

CITY OF MANCHESTER HOUSING REHABILITATION  
PROGRAM  
Guidelines

2016

The purpose of the City of Manchester's Housing Rehabilitation Program is to maintain and improve upon housing units available to lower-income residents. The focus is to address major and minor Housing Code violations in Owner-occupied single family or multi-family homes (4 units or less). The Program provides 0%-interest repayable loans to moderate-income property owners and 0%-interest deferred payment loans to low-income property owners. Property owners must meet eligibility requirements as prescribed by the Department of Housing and Urban Development (HUD) and the City of Manchester. The Program will not accept incomplete applications or requests for cosmetic repairs. All violations must be addressed by the end of the project and a Certificate of Compliance (if applicable) must be able to be issued in order to be eligible.

**Property Owner Eligibility** – To receive assistance under this Program, Property Owners must meet each of the following requirements:

- (1.) Must be an owner-occupant of a single-family residential structure or a 1-4 unit multi-family residential structure(s) within the City of Manchester.
- (2.) Property must have eligible City of Manchester Housing Code violations as identified by a City of Manchester official.
- (3.) Obtain income verification for all units being considered for housing rehabilitation. Household incomes must be 80% of the Area Median Income or less.<sup>1</sup>
- (4.) Agree to terms and limitations of the Repayable Loan Agreement.
- (5.) Agree to unit rent restrictions, household income limits and principal residency requirements for three years following the completion of the rehabilitation activities.
- (6.) Have a clear deed, insurance, and be up-to-date on, water, sewer, and property tax payments. Also, any previously opened Building Permits must have been successfully closed after satisfactory inspection.

**Prioritization** – After meeting general program eligibility criteria, applicant units will be prioritized at the discretion of the CIP Planner utilizing these rating factors presented in descending order:

- (1.) Review of Household Characteristics with additional points awarded to units occupied by: Special Needs/Disabled, Elderly and/or a minimum of (1) child under 12.

- (2.) Review of Household Income with additional points awarded to applications with unit(s) documenting incomes at the following levels: equal to or less than 30% AMI, 31% - 50% AMI, and 51% - 80% AMI.<sup>1</sup>
- (3.) Housing units located within the Targeted Areas.
- (4.) Units in need of repairs that address major code violations and /or health and safety hazards.<sup>2</sup>
- (5.) Units in need of repair that address secondary code violations and /or health and safety hazards.<sup>2</sup>
- (6.) Units in need of assistance to improve energy conservation using Energy Star guidelines recommended by HUD.

*Please note: Cosmetic repairs are considered ineligible for this program.*

**Repayable Loan Terms** – Deferred or Repayable 0%-interest loans are available up to \$15,000 per building. Loan amounts are at the discretion of the CIP Planner as needs have been identified through the Housing Code inspection. The CIP Planner may waive this per building limit (up to a maximum of \$25,000) when extenuating circumstances pose a serious and immediate threat to the health and safety of the occupants. Loan terms are based on the household income of the Property Owner:

- (1.) At or below 60% of the Area Median Income - Full repayment of the 0% interest loan to the City of Manchester will be due upon sale or transfer of the property.  
(Deferred)
- (2.) 61-80% of the Area Median Income – The 0% interest loan will be re-paid annually to the City of Manchester over a negotiated period (not to exceed 15 years).  
(Repayable)

**3 Year Compliance Period** – The following terms are to be in place and reported on annually for three years following the successful completion of housing rehabilitation activities:

- (1.) Rent all units to households at or below 80% Area Median Income as defined by HUD
- (2.) Rent all units at or below Fair Market Rents as defined by HUD
- (3.) If unit turnover should take place, the first two restrictions will be imposed on the prospective tenants

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(4.) Property Owners must remain living in the property as their principal residence for the duration of the three years.

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<sup>1</sup> Median income, adjusted for household size, is defined and provided to the City by the Department of Housing and Urban Development. These income ceilings are set by HUD to define “low to moderate” income households and persons.

<sup>2</sup> Additional funding may be available to property owners through the City of Manchester Lead Hazard Control program. If additional funding is used, the per unit maximum will need to comply with the policies and procedures of the Lead Program.