City of Lexington

Homeowner Helper Program

City of Lexington
Department of Planning and Development
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Program Overview/Purpose

The Lexington Homeowner Helper Program is a collaboration of the City of Lexington ("City") and the Lexington Economic Development Authority ("EDA") to promote safe and affordable housing in the City and to benefit the safety, health, welfare, and prosperity of the City's residents. To accomplish these objectives, this City program provides financial assistance to Lexington property owners who live in their own homes but who lack the financial ability to adequately maintain those homes.

The City recognizes that not all homeowners have the financial means to make necessary maintenance investments in their home. The Lexington Homeowner Helper Program was created to assist homeowners living in their home to make home repairs needed for health, safety, or property maintenance purposes when the homeowner lacks the financial ability to do it themselves.

The City will appropriate local funds to the EDA for the EDA to use for the exclusive purpose of the Homeowner Helper Program. The EDA will then loan some of these proceeds to approved homeowners for use carrying out specific work at their homes. While the loans will be to the homeowners, the money will not actually be paid to those homeowners. Instead, City's Department of Planning and Development ("Planning Department") will coordinate with pre-selected contractors to carry out the approved work. While the Program is a collaborative effort of the City and the EDA, it will be administered by the City's Planning Department in close coordination with the EDA and the City's Housing Commission ("Threshold").

Program cost limits

The 2026 funding for this Program is $250,000. While there is no minimum amount of contractor expense necessary to qualify for the program, the City reserves the right to disqualify small projects for the City's administrative ease.

Client eligibility

Renters, landlords, and commercial property owners are <u>not</u> eligible for the Lexington Homeowner Helper Program. This Program is only for individuals who own and reside in their home, which is located in the City of Lexington. To be eligible for the Homeowner Helper Program, the homeowner(s) must at a minimum:

a. use the home as their primary residence,
b. demonstrate to the satisfaction of Threshold and the EDA that they lack the financial ability to undertake the necessary repairs on their own, and

c. be willing to take out a 0% interest loan in an amount equal to the cost of the approved repairs that is secured by a lien on their home.

The City also requires participating homeowners to affirm that they have a plan (such as a will) in place to transfer the property upon the death of a homeowner.

Eligible repairs

The Homeowner Helper Program promotes safe and affordable housing in Lexington and prioritizes home repairs that address health, safety or welfare concerns.

Primary Homeowner Helper Program Repairs

a. Porch repair
b. External painting
c. Repair or replace broken windows or doors
d. Repair or replace roof
e. Repair or replace gutters and downspouts
f. Repair or replace siding
g. Kitchen repair to make kitchen usable for safe, sanitary food preparation
h. Bathroom repair or renovation so that the house has at least one fully-functioning bathroom
i. Heating repair or heating system replacement
j. Structural repair for flooring
k. Repair/replacement of unsafe electrical services
l. Grab bars, stair railing repair or replacement, etc.

Possible Repairs (subject to budget and Threshold Committee approval)

a. Foundation shoring or basement structural repair

Projects to be referred to Partners if possible

a. Lead paint removal
b. Asbestos abatement
c. Mold or mildew abatement
d. Electrical
e. Weatherization
f. Yard makeover
g. Deck board replacement
h. Accessibility improvements

Ineligible Projects/Ineligible Owners

a. Cost of repairs exceeds the value of the property
b. Owner does not meet qualification requirements
c. Application may be ineligible if items are discovered beyond the parameters and budget of the H.H.P.

How to apply

Contact the City's Planning Department to request an application packet. Staff in the Planning Department are available to help interested parties complete their applications.

Application and Decision Timeline

The City will open its annual application period for this program on or around January 15th of each year, with an application due date of on or before March 1st. All applications must be completed thoroughly to be considered, and assistance is available from the City's Planning Department as needed. Decisions will be made by Memorial Day of each year and home repairs will be scheduled as soon thereafter as possible.

Eligible projects will be ranked and prioritized by Threshold, a group of peer residents committed to improving housing quality and affordability in our community. Threshold will prioritize applications according to need, community benefit, and available program funds. Once the applications are prioritized by Threshold, staff will present the selected and ranked applications to the EDA for final approval and preparation of the loan documents.

If funding remains available, applicants may apply after March 1st. Threshold will review out-of-cycle application on a first-come, first-serve basis, and because this Program is subject to City appropriations, it is possible funds may not be available in a given year. The Threshold Housing Commission may also decide not to obligate all of the available funding in order to retain a contingency fund in case additional funding is required to cover unexpected expenses for projects already approved.

Terms of Assistance

A key requirement of this Program is that the homeowner(s) must agree to the EDA's placing a lien against their property, similar to the lien placed on a property by a bank when a mortgage loan is made. The lien acts to guarantee that the loan provided by the EDA to the homeowner(s) will be paid back when the home is either sold or transferred to a family member. The lien will not allow the City or the EDA to take control of private property.

The loan will be established by a basic and standard agreement drafted by the EDA, and the lien securing repayment of the loan will be recorded in the land records at the Rockbridge County Courthouse. The agreement will allow the EDA to complete the needed home repairs on the homeowner's behalf. The lien will be paid back to the EDA when the property is transferred to another owner, and the homeowner(s) also have the option to pay back the loan (in whole or in part) earlier if they want.

This process of providing a loan for needed home repairs that is secured by a lien allows a homeowner to protect their home from deterioration, defer repayment of the loan to a future date, and enjoy health and safety improvements which they cannot presently afford. The lien also allows the EDA and ultimately the City to recover the amounts paid to the contractor at some point in the future when the property transfers to another owner. Prior to the sale, conveyance, disposition, foreclosure, or transfer of the property, the property owner (or heirs/successors) must pay the City in the amount of the lien placed on the property in order for the lien to be released.

Process

Application submittal

To apply for the Lexington Homeowner Helper Program, an applicant must submit a completed:

1) *Homeowner Helper Program application*,
2) *Homeowner Affidavit(s)*,
3) *Affidavit(s) of Need*,
4) *Home Improvement Agreement*, and
5) *Consent to Exchange Information*.

All owners of the property must sign the *Home Improvement Agreement* and all owners must submit a *Homeowner Affidavit*. Every adult resident in the home must sign an *Affidavit of Need*, even if an occupant is not an owner of the home.

Completed applications should be submitted to the Planning Department per the instructions on the application form. Planning Department staff are available to help interested parties complete their applications.

Screening of applicants

Applications will be screened by City staff to ensure the homeowner and the requested improvements meet the Homeowner Helper Program requirements.

Preliminary inspection

City staff will visit the homes of eligible households to determine the need and feasibility of the home for rehabilitation.

Rehab inspection & unit evaluation

If the preliminary inspection reveals the home is eligible, City staff will consult with a selected contractor to visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and

crawlspace. The owner must report any known problems, such as electrical short circuits, blinking lights, roof leaks, other water intrusion, etc. Each unit will be evaluated for energy-saving opportunities, such as air-sealing and duct-sealing, as well as for environmental concerns, such as lead based paint hazards, radon and asbestos. Application may be ineligible if items are discovered beyond the parameters and budget of the H.H.P.

Work write-up & cost estimate

Based on the inspection and evaluation, the contractor, in consultation with City staff, will prepare complete and detailed work specifications (known as the "work write-up") and a final cost estimate. A notification letter will be sent to the homeowner along with the work write-up and cost estimate for the homeowner to review and approve.

Lead and other testing

City staff will arrange for a certified firm to inspect all pre-1978 constructed homes for potential lead and asbestos hazards as needed, based on the results of the rehabilitation inspection. The homeowner will receive information covering the results of the tests and any corrective actions that will be needed as part of the rehabilitation.

All homes will be required to have properly installed, working smoke detectors and properties with either natural or propane gas utilities will also be required to have carbon monoxide detector(s) installed.

Temporary Relocation Assistance

Temporary Relocation Assistance may be available to homeowners participating in this Homeowner Helper Program where work underway may expose the homeowner/family to a threat to their health or safety. Threshold will include requests for temporary relocation assistance in their review and selection process.

Threshold review and recommendation of award

Applications will be reviewed by Threshold and selections will be guided by a ranking system that prioritizes improvements needed to a) resolve health and safety issues, b) resolve issues that are publicly visible, and c) resolve issues for households occupied by elderly, disabled, children under 18 years of age, or veterans.

EDA review and approval of award

Once applications are ranked and prioritized by Threshold, City staff will present the selected and ranked applications to the Economic Development Authority for its approval and the preparation of the loan documents.

Pre-construction conference

A pre-construction conference will be held at each selected home. At this time, the homeowner, contractor and City staff will discuss the details of the work to be completed. Starting and ending dates will be finalized, along with any special arrangements, such as weekend or evening work hours and disposition of items to be removed from the home. City staff will issue a "notice to proceed," formally instructing the contractor to commence work by the agreed-upon date.

Construction

The contractor will be responsible for obtaining and posting all permits for the project before beginning work. City staff will monitor the contractor during the construction period and the local Building Official or his/her designee will inspect the work. To protect personal property, the homeowner will be responsible for working with the contractor toward clearing work areas of personal property as much as practicable. The contractor will be responsible for all clearing and cleaning made necessary by construction activities.

Change orders

Any changes to the scope of work must be approved by the homeowner, the contractor, and City staff and put in writing as a contract amendment ("change order"). The owner, contractor, and City staff must execute any change order agreements to the construction contract prior to any work being performed that is not included on the original work write up.

Contractor requirements

To be eligible to participate in the program, a contractor must submit a Contractor Application and provide the following:

a. Evidence of Comprehensive Public Liability Insurance coverage protecting the owner for not less than $100,000/$300,000 in the event of bodily injury including death and $100,000/$300,000 in the event of property damage arising from the work performed by the Contractor. Such evidence of insurance shall be in the form of a Certificate from the insurance provider and must be updated annually and must show City of Lexington listed as the insured.
b. Evidence of workmen's compensation insurance while performing work for the program. Such evidence of insurance shall be in the form of a Certificate of Insurance from the insurance provider and must be updated annually.
c. Copies of current Commonwealth of Virginia "A" or "B" contractor licenses.
d. Copy of current City of Lexington business license.
e. Resume or Company Profile.
f. Three (3) references from property owners who previously had work performed by the Contractor.

Progress payments

The contractor is entitled to request two progress payments and a final payment. When a payment is requested, City staff will inspect the work within three days. Progress payments will be subject to a 5% retainage.

Closeout

City staff and/or the Building Official will inspect the work for compliance with the Virginia Uniform Statewide Building Code. All inspections will be documented and all related records will be maintained in the client case file. When City staff and the homeowner are satisfied that the contract has been fulfilled, the homeowner and City staff will sign off on the work. All material and workmanship will be guaranteed by the contractor for a period of one-year from the date of completion of the work.

Post-construction conference

Following construction, the contractor and City staff will sit down with the homeowner one last time. At this conference, the contractor will hand over all owner's manuals and warranties on equipment and materials to the homeowner. The contractor and City staff will go over operating and maintenance requirements for the new equipment, materials and appliances and discuss general maintenance of the home with the homeowner, and the homeowner will have the opportunity to ask any final questions about the work.

Final payment to contractor

Once the homeowner and City staff sign off on the work, staff will pay the contractor and send a final payment letter to the property owner. This final payment letter will include reference to a new and final lien for the property owner to sign for the lien to reflect the actual final costs associated with the rehabilitation project.

Warranty period

It is extremely important that any problems with the work that was performed be reported by the homeowner to City staff as soon as possible via phone or in writing. All bona fide defects in materials and workmanship reported within one year of completion of construction will be corrected free of charge by the contractor.

Potential Community Resources

Repair / Rehab

- Habitat for Humanity for any contractual repair. Habitat has the ability to do interior as well as exterior repair. The repair team consists of non-licensed “handymen” volunteers, and Habitat also hires subcontractors for electrical, plumbing, HVAC

and roof repair. There are income based restrictions to qualify for the Habitat Repair Program with a separate application process.

Weatherization

- Total Action for Progress (TAP) - Windows, weather stripping, etc.

Accessibility

- Mission Next Door for construction of ramps
- Purple Heart Homes – ramps for veterans
- Virginia Housing – Accessibility Grants for ramps, chairlifts, remote entry devices, widening of doorways and sidewalks, and modifying kitchens and bathrooms

Special Projects

These projects are likely to involve more physical labor when a large group of volunteers can accomplish a great deal, and less technical labor trade skill. These might include garbage can enclosures, painting shutters, yard makeovers, exterior trim painting, shed or accessory structure demolition, fence removal, etc. The City of Lexington Department of Public Works may be able to assist with the placement of a dump truck for the removal of items from a yard or structure (a special pick up).

- RAHC Building Trades Program (Innovation Center)
- Mountain Gateway Community College
- Lexington/Rockbridge Area Minister's Alliance
- Kjellstrom & Lee
- Sunrise Rotary
- Lexington Rotary Club
- VMI FTX (usually in April)
- W&L Community-Based Learning (Sascha Goluboff)

Yard Care and Landscaping Assistance

These projects are more targeted for the exterior, and are not structural but think of this more as a yard makeover.

- VMI FTX (usually in April)
- W&L Community-Based Learning (Sascha Goluboff)
- Master Gardeners
- Lexington/Rockbridge Area Minister's Alliance
- Rockbridge Area Conservation (perhaps removal of invasive species?)

Legal Assistance

- Community Legal Resource Center (W&L)

- Blue Ridge Legal Services
- Seek *pro bono* legal resources for members of the local legal community