

**PROPOSED LANGUAGE CHANGES TO
SECTION VII.A.
OF THE
COMMUNITY DEVELOPMENT
OPTIONAL RELOCATION PROGRAM GUIDELINES
AS PRESENTED IN THE RESOLUTION
EXHIBIT “A”**

VII. FORMS OF ASSISTANCE AND ALLOWABLE EXPENSES

A. The primary form of assistance to be provided will be the use of CDBG / HOME funds to pay for the cost of the replacement dwelling. The allowable budget authority shall not exceed Sixty Five Thousand and No/100 Dollars (\$65,000.00) for the hard construction costs of the replacement dwelling. Since each ORP project is unique in preparation, size and duration, additional costs will be required to carry a project from commencement to completion. These additional costs include demolition of the existing dilapidated dwelling and out buildings, temporary rehousing expenses and other related project delivery & administrative costs. These related costs shall only be eligible as allowed by HUD program regulations and statutes.

Large households, that qualify for a replacement dwelling with more than three (3) bedrooms, as mandated by the City's building code occupancy requirements, may, be eligible for an additional Five Thousand and No/100 Dollars (\$5,000.00), per bedroom, in hard construction costs.

Households with handicapped or special needs members may qualify to receive an additional Three Thousand Five Hundred and No/100 Dollars (\$3,500.00), in hard construction costs, to address accessibility and / or special needs. These funds are to be used only or special accommodations, as determined feasible by Community Development housing staff after examination and verification of the household, needs.

1. Projects are, financed by a zero percent (0%) deferred, forgivable loan, and will be limited to applicants with total household income at or below eighty percent (80%) of the Bryan-College Station MSA median income limits.
2. A lien, commensurate with the, deferred, forgivable loan value for the hard, construction and demolition costs, amortized using a monthly rate based on the number of months in a ten-year, lien period (120 months), shall, be placed on the replacement dwelling. The loan will be forgiven at this rate over the ten (10) year lien period. If the dwelling, is sold, transferred or rented, before the lien period expires, the homeowner gets credit for every month spent residing in the dwelling. The credit is subtracted from the total loan amount, which is then owed and due to the Community Development Program and received and used thereof as program income.
3. The City of College Station shall hold, first lien position on the, replacement dwelling for the duration of the lien period. However, in situations where first lien position is not feasible, the City may, accept a lower lien position subject to the review and approval of the Community Development Administrator and their immediate supervisor. The lien shall, not be forgiven until the following conditions are met:
 - a. the homeowner must reside in the unit for a period not less than ten (10) years; and
 - b. the property must be maintained to meet City code requirements; and
 - c. mortgage payments must be met on a timely basis; and
 - d. homeowner must provide annual documentation of adequate homeowner's insurance, including casualty and fire coverage, with, the City listed, on

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- Deleted: Homeowners with large families
- Deleted: 4 or more bedrooms based on HUD's Section 8 Occupancy Standards (as described at 24CFR 882.209(b)(2) will
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the Certificate of Insurance to be notified in case of policy cancellation;
and

- e. homeowner must provide annual documentation demonstrating that property taxes (and/or applicable payment plans) are current.

4. If the owner expires, during the lien period or is not medically able to occupy the structure, the controlling or surviving household / family members (s), may occupy the property regardless of income status.

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5. Program intent is to maintain owner-occupancy in these properties. In the event of a sale, transfer of ownership or renting of the property, during the ten (10) year period, the following conditions must apply to avoid default:

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a. The owner must sell or offer the assumption of the loan to a low/moderate income household, for their homestead and approved by the Community Development Office; and

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b. The owner shall give the city a first right of refusal to purchase the ownership interest in the property from the homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. The city shall have 10 business days after receiving notice of the firm contract to decide whether to exercise its right and 60 calendar days to complete closing of the property.

If within this ten (10) year period the homeowner defaults, the loan will be called due in full and foreclosure proceedings may be initiated. The City will make every effort to work with the homeowner to avoid foreclosure and will examine each situation on a case by case basis.