



Program Year 2022  
HUD Entitlement Grant Program  
**FUNDING APPLICATION**

## HOUSING PROJECTS

### SUMMARY INFORMATION

**GENERAL INFORMATION**

Applicant Legal Name:	
Project Name:	
Funding Amount Requested:	

**PROJECT INFORMATION**

Project Location(s):				
Project Goal(s) <i>(be specific and succinct):</i>				
<a href="#">Priority Need(s)</a> Which Project Will Address (Consolidated Plan):				
Total Number of Households to Be Served:		% Below 80% AMI:		% Below 60% AMI:
Characteristics of People to Be Served (i.e., youth, elderly, disabled, formerly incarcerated, homeless, etc.):				
Proposed Use of Requested Funds (i.e., professional fees, construction, downpayment assistance, etc.):				
Total Project Cost:	\$276,846.66	Total Budgeted Matching Funds:	\$81,846.66	

**CONTACT INFORMATION**

Head of Agency Information	
Name:	
Title:	
Address:	
Phone Number:	
E-Mail Address:	
Application Contact Information	
Name:	
Title:	
Address:	
Phone Number:	
E-Mail Address:	

## PROJECT DESCRIPTION

In the space below, provide a clear project summary that includes a description of the proposed project. Include the Census tract number in which the project will be located (see Application Instructions).

Low-income homeowners in the City of Ithaca typically occupy homes that are both very old and in poor condition. Homes that are 75 to 125 years old need constant maintenance to repair or replace outdated components and mechanical systems. The failure to make needed repairs can create health and safety risks for homeowners, exacerbate the deterioration of the property and reduce housing affordability. Deferred maintenance also impacts the desirability of neighboring properties by creating the perception of blight or poverty.

The most common types of repairs that are needed are roof replacement, structural repairs to porches and steps, interior and exterior painting, heating and hot water system replacement and plumbing repairs. Deteriorated paint, which is almost always lead-based, poses a health risk to both occupants and neighbors as the risk of exposure to lead particles increases. Outdated electrical and heating systems also increase the risk of fire or carbon monoxide poisoning, which many homeowners fail to recognize and address.

The cost of maintaining a home can be enormous, especially when funds are needed in a lump sum to pay for a large project such as a new roof. Compounding this problem is the fact that homeowners in the City of Ithaca pay very high property taxes. The current property tax rate is 3.6% of the value of properties, one of the highest in the nation. Many homeowners, lacking sufficient financial resources to maintain their homes, prioritize property tax payments over home repair expenses. Lack of income, poor credit scores, and unfamiliarity with how bank lending works are all significant barriers that prevent homeowners from accessing credit through conventional markets. Unfortunately, homeowners may choose unnecessarily expensive and potentially harmful credit options to fund major repairs and ultimately wind up repaying at a higher interest rate.

INHS proposes to assist at least 8 low-income homeowners in need of one or more substantial improvements. Loans generally average \$25,000 per home. However, rehabilitation jobs below the \$25,000 average, would allow us to serve more homeowners. We have received recent requests for jobs beyond the scope of INHS' Small Repair Program (e.g., requests for: total bathroom renovations for the aging or disabled; replacement of windows, extensive roof repairs), confirming the need of many homeowners to accomplish larger, more substantial, and expensive improvements.

Loans administered through this program will be structured as 0% interest, forgivable loans. The loans will be forgiven over a 5-year period. During this period, if the homeowner moves or sells the homes, the outstanding portion of the loan must be returned to INHS. Eligible properties include single family homes in the City of Ithaca that are occupied by households with combined household income less than 80% of the Area Median Income, adjusted for household size. If funded by HOME, Houses must adhere to the maximum price limits (95% of median existing home price), which limits the eligible homeowners. All assistance loans provided will be secured by a note and mortgage on the property.

Intake for program applicants are conducted by the INHS Lending Department, which will be responsible for income verification, property checks, program eligibility analysis, and loan approval. Applications will be received and processed on a first come, first served basis, with homeowners currently on the program wait list receiving first priority.

Each house proposed for rehabilitation will receive a property condition inspection by the INHS Construction Services staff. This inspection will result in list of housing deficiencies, work scope, cost estimates and a bid package. The work scope will include measures to comply with federal regulation regarding the mitigation of lead paint hazards. All work will be bid to qualified contractors and bids will be awarded based on price and proposal quality. INHS will assist homeowners in the bidding and construction management. Most of the projects will be in Census Tracts 1, 2, 7, 8, 9 10, and 11.

INHS requests CDBG funds for the purpose of this proposal. The post repair property value requirement for HOME severely limits the low-income homeowners we can assist as many residents of the city of Ithaca own homes that are already or would be, post-rehab, over the value cap. We will accept HOME funding or what ever split is available.



**INSERT EXCEL BUDGET SPREADSHEET(S) IMMEDIATELY AFTER THIS PAGE.**

**HOUSING PROJECT DEVELOPMENT BUDGET - PERMANENT FINANCING**

Note: Please complete separate "Developpt. Budget - Constr." tab for construction financing, if applicable.

**SOURCES - PERMANENT FINANCING**

FUNDING SOURCE TITLE		AMOUNT SECURED*	AMOUNT UNSECURED**	% OF TOTAL BUDGET
1.	CDBG/HOME		\$195,000.00	70.44%
2.	Ithaca Neighborhood Housing Services, Inc.	\$76,846.66		27.76%
3.	Better Housing for Tompkins County Revolving Loan Fund	\$5,000.00		1.81%
4.				0.00%
5.				0.00%
6.				0.00%
7.				0.00%
8.				0.00%
<b>TOTAL SECURED &amp; UNSECURED FUNDING</b>		<b>\$81,846.66</b>	<b>\$195,000.00</b>	<b>100.00%</b>
<b>TOTAL PROJECT BUDGET</b>		<b>\$276,846.66</b>		<b>100%</b>

<b>LEVERAGE OF SECURED FUNDING PERCENTAGE</b>	<b>29.56%</b>
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\* Supporting documentation is required for amounts listed as secured.

\*\* Please be sure to list all unsecured funding amounts (e.g., funding applied for, but not yet received).

**USES**

PERSONNEL EXPENSES: POSITION TITLES	PROPOSED CDBG/HOME	PROPOSED OTHER	TOTAL
Loan, Construction, Admin, and Finance staff	\$9,750.00	\$67,367.05	\$77,117.05
			\$0.00
			\$0.00
<b>A-TOTAL PROPOSED PERSONNEL BUDGET</b>	<b>\$9,750.00</b>	<b>\$67,367.05</b>	<b>\$77,117.05</b>

NON-PERSONNEL EXPENSES: LINE ITEM/TYPE	PROPOSED CDBG/HOME	PROPOSED OTHER	TOTAL
Acquisition - Land			\$0.00
Acquisition - Buildings			\$0.00
Construction	\$185,250.00	\$5,000.00	\$190,250.00
Construction Contingency			\$0.00
Hazmat Abatement			\$0.00
Architectural & Engineering Fees			\$0.00
Other Professional Fees			\$0.00
Construction Financing Costs			\$0.00
Permanent Financing Costs			\$0.00
Developer Fee			\$0.00
Capitalized Operating Reserve			\$0.00
Capitalized Replacement Reserve			\$0.00
Soft Cost Contingency			\$0.00
Relocation Assistance			
Total of All Other Costs (list separately individual line items exceeding \$50,000)			\$0.00
Admin-Overhead Costs		\$9,479.61	\$9,479.61
			\$0.00
			\$0.00
<b>B-TOTAL PROPOSED NON-PERSONNEL BUDGET</b>	<b>\$185,250.00</b>	<b>\$14,479.61</b>	<b>\$199,729.61</b>
<b>(A+B) TOTAL PROPOSED PROJECT BUDGET</b>	<b>\$195,000.00</b>	<b>\$81,846.66</b>	<b>\$276,846.66</b>

**PROJECT DESCRIPTION (cont.)**

Explain how the amount of funding requested is justified, taking into account other available sources of funding for the project type. Explain how and when the cost estimates for the project were prepared. Provide the name, title, company name, and qualifications of individual(s) who prepared the cost estimates.

The homeowners receiving assistance under this program will have incomes defined as "low" or "very low" by local AMI standards. These homeowners generally do not possess the financial resources to pay for and complete large scale rehabilitation projects on their own, nor do they generally qualify financially for additional Home Equity loans or Mortgages. They also do not have the financial resources to sell their homes and move to another living situation, which makes it imperative that they receive assistance that will allow them to age in place in the homes that they already own. Local assistance programs to assist with general home repair have historically been limited to those administered by INHS, and those administered by Sheen Housing (though the programs offered by the latter organization have historically provided only partial payment of any construction assistance requested, and do not assist applicants/owners in coordinating with local contractors).

The construction cost estimates for these projects will be prepared by the INHS Construction Services staff. David Brown and Louis Gunn, INHS Construction Managers, have over 70 years of combined experience in residential construction and project management.

Is the proposed activity located in the Flood Hazard Area? Yes  No

- If so, in the space below, describe how your plans for the project take this into account.

If your project involves Tenant-Based Rental Assistance (TBRA), in the space below, explain how you will locate and secure appropriate units that meet Housing Quality Standards and are rent-reasonable.

Not applicable.

## POPULATION SERVED & PROJECT IMPACT

Describe the population the project will serve, being sure to include income levels (i.e., 30% AMI, 50% AMI, 60% AMI, 80% AMI), and any special needs characteristics (e.g., disabled, elderly, homeless). How has the project been designed to address the specific needs of this population?

Eligible applicants for this program will be households that own homes considered real property, live in those same homes as their primary residence, and have incomes less than 80% AMI for the Ithaca MSA, adjusted by household size.

Experience with previous rehabilitation programs has shown that the most likely participants in this program will be households with incomes between 40% and 60% AMI, putting them in the Very Low and Low-Income categories defined by HUD. The majority are also likely to be seniors, especially single women living alone.

This project has been designed to assist people who have limited financial capacity and who may not possess sufficient knowledge to adequately evaluate housing needs or secure rehabilitation services from reputable contractors. The technical assistance provided by INHS staff is a critical element of this program, as it helps assure that homeowners participating in the program obtain rehabilitation assistance that is cost-effective and high quality.

This program will address housing condition needs on a "whole house" level, which means that houses will be thoroughly evaluated by professionally trained staff and that all critical repair needs will be addressed. This will include a full evaluation of lead paint hazards and other health and safety issues. The intent the program is to not only assist with those repairs identified by the applicant/owner, but to assist the applicant/owner in resolving previously unidentified home repair needs to ensure their ability to continue safely and comfortably in their homes.

Explain the project goal(s). How will each goal be measured and documented to confirm whether or not it has been met?

The overall project goal is the successful rehabilitation of at least eight owner-occupied homes that have moderate to severe building condition issues.

This goal is in keeping with the goal of "Improve and Expand Affordable Housing Options" and is consistent with the needs and high priority goals contained in the City of Ithaca adopted Consolidated Plan: "Homeowner rehab/repair" & "Accessibility Improvements." The Consolidated Plan identified Ithaca's most significant housing problem as cost burden, citing that in 2010, 21% of Ithaca's homeowner households were cost burdened and 10% severely so. The Consolidated Plan also identified 275 homeowners with income less than 80% AMI who reported one or more severe housing problems.

This program also aims to assist low-income homeowners with repairs that will allow them to safely age in place in their homes. This is extremely important for low-income homeowners, as the vast majority will remain in their own homes until infeasible to do so. For low-income homeowners, their options are usually very limited and often involve moving in with family members or relocating to a nursing home.

INHS maintains internal systems for tracking program production and grant compliance. This system produces monthly and quarterly reports on performance measures related to production and contractual obligations. We take before and after photographs to document repairs. If these repairs were financed by a home equity loan, even at 15 year repayment they would add a likely repayment of \$138, a significant cost, even if homeowners had enough high credit and equity to eligible for a bank loan.

**POPULATION SERVED & PROJECT IMPACT (cont.)**

Will your project advance the City's goal of ending and preventing homelessness? How?

No. This program serves existing homeowners allowing them to maintain their property and, in many cases, continue living independently.

Will your project advance the City's goal of moving people out of poverty? How?

No. This program does not supplement people's income or advance job skills. It does, however, support low-income homeowners in managing their limited resources and living within their constrained budgets.

## PROMOTION OF FAIR HOUSING

How will your project address any of the factors contributing (“Contributing Factors”) to fair housing issues and problems in the City of Ithaca? Refer to: [Explanation of IURA Assessment of Fair Housing Contributing Factors](#) document.

1 - Segregation/Integration: Displacement of residents due to economic pressures.

Rehabilitation programs help preserve affordable housing. One of the strongest elements of these types of programs for homeowners, is that they allow for economically disadvantaged homeowners to get the repairs they need to stay safely in their homes. Repairs they would otherwise not be able to afford. INHS has begun door to door outreach to seniors receiving low income tax exemptions that haven't been served by INHS' minor or major repair programs.

HUD defines cost-burdened families as those “who pay more than 30 percent of their income for housing” and “may have difficulty affording necessities such as food, clothing, transportation, and medical care.” In the most recent ACS (2009-2017), approximately 23% of homeowners in the City of Ithaca are burdened with more than 30% of their income going toward housing costs (Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates).

When a household can't afford major repairs and defers repairs a some point the repairs will make the property unlivable and/or uninsurable. Providing affordable funding for major repairs, serves as an incentive for homeowners to preserve their homes and in the end this is good for the neighborhood as a whole.

## ORGANIZATIONAL CAPACITY

Describe your organization's experience in successfully implementing projects of similar scope and comparable complexity to the proposed project.

For more than 40 years, INHS, a not-for-profit corporation, has been engaged in homeowner rehabilitation programs. To date, it has completed over 1,303 homeowner rehabilitation projects that have a total value of over \$17.2 million. The majority of these projects have been in the City of Ithaca, where this activity has been instrumental in the improvement of housing and neighborhood conditions in nearly every city neighborhood.

INHS is very experienced in the administration of grant programs funded by local, state and federal agencies, including HOME, CDBG, AHC, CDFI, NYSEDA, NYS Housing Trust Fund, LIHTC, Access to Home, RESTORE, Urban Initiatives and NeighborWorks America. INHS has a stellar record in the achievement of program goals and fiscal management, with no incidents of default or misappropriation.

INHS uses MIP fund accounting software to manage its financial systems and an internally-developed MS Access database to manage grant production and status. INHS also uses CounselorMax as a customer relations management and reporting tool.

Describe your staffing plan for the proposed project. Indicate what percentage of each staff member's time will be allocated to this project and how many other projects, in addition to the one proposed, each staff member will be responsible for. *If you are requesting funds to pay for staff salaries, please explain how the proposed project will be impacted, if full funding is not awarded.*

"Other Projects" are listed in parentheses. INHS is current low on funding for both homeownership and major repairs.

INTAKE - Intake and loan approval will be handled by the staff in the INHS Lending Department. This includes Delia Yarrow, Director of Homeownership (10); Patrick Mitchell (6), Loan Officer; Heather Boob (8), Lending Assistant; and Leslie Debo (6), Lending Associate. Yarrow and Mitchell will be responsible for meeting with loan applicants to explain how the program works and assist in the application process. Boob and Debo will obtain income verification, property information and related documents, and close loans. This activity will take about 5% of each person's time.

HOME INSPECTION, PROJECT SCOPE, BIDDING, CM - Project Managers, Louis Gunn (3) and David Brown (6) will meet with homeowners to conduct housing inspections and review homeowner needs. They will develop work scopes with project cost estimates to assist the Lending Department staff in finalizing loan amounts. They will assist homeowners with bidding construction work and the management of construction contracts. These activities will account for about 10% of Delia's time and 20% of Louis' and David's time.

FINANCIAL MANAGEMENT, REPORTING - Patty Paolangeli (20), Finance Director; Mayghen Johnson (10), Finance Manager, and Katie Lopez (6), Accounting Associate will track individual projects and request funds, disburse funds, and complete reports. This will take 5% of Patty's time and 6% of Mayghen's and Katie's time.

OUTREACH - Justina Fetterly, Strategic Communications Manager, will provide marketing and PR for the program. This is a 3% FTE activity.

Executive Director, Johanna Anderson, spends approximately 1% of her time on oversight for this project.



**PROJECT SCHEDULE**

Month	Specify Project Milestone/Actions Completed	Cumulative Amount of IURA Funds Expended	% of Project Budget
<b>TOTAL:</b>			

**Note:** Assume contracts will be executed by NOVEMBER 1, 2022, so that funds may be drawn that month.

**CERTIFICATION & SUBMISSION REQUIREMENTS**

*By checking this box and providing the following information, I certify the statements made in this application are true and correct, and I am authorized to submit this application on behalf of my organization.*

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Title/Role

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
Phone Number

Is your organization a 501(c)(3)? Yes  No

Federal Tax ID: \_\_\_\_\_

DUNS #: \_\_\_\_\_

Required Attachments:

- Excel budget page(s) — refer to Application Instructions
- Resumés of key staff and/or consultants who will be responsible for this activity
- List of your organization’s current board members
- Architectural drawings, including site plan(s)
- Copies of all environmental reports and related documents (e.g., SHPO review) completed to date
- Cost estimates prepared by qualified third parties (e.g., architect, engineer, etc.)
- Letter(s) of commitment from any other individuals or entities (outside your own organization) whose participation is required for project completion
- Evidence of commitment for any funds indicated as “secured” in your project budget
- Most recent Form 990 or tax returns for the applicant entity

Optional Attachments:

- Letters of support
- Program materials (e.g., brochures, program guidelines, outreach materials)

**IMPORTANT: Unlike prior years, all application materials are to be submitted *electronically*, by e-mailing Charles Pyott, Contracts Monitor, at: [cpyott@cityofithaca.org](mailto:cpyott@cityofithaca.org) . Call (607) 274-6565 for questions/assistance.**