.

The following items are not approved for repair/improvement:

- jacuzzi/jetted tubs
- new decks and patios, when no current deck or patio exists
- copper gutters, unless required by the Illinois Historic Preservation Agency
- gas fireplace, fireplace inserts, and wood stoves
- Presidential or tile roofing, unless required by the Illinois Historic Preservation Agency
- home theatre/entertainment systems
- security systems
- room additions.

Repairs will be prioritized in the following manner.

1. Correct conditions that pose a serious threat to the health, safety and welfare of the residents.
2. Repair/replace failed structural, mechanical, plumbing and electrical systems.
3. Correct conditions that if left uncorrected would lead to further decay of the property.

4.2 General Terms and Conditions

- 1) Only persons on the CDD's Combined Home Rehabilitation Waiting List will be eligible for the Major Rehabilitation Program.
- 2) The applicant may not apply for rehabilitation assistance through the Major Rehabilitation Deferred Loan Program if the applicant or the property to be rehabilitated received whole house rehabilitation assistance from the Rantoul CDD in the past 20 years. However, the applicant may receive assistance through other programs listed in the manual if conditions arise and qualifications are met.
- 3) A Major Rehabilitation Deferred Loan shall not exceed \$20,000.
- 4) A Major Rehabilitation Deferred Loan recipient shall not be required to pay for administrative expenses related to processing of the Deferred Loan application, such as title searches and recording fees.
- 5) A lien shall be placed against the property for the purpose of recovering the cost of rehabilitation. The lien amount shall be calculated as the full amount of the deferred loan portion. The deferred loan is forgivable over a 5 year amortization and forgivable at 1/60 per month. The Village will take a subordinate position in the mortgage placed against the property in favor of a first mortgage if appropriate.
- 6) Indebtedness secured by the property shall not exceed 95 percent of the after-rehabilitation value of the property as estimated by CDD. After Rehab Value is calculated by adding the current property tax assessment value to the half of the deferred loan portion. However if an appraisal has been completed within three years of the application, the appraisal or a current Comparative Market Analysis (CMA), provided by a licensed real estate broker may be used in place of the assessed value.
- 7) During the loan term of the applicant, if the home is not occupied as the primary residence, vacated, sold, rented to others, or title is otherwise transferred, the entire balance of the deferred loan shall become immediately due and payable to the

Village.

- 8) Before documents can be executed to initiate the renovation project (i.e., note, mortgage, construction contract), the applicant must pay all sums necessary to release outstanding liens on the property other than a first mortgage and property tax liens in good standing. Liens that must be released before work can proceed include, but are not limited to, liens for past-due storm drainage fee and liens for junk and debris removal. Property tax payments on the subject premises must be current at the time documents for the renovation project is executed.
- 9) Before documents can be executed to initiate the renovation project (i.e., note, mortgage, construction contract), the applicant's property must be registered with the Rantoul Rental Registration Program.
- 10) Before documents can be executed to initiate the renovation project, the applicant must provide evidence in the form of a Certificate of Insurance that she/he has insured subject premises against loss by fire and hazards included within the term "extended coverage." This insurance shall be maintained in the amounts required by the Village for as long as the property remains encumbered by the Major Rehabilitation Deferred Loan.

4.3 Eligibility Criteria

For a dwelling unit to qualify for rehabilitation through the Major Rehabilitation Deferred Loan Program, the unit must meet the following criteria:

- 1) Be located within the corporate limits of the Village of Rantoul.
- 2) Be current with the property tax payments and the Village of Rantoul Stormwater Management Fee.
- 3) The property must be registered with the Rantoul Rental Registration Program.
- 4) Be classified as "substandard, suitable for rehabilitation" by the CDD in coordination with the Rantoul Inspection Department.
- 5) Be structurally sound or be able to be rendered structurally sound through rehabilitation. Units that cannot be cost-effectively renovated to meet Village of Rantoul's IRC and PMC are ineligible for assistance under this program. CDD shall work with the owner in order to try and secure other alternatives as may be available to render a solution.
- 6) Be a unit which, after rehabilitation, will be a standard unit (i.e., without code violations).
- 7) Be a single-family owner-occupied residential property.
 - a. If the unit is located on a property with multiple housing units in which the owner-occupant owns the rental units, then the adjoining rental units must have a current "passing" inspection from the Rental Inspection Program.
 - b. Condominiums are only eligible for rehabilitation work inside the housing unit. CDBG funds will not be used to pay for any condominium association fees or assessments.
 - c. "Zero lot line units," are eligible for rehabilitation work inside the housing unit. Any exterior work may have to be cost-shared with the adjoining property owners.

- 8) Not be located in an area which is in conflict with environmental or zoning regulations (e.g. not located within a floodplain or classified as a “historic structure”) or with the Comprehensive Plan for Rantoul as amended. Single-family residential properties which are in violation of the Rantoul Zoning Ordinance, as determined by the Rantoul Inspection Department and/or the Zoning Board of Review, are ineligible for renovation under this program.

For an applicant to qualify for a Major Rehabilitation Deferred Loan, he/she must meet the following criteria:

- 1) The applicant must have owned and lived in the residence for one year prior to applying for assistance.
- 2) The applicant must be the person or persons in whose name title to the property is vested and remain the same for the duration of the Full Home Deferred Loan. In cases of dual ownership (resident and non-resident jointly own the property) any non-residents on the title must provide documentation of primary residence elsewhere.
- 3) The anticipated household annual (gross) income shall not exceed 80 percent of the median family income for Champaign County as released by HUD. The HUD Part 5 definition of annual (gross) income shall be the method used in calculating annual income.

4.4 Processing Procedures

The general procedures for preparing, processing, and approving an application for a Major Rehabilitation Deferred Loan, determining work to be done on the property, procuring a contractor, and managing the rehabilitation contract is listed in Section 7 of this manual.

5.0 ACCESSIBILITY GRANT PROGRAM

An Accessibility Grant is a grant made to an income-eligible homeowner or renter of a single family residence as defined by HUD or up to a four unit complex to eliminate physical barriers which inhibit the use of the dwelling unit by a Person with Disability. Complexes with five or more units are not eligible to participate in this program.

5.1 Eligible and Ineligible Activities

Eligible activities include all types of general improvements necessary to remove barriers for accessibility by persons with disabilities. These activities include but are not limited to:

- 1) Permanent improvements to the property, such as ramp installation, door widening, installation of lowered light panels, renovation of kitchens and bathrooms, installation of visual fire/smoke alarms and doorbells for the hearing-impaired.
- 2) Detachable equipment to eliminate obstacles in the bathroom and kitchen but only if permanent improvements are impractical, exorbitant in cost, or unacceptable to the property owner (in the case of rental property).

Ineligible activities include general improvements not related to removal of barriers. These include:

- 1) Removal of code deficiencies and incipient code deficiencies.
- 2) Furnishings (items not permanently affixed to the property), except equipment noted above.

5.2 General Terms and Conditions

- 1) An Accessibility Grant shall not exceed \$7,000.
- 2) An applicant may receive an Accessibility Grant and then receive additional assistance through another rehabilitation assistance program described in this manual.
- 3) Accessibility Grant assistance can be offered to an applicant even if the same property received assistance from the Rantoul CDD through another program.
- 4) Accessibility Grant processing costs shall be the responsibility of the CDD.
- 5) If a rental unit is retrofitted through the Accessibility Grant Program and the tenant for which the unit is retrofitted vacates the unit, the owner agrees as follows:
 - a) The owner shall notify the CDD that the unit has been vacated. The CDD retains the right to reclaim any detachable equipment funded by the program but abandoned by a person with disability (i.e., no longer in use and not expected to be used).
 - b) The owner agrees that first priority in renting vacated units shall be given to persons with disabilities.

5.3 Eligibility Criteria

For a dwelling unit to qualify for remodeling with an Accessibility Grant, the unit must meet the following criteria:

- 1) Be located within the corporate limits of the Village of Rantoul.
- 2) Be current with all property tax payments and the Village of Rantoul Stormwater Management Fee.
- 3) Be structurally sound and relatively free of any building deficiencies that would render the property "substandard."
- 4) Not be located in an area which is in conflict with environmental or zoning regulations (e.g. not located within a floodplain or classified as a "historic structure") or with the Comprehensive Plan for Rantoul as amended. Single-family residential properties which are in violation of the Rantoul Zoning Ordinance, as determined by the Rantoul Inspection Department and/or the Zoning Board of Review, are ineligible for renovation under this program.
- 5) The property must be registered with the Rantoul Rental Registration Program.

The applicant for an Accessibility Grant is the person intending to occupy the unit upon retrofitting. For an applicant to qualify for an Accessibility Grant, he/she must meet the following criteria:

- 1) The applicant can be the owner of record or a renter of record. If the applicant is not the owner of record, the Accessibility Grant can be made for retrofit of the property only if the owner of record agrees to the retrofit.
- 2) The applicant's household income shall not exceed 80 percent of the median family income for Champaign County as determined by HUD.
- 3) The applicant must be 18 years old or older with a disability or have a dependent with a disability who is a permanent resident of the dwelling unit to be retrofitted. The disability must be verified in writing by a medical doctor.

5.4 Processing Procedures

The general procedures for preparing, processing, and approving an application for an Accessibility Grant, determining work to be done on the property, procuring a contractor and managing the rehabilitation contract is listed in Section 7 of this manual.

6.0 MINOR REHABILITATION GRANT/LOAN PROGRAM

The Minor Rehabilitation Program is available to repair health or safety items on single-family dwelling units of income eligible owner-occupants. Minor rehabilitation program grant funds are made available only if the repair is immediately needed to mitigate a hazardous condition.

6.1 Eligible and Ineligible Activities

Eligible activities include those repairs necessary to alleviate a hazardous condition which poses a threat to the health and safety of the occupant, including but not limited to, repair or replacement of defective mechanical, electrical or plumbing systems, building components, and surfaces.

An actively leaking roof over a living space may be considered a condition warranting Minor Rehabilitation Program assistance. At the discretion of the CDD, the course of action taken to eliminate the existing emergency may include additional work to prevent an imminent emergency (i.e., replace furnace rather than repair, replace sewer line rather than repair, reroof rather than patch).

Ineligible activities include:

- repairs not of a hazardous nature
- repairs & improvements solely to increase energy efficiency
- temporary improvements
- cosmetic improvements
- fixtures not permanently attached including appliances and window air conditioners
- fees for professional services of architects, engineers and other consultants
- construction or renovation of detached garages or out buildings.

The following items are not approved for repair/improvement:

- jacuzzi/jetted tubs
- new decks and patios, when no current deck or patio exists
- copper gutters, unless required by the Illinois Historic Preservation Agency
- gas fireplace, fireplace inserts, and wood stoves
- Presidential or tile roofing, unless required by the Illinois Historic Preservation Agency
- home theatre/entertainment systems
- security systems
- room additions.

6.2 General Terms and Conditions

- 1) An applicant may receive minor rehabilitation program services to alleviate a hazardous condition and then receive additional assistance through another rehabilitation assistance program described in this manual.
- 2) Minor Rehabilitation assistance can be offered to an applicant even if the same property received assistance through other programs administered by the CDD.
- 3) Prior to approval of a Minor Rehabilitation application, the applicant will be required to provide evidence of property insurance to the CDD. The CDD may then investigate whether any emergency repairs are eligible for insurance reimbursement. In the event the applicant applies for and receives reimbursement for emergency repair work from his/her insurance company, said insurance proceeds shall be used to reimburse CDD for costs incurred in making the necessary repairs to the property. Minor Rehabilitation grant applications will not be approved for the purpose of obtaining, renewing, or reinstating property insurance.
- 4) A Minor Rehabilitation recipient shall not be required to pay administrative expenses related to processing of the Grant application.
- 5) Minor Rehabilitation Program provides a grant up to \$12,000.
- 6) For all projects with an estimated construction cost of \$12,000 or more, a lien shall be placed against the property for the purpose of recovering the cost of rehabilitation. The lien amount shall be calculated as the construction costs greater than \$10,000. The deferred loan is forgivable over a 5 year amortization and forgivable at 1/60 per month. The Village will take a subordinate position in the mortgage placed against the property in favor of a first mortgage if appropriate.
- 7) Indebtedness secured by the property shall not exceed 95 percent of the after-rehabilitation value of the property as estimated by CDD. After Rehab Value is calculated by adding the current property tax assessment value to the half of the deferred loan portion. However, if an appraisal has been completed within three years of the application, the appraisal or a current Comparative Market Analysis (CMA), provided by a licensed real estate broker may be used in place of the assessed value.
- 8) During the loan term of the applicant, if the home is not occupied as the primary residence, vacated, sold, rented to others, or title is otherwise transferred, the entire balance of the deferred loan shall become immediately due and payable to the Village.

6.3 Eligibility Criteria

For a dwelling unit to qualify as eligible for work under the Minor Rehabilitation Program, the unit must meet the following criteria:

- 1) Be located within the corporate limits of the Village of Rantoul.
- 2) Be a single-family owner-occupied residential property.
 - a. Condominiums are only eligible for rehabilitation work inside the housing unit. CDBG funds will not be used to pay for any condominium association fees or assessments.
 - b. "Zero lot line units," are eligible for rehabilitation work inside the housing unit. Any exterior work may have to be cost-shared with the adjoining

property owners.

- 3) Be a dwelling unit with a situation deemed threatening to the safety and/or health of the occupants based on a determination made by the Rantoul Inspection Department. Such items could include, but not limited to a malfunctioning furnace, a problem with plumbing that renders sanitary facilities inoperable, roof leakage which impairs the structural integrity of the roof and its supports, electrical hazards, or lead-based paint hazards.
- 4) Before documents can be executed to initiate the renovation project (i.e., note, mortgage, construction contract), the applicant's property must be registered with the Rantoul Rental Registration Program.

For an applicant to qualify for the Minor Rehabilitation Program, he/she must meet the following criteria:

- 1) The applicant has owned and resided at the residence one year prior to applying for assistance.
- 2) The applicant must be the person or persons in whose name title to the property is vested. Contract buyers are not eligible for Minor Rehabilitation Program work.
- 3) The applicant must pay all sums necessary to release outstanding liens on the property other than mortgage and property tax liens in good standing. Liens that must be released before work can proceed include, but are not limited to, liens for past-due storm drainage fee and liens for junk and debris removal. Property tax payments on the subject premises must be current at the time documents for the renovation project is executed.
- 4) The applicant's household annual income shall not exceed 80 percent of the median family income figure determined by HUD for Champaign County. The HUD Part 5 definition of annual (gross) income shall be the method used in calculating annual income.

6.4 Processing Procedures

The general procedures for preparing, processing, and approving an application for a minor home rehabilitation, determining work to be done on the property, procuring a contractor, and managing the rehabilitation contract is listed in Section 7 of this manual.

7.0 GENERAL PROGRAM PROCEDURES

This section outlines procedures for preparing, processing, and approving an application for housing assistance, determining work to be done on the property, procuring a contractor, and managing the rehabilitation work.

7.1 Application Process

- 1) CDD staff shall interview and advise the applicant of the design and objectives of the housing assistance programs, the availability and benefits of housing rehabilitation assistance, and the specific terms and conditions under which assistance is provided.
- 2) CDD staff shall obtain the following information from and about the applicant and the subject dwelling:
 - a) Verification of employment.
 - b) Verification of other earnings and assets.
 - c) Verification of deposits with financial institutions.
 - d) Verification of mortgage or deed of trust from each holder of a lien secured by the property. A title search is currently conducted by Chicago Title Insurance Company.
 - e) Verification of additional information necessary to make a determination of eligibility.
 - f) If applicable, dependent on the number of applications the applicant may be placed on a prioritization list created by the CDD to prioritize based on household and need.

7.2 Work Determination/Contractor Procurement

- 1) After CDD approves an application, CDD conducts an on-site walk-through with the applicant, owner (if different than the applicant), and the Village of Rantoul's Building Inspection Department. During this visit, the following should occur:
 - a) Scope of work to be completed is determined.
 - b) Lead-Based Paint Inspection/Assessment.
 - c) Owner is informed of the contractor selection process.
 - d) Owner is given the list of CDD Qualified Contractors to review.
- 2) Work description will be approved by CDD and Village of Rantoul Building Inspector.
- 3) Based upon the final work description, the CDD will complete an Environmental Review Record (ERR) for the work to be completed. After the ERR has been compiled, it will be forwarded to the Rantoul Community Development Director for approval. ERR must be approved before the project can be released for bid.
- 4) CDD will develop bid documents, including bid alternates that will be distributed via mail and e-mail, to contractors listed on the CDD Qualified Contractor List.
- 5) CDD will schedule and conduct a pre-bid conference on-site with the applicant, owner, Rantoul Building Inspector, and general contractors to address any concerns and questions. The General contractors and Subcontractors will be allowed to schedule with the owner and visit the site between pre-bid and bid

- opening to determine materials and labor required to submit a bid.
- 6) Any changes to the scope of work that were approved by the CDD at the pre-bid conference shall be forwarded to all bidders via mail and/or e-mail.
 - 7) The CDD will develop an estimated cost of the work to be completed.
 - 8) The owner may choose a general contractor whose firm is not on the CDD Qualified General Contractor List provided that, prior to bid opening, the contractor not on the list will be required to meet the same criteria as Qualified General Contractors. If the owner intends to have such a contractor bid on the project, CDD shall provide an application packet to the contractor as soon as possible (provided the contractor is interested in bidding on the project).
 - 9) Formal sealed bids will be received from qualified general contractors and publicly opened within 14 days after the pre-bid conference. Owner may wish to be present. Owner has ten days to select a contractor.
 - 10) The CDD will verify each bidder's eligibility to work on federally funded projects through www.sam.gov.
 - 11) The contract shall be awarded to that qualified contractor selected by the owner so long as that contractor's bid is within 10 percent of the CDD's cost estimate. If no bids are within 10 percent of the CDD's estimate, the project will be reviewed and modified as needed, then if required, rebid.
 - 12) CDD will develop the needed construction and mortgage documents.
 - 13) CDD schedules preconstruction loan closing and contract signing as soon as possible after contractor selection.
 - 14) CDD issues the Proceed Order after the expiration of the three-day Truth and Lending Disclosure period.

7.3 Contracting

Construction is undertaken only through a written contract between the contractor and the recipient. CDD acts as the funder/lender and is not a party to the contract. However, signature of the Community Development Director or his/her designee indicates the approval and review of an acceptable construction contract.

The construction contract shall consist of a single agreement signed by the contractor, accepted by the owner, and approved by the CDD. It shall contain the proposal amount, all general conditions, and a description of all rehabilitation work to be performed. The contract may be changed as federal, state, and local laws, regulations, or policies deem necessary.

Drawings and/or specifications shall be prepared by the contractor only when deemed essential by CDD or Rantoul Building Inspector to show the scope and detail of the work involved, so misunderstandings can be avoided.

The contractor's proposal shall comply with general specifications, work description, code reports and lead hazard control as supplied by Village of Rantoul. Provisions shall be made for acceptance of equal substitutions if accepted by the CDD and Rantoul Building Inspector. All proposals shall explicitly prohibit the use of lead-based paint and shall address the elimination of lead-based paint hazards.

CDD staff shall establish and, on the basis of the contractors' experience and qualifications, maintain a current list of contractors, subcontractors, and specialty contractors who are qualified and who are interested in doing rehabilitation work. CDD shall to the greatest extent feasible contract with Champaign County companies, firms, etc.

Self-Help shall not be permitted in conjunction with a housing assistance program project.

Rehabilitation permits, utilities and building permit fees shall be required for construction work funded through a housing assistance program. These fees are the responsibility of the contractor and his subcontractors.

7.4 Contract Management

- 1) CDD shall inspect rehabilitation work on a regular basis to see that all work is progressing satisfactorily and to monitor the quality of materials and workmanship and compliance with affirmative action guidelines and safe work practices for lead hazard control.
- 2) If change orders need to be issued, CDD will issue a Change Order which will be signed by the owner, Community Development Director, and Village of Rantoul Building Inspector prior to work being completed.
- 3) The contractor and/or subcontractor shall coordinate with building code officials, owner and CDD for final approval and inspections on each segment of work performed at the residence.
- 4) The Contractor shall schedule with the CDD and Village of Rantoul Lead-Based Paint Inspector/Assessor, a lead hazard clearance test for the work performed at the residence. Rantoul Lead-Based Paint Inspector/Assessor shall provide test results to the CDD.
- 5) CDD and Rantoul Building Code Inspector shall conduct final inspection of rehabilitation work to ensure conformance with contract specifications and issue certificate of final approval when appropriate. Both the CDD and Rantoul Building Code Inspector must approve the work before the work is considered completed.
- 6) CDD shall obtain from the contractor release of liens, final invoices, and contractor's sworn statements and the Certificate of Occupancy/Certification of Completion for the residence prior to final payment to the contractor.

7.5 Close Out Procedures

- 1) CDD shall present the owner with a copy of the contract, lead hazard clearance report, and the Certificate of Occupancy/Certification of Completion.
- 2) CDD shall insure that all contractors provide owner with all applicable warranty information.
- 3) CDD staff shall give the owner a copy of the recorded mortgage and note where applicable.
- 4) CDD will issue payment to contractors after the completion of all work.
- 5) CDD will input project information into HUD's computer system, the Integrated Disbursement and Information System (IDIS).

8.0 CONTRACTING POLICIES AND PROCEDURES

This section describes the general contracting policies of the Village of Rantoul as they relate to housing rehabilitation projects, procedures whereby contractors can become eligible to contract for CDBG funded projects, policies governing use of self-help in housing rehabilitation assistance programs, and housing rehabilitation projects conducted in conjunction with for profit individuals and companies.

8.1 General Contracting Policies

The Village of Rantoul encourages general contractors awarded CDBG funded contracts to utilize subcontractors and material suppliers located in Champaign County, employing Champaign County residents, and furthering federal, state, and local affirmative action goals.

Contracting Policies Pertaining to Major Rehabilitation Deferred Loan

See Major Rehabilitation Deferred Loan Program described in this manual.

Contracting Policies Pertaining to Accessibility Grants

See Accessibility Grant Program described in this manual.

Contracting Policies Pertaining to Minor Rehabilitation

See Minor Rehabilitation Program described in this manual.

8.2 Contractor Standards

As described above, all Rantoul housing rehabilitation programs utilize a list of qualified general contractors, minority/female-owned specialty contractors, or both. To implement these programs, CDD maintains lists of qualified general contractors and minority/female-owned specialty contractors. The Village has adopted the following minimum standards for inclusion on these lists.

8.2.1 Standards for Qualified General Contractor List

Qualified general contractor status indicates the contractor has the financial resources and the experience in both project management and construction trades necessary to successfully complete housing rehabilitation projects of the nature undertaken through the Village's housing rehabilitation programs. CDD maintains a list of qualified general contractors eligible to participate in the Village's housing rehabilitation programs. To qualify for inclusion on the list, a general contractor must submit an application to CDD, which evidences that the contractor meets the following standards.

1. The contractor has successfully completed at least two similar cases of nature and cost to those funded through the Rantoul Housing Rehabilitation Program to the satisfaction of client, vendors, and subcontractors. The two cases must involve management of at least one subcontractor and direct experience in one or more construction trades.
2. The Contractor must provide evidence of insurance of the types and amounts as follows. These amounts are the minimum amounts required. The Contractor shall

maintain during the entire period of his performance under this Contract for Rehabilitation the following minimum levels of insurance. All policies shall be written with insurance carriers qualified to do business in the State of Illinois.

- a) Worker's Compensation Insurance - Per Illinois Statutory Requirements
 - b) Comprehensive General Liability policy to cover bodily injury to persons other than employees and for damage to tangible property, including loss of use thereof, including the following exposures.
 - i. All premises and operations.
 - ii. Explosion, collapse, and underground damage.
 - iii. Contractor's Protective coverage for independent contractors or subcontractors employed by him/her.
 - iv. Contractual Liability for the obligation assumed in the Indemnification and Hold Harmless agreement of the contract.
 - v. Personal Liability endorsement with no exclusions pertaining to employment.
 - vi. Products and completed operations coverage. Combined single limits of at least one million (\$1,000,000) per occurrence.
 - c) Automobile Liability – Combined single limits of at least Five Hundred Thousand (\$500,000) per occurrence bodily injury/property damage. Auto liability shall include owned, non-owned, and hired vehicles.
 - d) Umbrella Liability Policies may be used to satisfy the limits named above.
 - e) Pollution Liability (if applicable) - as required by the State of Illinois Department of Public Health for Lead Abatement Contractors.
3. The contractor must have financial resources including working capital and sufficient credit necessary to purchase building materials and retain subcontractors for housing rehabilitation work.
 4. The contractor must be capable of securing permits required for housing rehabilitation.
 5. The contractor must have licenses required for construction trades or must be able to subcontract with firms that do.
 6. The contractor must be in good standing with other federal, state, and local agencies and may not be on any government-maintained debarred contractor list.
 7. The contractor must be in good standing with the Federal Internal Revenue Service and the State Department of Revenue. The contractor may not be subject to federal or state tax levy or lien.

The contractor adheres to the Village's Equal Employment Opportunity Codes and Ordinance (or for companies new to Village contracting, agrees to adhere to the ordinance and has the necessary written policies and procedures to do so. Continued participation in the housing rehabilitation programs is based in part on efforts by the contractor to retain minority/female-owned subcontractors in CDD-funded construction work. CDD will approve contractors for the qualified general contractor list. CDD reserves the right to approve contractors for listing on the qualified general contractor list with conditions such as limits on project size and/or on the number of contracts the contractor will be allowed to undertake simultaneously.

CDD reserves the right to remove a contractor from the qualified general contractor list or to limit the scope of work by the contractor in the program for any of the following reasons. Prior to taking such action, CDD shall provide the contractor written notification of the deficiency and shall allow the contractor reasonable time to correct said deficiency.

1. The contractor fails to continue to meet any of the qualification standards listed herein. The contractor fails to comply with provisions of a program construction contract and is declared in default of said contract. Grounds for declaration of default include, but are not limited to, the following:
 - a) Poor workmanship
 - b) Unable to secure and maintain the proper licenses and insurance requirements
 - c) Continued violation of a contract start or completion date
 - d) Abuse of change-order provisions
 - e) Bankruptcy or insufficient financial resources to complete work
2. The contractor's and subcontractor's conduct toward program clients is inconsistent with public policy.

8.2.2 Standards for Minority/Female-Owned and Specialty Contractor List

A minority/female-owned and specialty contractor is a firm specializing in one or more construction trades in which more than half of the assets are owned and controlled by a minority or female person or persons.

Prior to commencement of any work funded through CDD, the company must meet the following additional standards.

1. The contractor must submit the appropriate Equal Employment Opportunity forms in an acceptable manner.
2. The contractor must provide evidence that she/he has insurance of the type and minimum amounts cited in Standards for Qualified General Contractor List.
3. The contractor is capable of securing building and utility permits as necessary for the construction work proposed by the contractor.
4. The contractor is judged by CDD to have an acceptable record of performance, integrity, financial resources, and technical expertise as determined by investigation of information requested by CDD and provided by the contractor.

8.3 Self-Help in Rehabilitation Assistance Programs

Self-help is not allowed in any project funded in accordance with this manual.

8.4 Rehabilitation Projects in Conjunction with non-profit agencies

Rehabilitation assistance through programs described in this manual is limited to a maximum funding amount per program. Recognizing that some projects cannot be completed at that cost, CDD may enter into a cooperative arrangement with a non-profit service organization. CDD will provide CDBG funds to a homeowner for purchase of building materials up to the maximum amount available per program. The materials are then installed by the organization staff and volunteers pursuant to a contract between the organization and the homeowner. Staff and volunteers of such organizations are not

eligible for reimbursement for their labor. The decision to involve any non-profit service organization in the project is ultimately made by the homeowner.

Non-profit agencies may be utilized through the Village of Rantoul's Housing Rehabilitation Program on a case- by-case basis as determined by the work to be accomplished, funding availability, and time allotted for the project. The Village shall enter into a memorandum of understanding with the agency to provide funding for the materials and specialty contractors required to complete the project. Non- profit agencies and volunteers are not eligible for reimbursement for their time and labor. The agencies shall be required to submit proof of insurance. All policies shall be written with insurance carriers qualified to do business in the State of Illinois.

- 1) Worker's Compensation Insurance - Per Illinois Statutory Requirements
- 2) Comprehensive General Liability policy to cover bodily injury to persons other than employees and for damage to tangible property, including loss of use thereof, including the following exposures.
 - i. All premises and operations.
 - ii. Explosion, collapse, and underground damage.
 - iii. Contractor's Protective coverage for independent contractors or subcontractors employed by him/her.
 - iv. Contractual Liability for the obligation assumed in the Indemnification and Hold Harmless agreement of the contract.
 - v. Personal Liability endorsement with no exclusions pertaining to employment.
 - vi. Products and completed operations coverage. Combined single limits of at least one million (\$1,000,000) per occurrence.
- 3) Automobile Liability – Combined single limits of at least Five Hundred Thousand (\$500,000) per occurrence bodily injury/property damage. Auto liability shall include owned, non-owned, and hired vehicles.
- 4) Umbrella Liability Policies may be used to satisfy the limits named above.
- 5) Pollution Liability (if applicable) - as required by the State of Illinois Department of Public Health for Lead Abatement Contractors. Involvement by a non-profit agency is determined on a case-by-case basis but is generally limited to a portion of the rehabilitation work at any particular site. Work is based on the type of renovation to be undertaken and on the availability of volunteers. Work requiring licensing such as electrical, plumbing, etc. shall be completed by licensed subcontractors and shall be paid accordingly. Requests for payment submitted by the non-profit agencies to CDD (or its designee) shall be reviewed by CDD (or its designee) for reasonableness and completeness.

Reimbursement for any material purchases may be disallowed if the CDD (or its designee) determines that the material cost significantly exceeds the suggested retail price of the material or if the CDD (or its designee) determines upon inspection of the property that the material has not been used in the rehabilitation. CDD (or its designee) shall encourage non-profits to purchase material supplies from Champaign County vendors whenever possible.

APPENDIX A: HUD PART 5 INCOME DEFINITIONS

The primary reference manual for this Appendix shall be the “*Technical Guide for Determining Income and Allowances for the HOME Program*” (3rd Edition, January 2005).

HUD Part 5 Income Inclusions:

- 1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before any payroll deductions).
- 2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
- 3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
- 4) The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except Supplemental Security Income (SSI) or Social Security).
- 5) Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay (except for certain exclusions, as listed in paragraph 3 under Income Exclusions).
- 6) Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:
 - a) Qualify as an assistance under the TANF program definition at 45 CFR 260.31; and
 - b) Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c).
 - c) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of

welfare assistance income to be included as income consists of:

1. the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**
 2. the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- 7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
- 8) All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

HUD Part 5 Income Exclusions

- 1) Income from employment of children (including foster children) under the age of 18 years.
- 2) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family who are unable to live alone).
- 3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
- 4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
- 5) Income of a live-in aide (as defined in 24 CFR 5.403).
- 6) Certain increases in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671(a))
- 7) The full amount of student financial assistance paid directly to the student or to the educational institution.
- 8) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
- 9) Self-Sufficiency Program Income.
 - a) Amounts received under training programs funded by HUD.
 - b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
 - c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and that are made solely to allow participation in a specific program.
 - d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances

the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.

- e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participated in the employment training program.
- 10) Temporary, nonrecurring, or sporadic income (including gifts).
- 11) Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
- 12) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household or spouse).
- 13) Adoption assistance payments in excess of \$480 per adopted child.
- 14) Deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
- 15) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
- 16) Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
- 17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion.

Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion.

- 1) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.
- 2) Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions).
- 3) Payments received under the Alaskan Native Claims Settlement Act.
- 4) Income derived from the disposition of funds to the Grant River Band of Ottawa Indians.
- 5) Income derived from certain sub marginal land of the United States that is held in trust

for certain Indian tribes.

- 6) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (LIHEAP).
- 7) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721).
- 8) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands.
- 9) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs.
- 10) Payments received from programs funded under Title V of the Older American's Act of 1985 (Green Thumb, Senior Aides, Older American Community Service
- 11) Employment Program).
- 12) Payments received on or after January 1, 1989 from the Agent Orange Settlement.
- 13) Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.).
- 14) Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments.
- 15) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.
- 16) Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- 17) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.
- 18) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.
- 19) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran.
- 20) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act.
- 21) Allowances, earning, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

APPENDIX B:
FY2020 Median Family Income Limit Summary for Champaign County, Illinois
(To be updated annually or as provided by HUD)

Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% MFI Limit*	\$46,850	\$53,550	\$60,250	\$66,900	\$72,300	\$77,650	\$83,000	\$88,350

* This figure is calculated and set by HUD, and is updated annually. This table contains figures current as of April, 2020

SOURCE: U. S. Department of Housing and Urban Development

APPENDIX C

Credit Reports & Title Searches

Each applicant for the Full-Home Deferred Loan and the Minor Home rehabilitation programs must have their credit report reviewed. The purpose of this review is to verify that the property owner has not filed bankruptcy, all previous bankruptcies have been discharged, and to determine the current balance of any mortgages filed against the property. The Village of Rantoul Community Development Department currently has an account with *TransUnion Direct* to provide the credit reports and reports can be requested through its website.

Title searches need to be reviewed for all applicants of the Full-Home Deferred Loan and Minor Home rehabilitation programs. Title searches provide the number of and types of liens that have been filed against the property and whether any property taxes have been unpaid or sold. The outstanding balance of the liens may reduce the amount of work that can be completed through any of the rehabilitation programs. Title searches are requested from *Chicago Title Insurance Company* and can be requested through its website.