



SOUTHERN IOWA COUNCIL OF GOVERNMENTS

Southern Iowa Development Group, Inc.
Southern Iowa COG Housing Trust Fund, Inc.

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Dear Prospective Participant of the SICOG Environmental Hazards Housing Program:

SICOG has created a program for homeowners who need to make home repairs due to certain environmental hazards in the homes, such as lead-based paint. Attached is an application for this program. Please read this letter and then decide if you wish to apply.

Our Environmental Hazards Housing Program is a forgivable loan program that offers up to \$6,500 per home. The program is designed to correct problems that threaten livability to environmental hazards. The program is not designed to repair merely cosmetic items or random maintenance items.

The first test of eligibility is a completed application along with proof of ownership of your home and documentation of insurance or why your home is not insurable. The enclosed application form lists the items we need for proof of ownership. Contract owners can apply but will not be assisted without contract seller approval. Rural residents with connection to adequate water and sewer facilities (as documented) may apply. Renters or those not hooked to compliant water and sewer will not be assisted.

The second test of eligibility is your total household income. Income is total gross (pre-tax) income for the past 12 months at the date of application of all persons living in the home or anticipated to live in the home after repairs are completed. The income scale and amount of your contribution to the total bid cost is as follows:

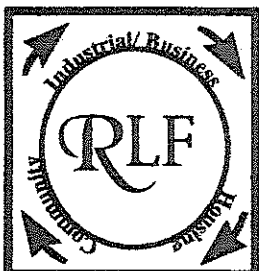
Household size (after work completion)	1 or 2	3 or more
SICOG County less Madison	\$37,200	\$42,780
Madison County	\$43,020	\$49,470

If your total income is greater than the above amounts, you are ineligible for assistance. Please call if you have questions about how income is calculated.

As part of the enclosed application form, SICOG requires information about your income, including copies of the main pages of your Federal tax forms, verification forms from social service agencies, and other information that shows your sources of income. Income that is included is wages, tips, Social Security, Disability, Child Support, bonuses, unemployment, business profit, interest income, and other earned income. Things like Medicare, Medicaid, Food Stamps, WIC, and gifts do not count.

Your portion of the costs will be determined based on total cost of the work less the available funds. This exact amount will be sent to you by letter. You will be given a reasonable time to come up with the funds or to seek the funds from other source(s). In some cases, the level of work may be revised in hopes of reducing the total bid. Funds or a third-party letter of commitment must be submitted to SICOG before the contractor(s) begin work. Please call me if you want suggestions of other funding sources.

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Grantsmanship

Planning

Technical Assistance

The third test of eligibility is the work you need completed. Upon receipt of an eligible application, our rehabilitation specialist will meet with you in your home to verify need for repairs. The repairs **MUST** be directly related to the environmental hazards noted. We are currently focusing on lead hazard problems. Lead was used in paint prior to 1976 and can cause severe health hazards to those who ingest paint chips and dust. Older homes have peeling and chipping paint that can contaminate windows, doors, walls, and floors. Top priority will be for homeowners who have young children who are tested and have elevated blood lead levels. One can be tested by contacting your local board of health, visiting a medical clinic, or visiting a WIC clinic. Others can be assisted if lead hazards exist upon inspection. If after January 1, 2010 funds are remaining in the program, other environmental hazards will be considered, namely asbestos and mold issue. We understand that flooding may have made these issues more prominent.

Activities that may be undertaken in each home include: window and window sill/sash replacement, interior and exterior wall repair and repainting, door repair and replacement, cleaning and or replacement of floor coverings, and other work identified by inspection.

Homes that are deemed beyond repair will not be assisted. If this is the case, we will notify you by letter and describe what you can do, if anything, to make your home feasible for repair. Further, homes needing less than \$1,000 of eligible repairs, by our estimation, will generally be denied assistance.

The fourth and final test of eligibility is willingness to participate. All adult household occupants must participate in an approximately 1-hour homeownership and maintenance course provided by Clarke State Savings Bank, which is the sponsor of this program. You must also sign a retention document (deed restriction) that will be placed on the property for five years. If you remain in your home as your primary residence and maintain your homeowner insurance, and taxes for five years, you will owe nothing on our loan. If you move or sell within the five years, you will repay a portion. Your portion will be reduced over the five years on a monthly basis. Both requirements must be met before a contractor is allowed to work or supplies are purchased.

If you meet all these requirements, we will submit a letter with bid specifications to qualified contractors and a copy to you. Upon review of two or more received written estimates, we will contact you to discuss the most advantageous contractor as determined by 1) price, 2) timeliness, 3) experience and reputation, and 4) availability of adequate contractor liability insurance.

Once the most advantageous contractor is selected, we will contact you to arrange the final requirements and forms. Once all documentation is received in our office, we will allow the contractor(s) to begin work. When work is completed, we will pay the contractor a lump sum for the work and materials. There will be no contractor payment agreements in lieu of a cash match.

While there is no application fee, a \$12 fee will be requested at the time of final approval to help cover the costs of recording and managing the retention document.

The attached application is meant to be simple to complete. Please notice the list of requested items. After you have secured the required items, please complete and submit the application. Please feel free to call me or e-mail me at davidson@sicog.com if you have any questions or if you have difficulty securing the necessary items. **Applications are considered on a first-come, first-served basis until funds are depleted. Applications must be signed originals, but other items can be faxed or e-mailed.** Thank you for your interest.

Sincerely,

Doug Davidson, Housing Rehabilitation Specialist

Enclosure – Application form and verification worksheet