

South Norfolk

Residential Rehabilitation Grant Program

Guidelines

An initial investment of \$500,000 was approved by Chesapeake City Council on June 12, 2018, for the South Norfolk Residential Rehabilitation Grant Program. It is anticipated that the initial allocation will fund between 20-50 residential rehabilitation grants by maximizing shared investment through a partnership with the Chesapeake Land Bank Authority (CLBA) and residential property owners.

PURPOSE

The goal of the South Norfolk Residential Rehabilitation Grant Program (SNRRGP) is to assist residential property owners in the South Norfolk National Historic District. The purposes of the SNRRGP are (1) to eradicate blight and the disrepair of residential properties, (2) to enhance the quality of life in the South Norfolk Historic District by increasing investment in the area, (3) to preserve and protect historic resources, and (4) to promote public welfare and safety by assisting with remediation of Virginia Property Maintenance Code concerns. Attached is a map showing the boundaries of the District.

ELIGIBLE APPLICANTS/PROPERTIES

The SNRRGP funds will initially be open only to owner-occupied residential properties located in the South Norfolk National Historic District. Upon a majority vote by the CLBA Board of Directors, the program may be extended to include other residential property owners, including investors and owners of rental properties.

To participate in the program, residential property owners are required to match the funds the CLBA invests in the project at 50% of the total grant award. In cases where the property owner's family income is lower than the most recent U.S. Department of Housing and Urban Development (HUD) Fiscal Year Income Documentation System chart for the Hampton Roads region, the property owner may be eligible for a reduction in matching funds. Project cost must not exceed the most current Real Estate Assessor's assessment for the property.

ELIGIBLE IMPROVEMENTS

The South Norfolk Rehabilitation Grants are available for short-term projects that can be completed within 6 months. An additional 6-month extension may be granted at the discretion of the CLBA due to extenuating circumstances, such as serious illness, change in financial status, or a death in the family, which must be documented by the recipient; the applicant must also provide proof that all applicable City issued permits and/or Certificates of Appropriateness have been granted in advance. Eligible improvements may include one or more of the following, which require a City issued permit and/or a Certificate of Appropriateness.

- HVAC —Repair and/or Replacement
- Plumbing System —Repair and/or Replacement
- Electrical System —Repair and/or Replacement
- Foundation — Repair
- Conversion of Duplex/Multi-Family Residence to Single Family Residence
- Architectural Details — Addition, Repair and/or Restoration
- Exterior Painting and/or Facade Cleaning
- Roof/Roofing — Repair and/or Replacement
- Siding — Repair and/or Replacement
- Trim — Repair and/or Replacement
- Door, Windows and Shutters — Addition, Repair and/or Replacement
- Light Fixtures — Repair or Replacement
- Canopies/Awnings — Repair or Replacement
- Porch/Deck —Repair and/or Replacement
- Driveways and Masonry — Repair
- Fences — Addition, Repair, and/or Replacement
- Accessory Structures (e.g., garages and storage sheds) — Exterior Repair and/or Replacement
- Other (eligibility determined by CLBA)

Fees for professional services and City permits required in order to complete the project are also eligible for reimbursement under the grant program.

INELIGIBLE IMPROVEMENTS

- Improvements not compatible with the South Norfolk Historic and Cultural Preservation Overlay District Design and Procedural Guidelines
- The use of substitute materials unless the original materials are no longer manufactured or deemed unsafe (e.g., asbestos)
- Replacement of historic materials with different materials, e.g., replacing a metal roof with asphalt shingles
- Temporary alterations, renovations, or repairs permitted under a temporary Certificate of Appropriateness (COA)
- Installation of chain link fencing
- Work performed without necessary permits or COA, unless otherwise approved by CLBA

South Norfolk Historic and Cultural Preservation Overlay District Design and Procedural Guidelines

Participation in the SNRRGP is voluntary. All projects, regardless of whether these projects are within the South Norfolk Historic and Cultural Preservation Overlay District (Local Historic District), must adhere to the South Norfolk Historic and Cultural Preservation Overlay District Design and Procedural Guidelines (Design Guidelines). All projects will be reviewed for conformance with the Design Guidelines and are required to receive a Certificate of Appropriateness (if applicable) or Letter of Conformance to receive funding through SNRRGP.

For properties located within the Local Historic District, Certificates of Appropriateness (COAs) are required for exterior alterations visible from a paved public street and must be obtained prior to the commencement of work. To apply for a COA, applicants shall submit a completed COA application to the Chesapeake Planning Department and the subsequent COA approval by the Chesapeake Planning Department or the Chesapeake Historic and Architectural Review Board (HARB).

For properties located outside of the Local Historic District but within the boundaries of National Historic District, the Planning Department will review projects and provide a Letter of Conformance for projects that adhere to the Design Guidelines.

Additionally, any work for which permits are required by law must receive all proper permits. Any work performed prior to receiving necessary permits or COAs is not eligible for this grant program, unless otherwise approved by CLBA. Any work performed without obtaining the necessary permits or COA, or that is not performed in accordance with the issued permits or COA, will be subject to the "recapture" provision as detailed below.

GRANT TERMS

A typical grant from the SNRRGP will provide residential property owners with an approved project in the South Norfolk National Historic District with grants ranging from a minimum of \$2,000 to a maximum of \$30,000. For all grants, the approved property owner must provide \$1 in matching funds for every \$1 in grant funding received.

Additional stipulations are below:

- A maximum of \$30,000 will be awarded per property per calendar year.
- Only the cost of materials will be considered if the labor is to be completed by the property owner.
- Property owners must demonstrate that all necessary permits and COAs have been obtained prior to receiving grant funding.

Grant Match Examples

Terms	Required Match from Applicant	Grant Award from CLBA	Total Project Cost
\$1 in match for every \$1 in grant award	\$3,000	\$3,000	\$6,000
	\$6,000	\$6,000	\$12,000
	\$9,000	\$9,000	\$18,000
	\$10,000	\$10,000	\$20,000
	\$20,000	\$20,000	\$40,000
	\$30,000	\$30,000	\$60,000

FINANCIAL HARDSHIP

If an applicant in an owner-occupied housing unit falls within 80% of the region's median family income or lower, based on income limits published by the United States Department of Housing and Urban Development (HUD) for the year in which the application is submitted, a Financial

Hardship Determination may be applied for, allowing a reduction in matching funds from the applicant.

Applicants seeking a Financial Hardship Determination must complete supplemental sections of the Grant Application, including the submission of tax returns from the previous two years, IRS Form 4506, three estimates from qualified contractors, and notarized signature. If it is determined that the applicant is eligible for a Financial Hardship Determination, a family that falls within 51% to 80% of the region’s median family income would be required to provide \$1 in matching funds for every \$4 in grant funding received, while a family that falls within 50% of the median family income or lower would not be required to have matching funds.

An example of the formula used to calculate the grant award for financial hardships is as follows:

Financial Hardship Match Examples

HUD Income Limits	Required Match from Applicant	Grant Award from CLBA	Total Project Cost
51% to 80% of Median Family Income	\$500	\$2,000	\$2,500
	\$1,250	\$5,000	\$6,250
	\$2,500	\$10,000	\$12,500
	\$5,000	\$20,000	\$25,000
	\$7,500	\$30,000	\$37,500
50% of Median Family Income or Lower	\$0	\$2,000	\$2,000
	\$0	\$5,000	\$5,000
	\$0	\$10,000	\$10,000
	\$0	\$20,000	\$20,000
	\$0	\$30,000	\$30,000

APPLICATION DUE DATE

Subject to grant availability, grant applications will be accepted on a rolling basis. Applications will be considered by the CLBA Board of Directors at their monthly meetings.

EVALUATION CRITERIA

Applications will be evaluated by the CLBA on the following criteria:

- Need for the property improvements based on the Virginia Property Maintenance Code and the City of Chesapeake's Zoning Ordinance
- Receipt of Certificate of Appropriateness
- Maximizes impact of grant funds
- Whether the applicant has received South Norfolk Residential Rehabilitation Grant Program funds in the past
- Fulfills the goal to eradicate blight and the disrepair of residential properties and to enhance the quality of life in the South Norfolk Historic District
- Whether the project attempts to preserve, rather than replace, original historic features
- Whether the structure for which the project is proposed is "contributing" or "noncontributing" under the Local Historic District Guidelines
- Balances energy efficiency with historical appropriateness
- Reasonableness of proposed project cost
- Use of minority-owned, women-owned, and/or local materials, contractors, and suppliers

GRANT AWARDS

Preliminary decisions regarding the South Norfolk Residential Rehabilitation Grant Program will be announced no later than 45 days after receipt of a complete application by the CLBA. The CLBA reserves the right to approve grants for less than the amount requested by the applicant. For approved projects, a Grant Award Agreement must be returned to the CLBA no later than 30 days after notification of final approval by the CLBA Board.

INSPECTIONS

All cost estimates and work completed as part of this program will be reviewed by the CLBA to ensure that the cost estimates are reasonable and the work completed conforms to the approved grant project. One cost estimate is required from a qualified contractor. If seeking Financial Hardship Determination, three cost estimates from qualified contractors are required. Work performed under City-issued permits and COAs will be inspected upon completion per the City of Chesapeake's established procedures.

PAYMENT

Most payments under the South Norfolk Residential Rehabilitation Grant Program will be made by reimbursement based on proof of completed work. In some cases, a lower income property owner may not be able to undertake a project for which they will receive the grant on a

reimbursable basis. The property owner must receive a Financial Hardship Determination, which will be deemed a determination that he or she is unable to receive the grant as reimbursable funds. In these instances, the CLBA will enter into a three-party Grant Award Agreement with the property owner and contractor, which will require that the CLBA receive the invoices and directly pay the contractor for services. As part of such agreement, both the property owner and contractor will guarantee compliance with the conditions of the SNRRGP.

Reimbursements will be subject to the following conditions in addition to any conditions included in any Grant Award Agreement between the CLBA and a property owner and/or contractor:

- Reimbursement is for work performed after approval of the application
- Projects must begin within 60 days and be completed within 6 months of approval
- A satisfactory final inspection verifies that the project was completed as agreed in the project application and that the project was built in accordance with all City permits and Certificates of Appropriateness
- Submission of an itemized statement of total project costs and copies of invoices showing "paid in full" is provided to the CLBA

Reimbursement, in the form of a check mailed from the CLBA to the Property Owner, will be made within 30 days of completing/submitting the items listed above.

RECAPTURE PROVISION

The granting of any funds under the SNRRGP is subject to the Property Owner and/or Contractor's adherence to and compliance with all applicable laws and all requirements of the program. Payments made under the SNRRGP are subject to recovery or recapture, and a grantee will be required to return the funds within 14 days of demand from the CLBA in any of the following circumstances:



1. A material misrepresentation on the part of the property owner or contractor is discovered in the information submitted for the application.
2. The grant funds, or any portion thereof, were not used to complete the work specified in the approved project or as reimbursement for the work specified in the approved project.
3. In the case of a Grant Award Agreement to which a contractor is a party, it is discovered that a contractor's license who completed the work was not in good standing with the Virginia Department of Professional and Occupational Regulation for the duration of the project.
4. It is discovered that proper permits or a COA were not obtained for the work done.

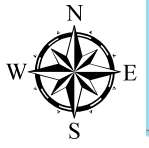
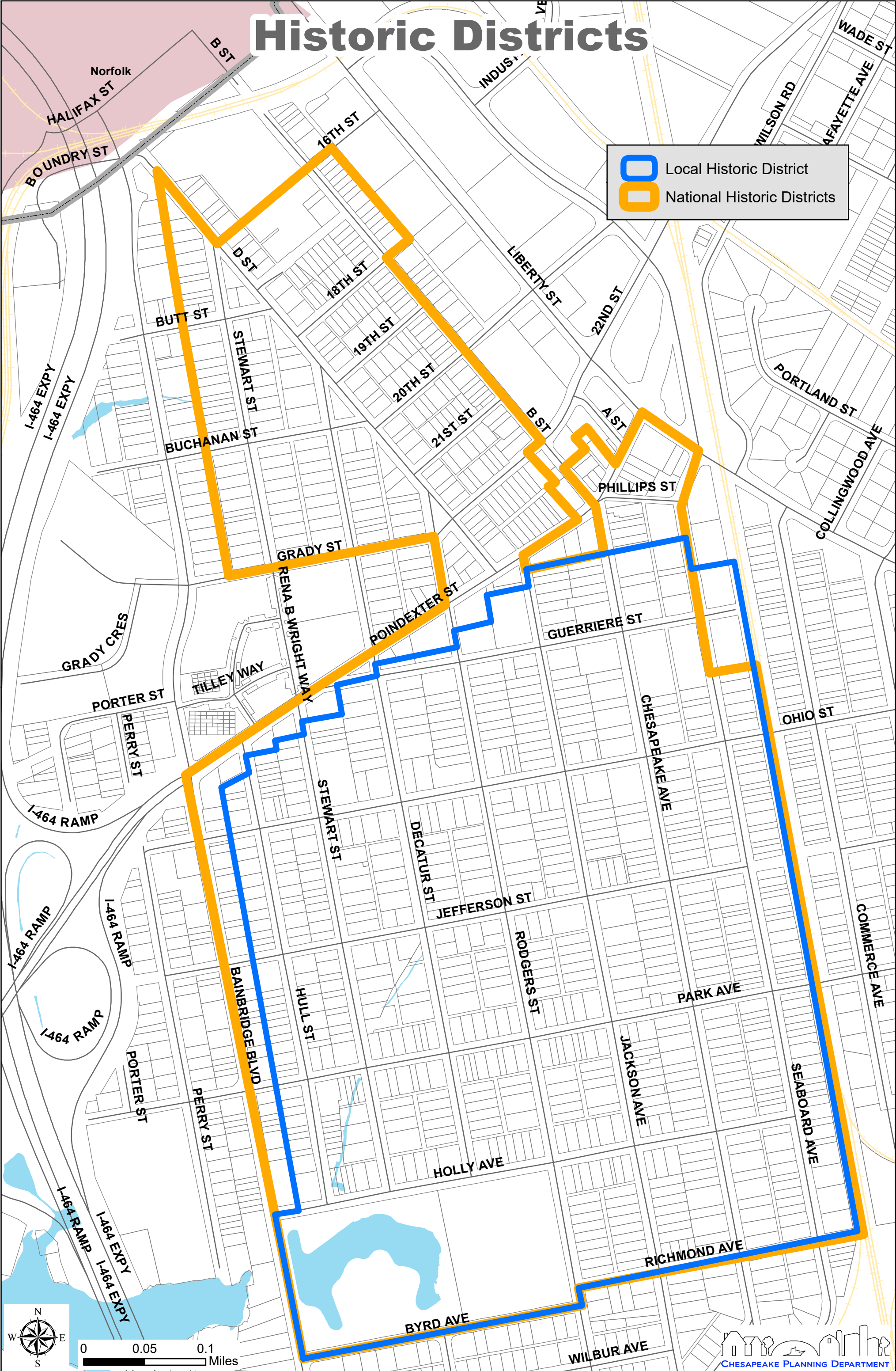
5. It is discovered that the work done was not performed in accordance with the COA or permits issued.

In the event that the CLBA demands return of the funds under this recapture provision and the responsible party does not return the payout to the CLBA within 14 days of demand, the responsible party shall be required to pay to the CLBA all expenses, including reasonable attorneys' fees, incurred to recover the funds.

Property Owners are hereby advised that they, as the grantees, are responsible for compliance with applicable laws and grant program guidelines and will be subject to this Recapture Provision regardless of whether they or their contractors complete the work. By receiving grant funds, the property owner consents to placement of a lien against the subject property in the amount of grant funds, plus costs of collection and interest as provided for by law, immediately upon demand for return of funds under this provision. Such lien shall be released once the funds demanded are repaid in full. In the case of a three-party Grant Award Agreement, both the Property Owner and Contractor shall be jointly and severally liable for repayment under the Recapture Provision.

Historic Districts

 Local Historic District
 National Historic Districts



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