

RESIDENTIAL PROPERTY IMPROVEMENT PROGRAM GUIDELINES

1. **PROGRAM PURPOSE:** The Residential Property Improvement Program (the “Program” or “RPIP”) is designed to support blight removal by encouraging reinvestment in deteriorating housing infrastructure, to revitalize neighborhoods, to preserve affordability for residents and to preserve the tax base within the designated Community Redevelopment Areas of the City of Pensacola by funding the rehabilitation and physical improvement of priority residential properties. The public purposes addressed by the Program are consistent with those authorized by the Community Redevelopment Act Chapter 163 of the Florida Statutes, including the elimination of blight, revitalization of neighborhoods, the elimination or improvement of the shortage of affordable housing for low or moderate income residents and the preservation or enhancement of the tax base.
2. **PROGRAM ADMINISTRATION:** The program is administered on behalf of the City of Pensacola Community Redevelopment Agency (CRA) by the West Florida Regional Planning Council (WFRPC) in accordance with these guidelines.

PROGRAM FUNDING: The funding for priority property improvements and repairs made under this program is provided by CRA Tax Increment Financing (TIF). Funding for this program is limited to the funding approved in the CRA annual budget.

3. **PROJECT FUNDING:** Improvements to priority properties are subject to funding availability and conformance with the terms of these program guidelines. To leverage limited resources, properties will be evaluated on a case by case basis for identification as a priority property for funding under this program. When all available funding has been committed to eligible households, any remaining list of interested homeowners will not be retained. Unserved applicants can reapply to the RPIP when additional funding becomes available.
4. **PROJECT SELECTION CRITERIA:** Priority properties will be funded for repairs or improvements under this program based on the physical condition requiring rehabilitation and the geographic location within targeted districts of the City’s designated community redevelopment areas. Priority consideration will be given to key eyesores, properties located near other neighborhood reinvestment sites and properties located in proximity to other properties funded under this program. Priority properties may include both single and multi-family dwellings which are deteriorating and in need of exterior and other improvements, but are not so severely deteriorated as to require action beyond the program’s scope as determined by the WFRPC program inspector’s evaluation. These units may either be owner-occupied or rental properties.
5. **TYPE OF ASSISTANCE:** The program will provide zero percent (0%) interest, deferred payment loans, secured by a lien, to eligible owners of priority owner-

occupied or rental properties. Liens are for a term of three (3) years for owner-occupied properties and five (5) years for rental properties. Liens are reduced/forgiven on a daily basis over the course of the full indenture period for the ownership type upon compliance with the terms and conditions of all documents related to the program. A violation of the terms of the lien shall be a default, and in that event all unforgiven sums shall be immediately due and payable.

6. FUNDING LIMITS:

Owner Occupants: Eligible owner-occupants of priority properties may be awarded funds up to the following amounts based on their household income:

- a. Owner-occupants whose household income is equal to or less than 120 percent of the Area Median Income (AMI), as defined by the most recent HUD Median Income Limits for Escambia County, Florida, may receive funding up to \$35,000 for eligible improvement costs.
- b. Owner-occupants whose household income exceeds 120% AMI, as defined by the most recent HUD Median Income Limits for Escambia County, Florida, may receive funding up to \$17,500 for eligible improvement costs.

Owners of Rental Property: Owners of priority properties rented (or to be rented within 60 days of project close out) to low and moderate income households, with certified rents not exceeding 30% of monthly income for a household earning 80% of the Area's Median Income (AMI) may be awarded funding, up to \$17,500 for eligible improvement costs.

7. **ELIGIBLE APPLICANTS:** This program will invite applications from owners of priority properties in the targeted areas who are interested in rehabilitating and making exterior and other physical improvements to their residential properties. Applicants must own the property to be rehabilitated. Types of ownership may include fee simple, and heir or multiple ownership properties (with the notarized written consent of all heirs or owners). Ownership must be verified by official documentation including the following: legal opinion and title letter, copy of property tax bill, or deed. To qualify as an owner-occupied property, applicants must provide proof of homestead exemption or application for homestead exemption.
8. **RENTAL PROPERTIES:** A certified copy of any existing lease agreement must be submitted by the property owner for occupied rental properties and must be certified to the program annually during the term of the loan. Owners of rental property may neither pass through the cost of the funded improvements to tenants nor displace tenants. Should the property owner increase rent(s) by more than five percent (5%) in a given year, the remaining balance of the loan will become immediately due and payable. Owners of rental properties must execute an assignment of leases, rents and profits agreement with the CRA for the duration of the lien agreement.

9. **EXISTING MORTGAGE:** Applicants must be current on any existing mortgage on the property. A certified letter from the mortgage holder will be requested as documentation. The right is reserved to request additional documentation confirming mortgage status.

10. **TAXES, LIENS AND OTHER CHARGES:** All property tax assessments, levies, license fees, permit fees and other charges levied, assessed, confirmed, or imposed on, or in respect of, or which may be a lien upon the property or upon the rents, issues or income or profits must be paid completely up to date at the time of application. Applicants shall submit evidence of payment as requested.

11. Taxes may be verified by: 1) property tax payment receipt from the City/County, or 2) affidavit certifying payment or mortgage statement from lender saying taxes are completely paid.

12. **PROPERTY INSURANCE:** Program participant must have, maintain and provide proof of homeowner's insurance in accordance with the requirements of the funding agreement. Program participant shall name the CRA as a certificate holder on all required insurance policies and shall renew the required policies on an annual basis until the lien is satisfied or released.

13. **COMPLIANCE WITH CITY REGULATIONS:** Prior to project completion the property must be clear of any care of grounds violations. Compliance with any applicable exterior design guidelines is required.

14. **MARKETING & OUTREACH:** The West Florida Regional Planning Council will lead an outreach campaign, to attract interest in the program from owners of priority properties in the program target areas. WFRPC will develop appropriate marketing materials, contact property owners, and identify a communication strategy to solicit owner participation in the program. When all available funding has been committed to eligible households, any remaining list of interested homeowners will not be retained.

ELIGIBLE REPAIR AND IMPROVEMENTS: Eligible rehabilitation activities include, but are not limited to, the following: Structure cleaning; exterior painting; re-siding or refinishing; Doors (including kick plates, hardware upgrades, and storm doors); Windows; Roofing (including eaves and overhangs); Landscaping and irrigation; Exterior lighting; Fencing; Porch repair/replacement; Drain fields; Eaves and Overhangs; Shutters; Paving areas facing the street (such as driveways); Foundation work. Low maintenance improvement options should be selected. Colors must be selected from an approved palette. Two-color paint projects are encouraged. Design and technical assistance may be provided.

Additional structural and interior repairs and improvements such as HVAC repairs/replacement or plumbing may be approved for eligibility, subject to inspection and fund availability. Permit fees may be included in the total project cost.

15. **FUNDING LIMITATIONS:** The maximum amount available for each home is \$35,000 (for HH Income of 120% AMI or less) or \$17,500 (for HH Income greater than 120% AMI or Rental Properties).
16. **FORM OF ASSISTANCE:** Grantees will receive a Deferred Payment Loan secured by a lien agreement on the property. The loan is forgiven in full at the expiration of the lien period and no payment is required on the loan unless: any or all of the funded improvements are modified, altered, removed, or demolished, the property is sold, transferred, demolished or assigned, converted to 100% non-residential use, directly or indirectly encumbered, pledged, or conveyed, the owner fails to maintain the property, unresolved code violations occur, or rents are increased by more than 5% per year during the lien period.
17. **TERM:** Liens are for a term of three (3) years for owner-occupied properties and five (5) years for rental properties, and are forgiven on a daily basis over the course of the full indenture period for such property type. A violation of the terms of the lien shall be a default, and in that event all unforgiven sums shall be immediately due and payable.
18. **ASSUMABILITY:** In the event of the death of the original grantee or sale of the property prior to the expiration of the date determined in the lien agreement, the amount of the loan or any remaining prorated balance shall be repaid.
19. **HOW TO APPLY:** Interested property owners should contact the West Florida Planning Council for determination of eligibility. An inspection of the property will be scheduled to determine the scope of work needed. Applications will be considered on a first come first served basis.

20. PROGRAM PROCEDURES

a) **Application**

To apply for funding under the Residential Property Improvement Program, prospective applicants shall submit a Program Application and supporting documentation to the office of the West Florida Regional Planning Council (WFRPC). Upon preliminary review, WFRPC staff will provide notice of eligibility determination. Eligible applications will be scheduled for an initial inspection to determine the scope of work needed.

Required Documentation	
<i>Owner-Occupied Properties</i>	<i>Rental Properties</i>
Property Deed, Property Tax Bill or Legal Opinion and Title Letter Establishing Legal Ownership*	Property Deed, Property Tax Bill or Legal Opinion and Title Letter Establishing Legal Ownership*
Copy of Homestead Exemption or Homestead Exemption Application	Lease Agreement (Certified Copy)
Income Verification Documentation (See below)	Income Verification Documentation (See below)
Proof of Paid Taxes: Property Tax Payment Receipt or Affidavit Certifying Payment or Mortgage Statement from Lender saying Taxes are Paid	Proof of Paid Taxes: Property Tax Payment Receipt or Affidavit Certifying Payment or Mortgage Statement from Lender saying Taxes are Paid
Any other documentation as requested.	Any other documentation as requested.

*Properties owned by multiple parties must provide a notarized affidavit from all legal owners consenting to program participation.

Applicant(s) must submit income/employment verification for all household members 18 years or older or signed statement indicating unemployment, and describing source of financial support. All financial and asset income will be verified by a third party within 120 days.

Acceptable forms of documentation include:

- Pay stub issued within the past three (3) months containing pay period, and/or pay frequency, and rate of pay and/or;
- Federal Income Tax Return from the previous tax year and/or;
- Social Security Administration Letter/Statement issued within the past twelve (12) months containing current benefit amount and/or;
- SSI Letter/Statement issued within the past twelve (12) months containing current benefit amount and/or;
- Retirement, Pension and/or VA Payment Letter/Statement and/or;
- Proof of all other sources of income including workers compensation, alimony, child support, interests, and/or dividends, overtime, bonuses, etc.

No member, officer or employee of the City of Pensacola, CRA or its designees or agents, no member of the City Council of the City of Pensacola, and no other public official of such locality who exercises any functions or responsibilities with respect to the Program during his tenure or

for one (1) year thereafter shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with this Program.

b) Initial Inspection

A Rehabilitation Inspector will schedule and conduct an initial inspection of the home with the property owner present to develop an initial scope of work and itemized cost-estimate. Design and color selection options for cosmetic project improvements may be recommended for the property owner's selection. If a recommendation is provided, colors must be selected from the recommended palette. Two-color paint projects are encouraged.

The Rehabilitation Inspector will document the inspection with detailed photographs.

A bid proposal form will be attached to the approved work write-up, which constitutes an official bid packet.

c) Funding Approval

Once the required Program Application, supporting documentation, cost estimates, and contractor documentation have been sufficiently submitted, the CRA's Assigned Program Administrator will review the completed application package for funding approval.

Upon approval, the applicant shall provide proof of the required insurance and execute a Program Funding Agreement which establishes the terms, conditions and requirements of program participation, Lien Agreement, and all other applicable contractual forms as may be required.

Following execution of the required documents, WFRPC shall issue a Notice to Proceed.

d) Insurance Requirements

The participant shall be required to keep all buildings and improvements on the property insured against loss or damage by fire or other such risks and matters as defined within the Funding Agreement and shall furnish proof of adequate hazard insurance on the property prior to project commencement.

During the lien period, the participant must have, maintain and provide proof of the required insurance. The participant shall name the CRA as certificate holder on all insurance policies required under the agreement, and shall renew the required policies on an annual basis until the lien is satisfied or released.

Required Documentation
Proof of Insurance (See Funding Agreement for Full Details)
Submit Insurance Renewals to CRA During Lien Period

e) Lien Agreement/Closing

Funding provided by the CRA pursuant to this program shall be secured by a zero interest deferred loan, forgivable over a three (3) or five (5) year period, as determined by applicant income and the property type, and measured from the date of execution of the Lien Agreement.

If at any time during the loan term, the participant fails to comply with the terms of this program then the remaining prorated share of the loan shall become due and payable to the CRA within thirty (30) calendar days.

f) Contractor Selection

Once the bid packet is compiled, bids will be solicited from a list of pre-approved licensed and insured contractors. An award will be made to the lowest, most responsive bidder.

Prior to the deadline for submission of bids, the Rehabilitation Inspector will coordinate a pre-bid meeting and site visit with interested contractor(s) to review initial rehabilitation specifications.

Following a bid-opening, WFRPC shall select the lowest, most responsive bidder and shall provide notification of the selected contractor, along with all bids, proof of licensing or registration and insurance coverage to the CRA’s assigned Program Administrator.

A conference including the property owner, the Rehabilitation Inspector, and the selected contractor shall be conducted at the home prior to issuance of a Notice to Proceed and execution of the required Program Funding Agreement. Each party shall receive a copy of the contract and scope of work listing all the repairs or improvements to be done. A walk-around of the home will be conducted to ensure that all parties are in agreement with the repairs and improvements to be done.

All proposed improvements and rehabilitation work must comply with the City zoning and building code regulations and other local and state laws and ordinances. The contractor shall be responsible to obtain all applicable permits. The property owner shall not conduct any work or apply for a permit for any project component. Notice to Proceed shall not be issued and work shall not commence prior to execution of the required Program Funding Agreement and Lien Agreement by the property owner.

21. Project Commencement

The project shall commence upon Notice to Proceed, and full project completion shall be achieved no more than 60 calendar days following such issuance. If the work is delayed at any time while in progress then the deadline may be extended by written authorization for such reasonable time as the WFRPC/CRA may jointly determine. The participant shall notify the WFRPC in writing of such delay within ten (10) calendar days of its occurrence.

22. Inspections

WFRPC will monitor all work in progress.

Change orders submitted by the contractor, shall be approved by WFRPC and executed by the property owner. Change orders shall be limited by the maximum funding amount of \$35,000 (120% AMI/-), or \$17,500 (120% AMI+). Change orders in excess of the allowable funding amounts shall be the responsibility of the property owner.

The contractor may request a draw for 50% of the project cost after 60% of the work has been completed. Disbursement shall be subject to approval by WFRPC.

WFRPC shall conduct a final inspection of all contracted repairs to ensure work was done in accordance with the program terms and applicable rehabilitation standards.

Photographs of the completed project will be taken.

23. Project Completion/Final Payment

After the final inspection is completed and all work is approved by WFRPC and the property owner, has submitted an Owner's Statement of Completion, the-Contractor may submit the necessary documentation and request final payment.

Required Documentation
Completed Owner's Statement of Completion Form
Completed Contractor's Affidavit Form for Each Authorized Contractor
Certificate of Insurance Policies (See Program Funding Agreement)
Completed W-9 Form

Upon the receipt of all required documentation and verification of program compliance, a payment request will be submitted to City of Pensacola CRA staff by

WFRPC. The CRA will process payment as outlined in the Funding Agreement. Payment of the approved program funds, will be disbursed.

24. Code Violations

During the term of the lien period, the property shall not incur any code violations.

25. Lien Satisfaction

Upon a finding of satisfactory program compliance, the Lien Agreement will be released. CRA staff will file a Release of Lien in the official records of the Escambia County Clerk of Court, and the loan will be forgiven.