

City of Dalton

300 West Waugh Street
Dalton, Georgia 30720

HOUSING REHABILITATION PROGRAM

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A. The Handbook's Purpose

City of Dalton's Citywide Housing Rehabilitation Program is intended to provide assistance to homeowners to perform rehabilitation activities that are necessary to help alleviate substandard conditions in their homes and is funded through the City's Community Development Block Grant (CDBG). **Only properties that are determined to be substandard are eligible to be assisted under this program.** This handbook will explain the City's rehabilitation program and how it works. It is meant to be a guide to the program, not a definitive presentation of the program's policies.

B. City of Dalton Citywide Housing Rehabilitation Program

1. The City of Dalton (City) Housing Rehabilitation Program is funded with Community Development Block Grant Program (CDBG) funds and will assist approximately eight (8) eligible single family homes located within the City of Dalton. In order to qualify for the program, the household must meet the criteria found on page 4, section D of this Handbook, "Qualifying for the Program".

The primary goals of this program are:

1. To assist low-moderate income property owners in the rehabilitation of their dwellings;
2. Eliminate housing code violations; and
3. Upgrade neighborhoods.

Through this program, the City will help to provide decent, safe, and sanitary housing for City of Dalton residents and to promote a viable housing stock. Rehabilitation efforts will bring existing substandard housing units into compliance with the local codes, Department of Housing and Urban Development's (HUD) Housing Quality Standards, and other applicable building codes as determined by the Federal funding resource.

2. As part of the selection process, applications will be prioritized based on: lowest incomes; household size, including number of dependents; single-parent households with children; persons with disabilities who require ADA modifications to their homes; persons who are 65 years or older; and severity of housing conditions.

C. How the CDBG Program Works

1. Complete an application and deliver or mail it to City of Dalton Finance Department, Attention: CDBG Rehab Program, 300 W. Waugh Street, Dalton, GA 30720. The application is attached to the back of this handbook. All information is voluntary and will be kept strictly confidential. Completed applications will be reviewed by CDBG program staff and consultants for eligibility on a first-received basis. Incomplete applications will not be processed.
2. Once income eligibility is verified, and the property is selected for possible assistance, the homeowner will be contacted by the City's CDBG Program or Code Compliance staff for an appointment to inspect the home to determine its condition. The inspection will involve the City's Code Compliance staff. The preliminary inspection will look to identify health and safety deficiencies as well as areas for energy efficiency and verify the substandard condition of the home. The inspection will identify a rough cost estimate of the work needed to be completed to bring the house up to local, state and federal standards.

3. If selected for the program, Program staff will prepare a detailed scope of work for the homeowner's review and signature. A lead-based paint assessment for homes built prior to 1978 will be coordinated with the homeowner to test sample areas for the presence of lead. The results from the inspection will be incorporated into the scope of work. The City will then advertise the Bid Package to contractors.
4. Once the bids for rehabilitation are received, they will be reviewed to ensure that they are responsive and responsible bids. Program staff will review the bids with the homeowner and lowest responsible bid will be awarded. ***The Agreement for all rehabilitation work completed through the CDBG Home Repair Program is between the Homeowner and the Contractor, the City is strictly the funder for such improvements.***
5. Program staff will inspect the work in-progress at appropriate times; however, the homeowner bears the final responsibility for ensuring that the contractor's work meets generally accepted standards. The homeowner must understand that the contractor will need access to the property to complete work in a timely manner. The City's role is to ensure that the Contractor completes the work in a quality manner as agreed to by the homeowner in the Scope of Work signed by the homeowner and contractor. **Any changes to the Scope of Work must be coordinated with and approved by the City of Dalton CDBG Program staff and also be agreed to by the homeowner and contractor.**
6. The final payment for contracted work will occur ***only*** after a determination by Program staff that the work has been completed according to contract and a clearance is issued regarding lead based paint. This determination will include the homeowner's signature on a FINAL inspection form indicating that the homeowner is satisfied with the work. It is important that the homeowner conduct a final inspection as well, before signing the inspection form. Upon signing the FINAL inspection form, the project is completed; the contractor will be paid; and the note and mortgage/lien document will be filed. **Any issues that arise after the FINAL inspection form has been signed by the homeowner will be between the homeowner and contractor. The City will not be liable for any issues that arise after the FINAL inspection form has been signed.**
7. Please note that your property value may increase due to the repairs made to your home. This may have an impact on your property taxes.

D. Qualifying for the Program

1. Properties located in flood plains are not eligible for assistance.
2. Proof of ownership for at least one year must be provided and a recorded copy of the deed or life use agreement.
 - a. If you have "life use" of the property, you must provide a copy of the legal document verifying that the applicant has "life use," and the owner of record must agree to sign the lien agreement(s).
3. All property taxes and utility bills (water & sewer) must be current. You must provide a copy of each tax and utility bill along with payment receipts with your application.
4. You must have fire insurance coverage on your property, and you must provide a copy of the insurance certificate showing current coverage and that the insurance policy is paid.
5. Homes that are structurally unsound may be ineligible.

6. If the applicant is purchasing the home by a "Contract for Deed" or similar contract, applicant is not eligible for assistance until all contractual obligations have been met and applicant gains title. Applicant is not eligible for assistance until a Warranty Deed or Deed of Trust is filed in the applicant's name.
7. The maximum grant amount is \$15,000 per property.
8. To qualify for the program your home and property must be owner-occupied, substandard, single-family, and located within the City of Dalton.
9. Household income **must be less than 80% of the median income** for the City of Dalton as determined on an annual basis, adjusted for family size. All income of any person who resides or who is expected to reside in the structure in the subsequent 12-month period will be included in income eligibility determination. Income will be calculated using HUD's Section 8 income definitions and guidelines, using HUD's CPD income eligibility calculator tool, except the value of the applicant's equity in the dwelling will not be included as an asset. Applicant's **adjusted gross income** must not exceed the following limits for the size of each household.

FY2024 Income Limits
Effective: May 1, 2024

Family/ Household Size	Extremely Low 30%	Very Low Income 50%	Low Income 80%
1	\$ 15,400.00	\$ 25,650.00	\$ 41,000.00
2	\$ 17,600.00	\$ 29,300.00	\$ 46,850.00
3	\$ 19,800.00	\$ 32,950.00	\$ 52,700.00
4	\$ 21,950.00	\$ 36,600.00	\$ 58,550.00
5	\$ 23,750.00	\$ 39,550.00	\$ 63,250.00
6	\$ 25,500.00	\$ 42,500.00	\$ 67,950.00
7	\$ 27,250.00	\$ 45,400.00	\$ 72,650.00
8	\$ 29,000.00	\$ 48,350.00	\$ 77,300.00

Source: U.S. Department of Housing and Urban Development (HUD) <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>

NOTE: HOUSEHOLD SIZE AND INCOME REFERS TO ALL INDIVIDUALS LIVING IN THE HOME

10. Your annual income for determining eligibility is calculated based on **IRS Form 1040 Adjusted Gross Income** method. This includes:
 - a. All wages, salaries, and tips.
 - b. Taxable interest and dividend income.
 - c. Taxable amount of IRA distributions.
 - d. Taxable amounts of pensions and annuities.
 - e. Taxable amount of social security benefits.

- f. Capital gain or loss.
 - g. Other income from Schedule 1, line 10 of IRS Form 1040 (for year 2024).
 - h. Total income is found on line 9 of IRS Form 1040 (for year 2024).
11. Income calculations shall not include:
- a. Any adjustments to income from Schedule 1, line 26 of IRS Form 1040 (for year **2024**).
12. The number of recipients to receive assistance will be subject to availability of funds;
13. This program will comply with and meet all environmental regulations, such as historical, floodplain, noise, lead, etc. prior to commencing rehabilitation work.

E. Financing

1. The repairs will be financed 100% by a CDBG deferred payment loan. The CDBG loan will be secured with a note and property lien for a period of eighteen (18) months. At the end of eighteen (18) months, the note will be forgiven and the lien removed. If the client sells the house before the eighteen (18) month period ends, the City will receive 100% of the deferred loan. The mortgage-lien agreement is filed in the Clerk of Superior Court's office upon completion of the project and the lien will be released at the end of the eighteen (18) month forgiveness period.

F. Repairs That Can Be Done

1. A detailed inspection of the property by city staff or a licensed home inspector will result in a list of deficiencies which must be corrected. Whether a property is feasible for rehabilitation will be based on staff's findings and program spending limits. Project feasibility will be determined by assessing:
 - All costs relating to the rehabilitation of a house must not exceed the maximum amount of assistance (\$15,000)
 - The estimate of costs needed to correct all code violations or to remedy immediate threats to health and safety in emergency cases must fall below program budget limits and the unit must be determined to be structurally substandard and financially feasible for rehabilitation.
2. The City's Housing Repair Program will correct deficiencies that affect the ability of a housing unit to provide safe, decent living conditions for its inhabitants. All rehabilitation activities will comply with HUD's Housing Quality Standards (HQS) and will satisfy applicable federal, state and local codes. Examples of rehabilitation work include:
 - * Repairing or replacing siding, roofing, soffits, fascia, and sheathing;
 - * Upgrading or replacing electrical entrances, load centers and distribution wiring;
 - * Installing insulation, energy efficient windows and doors, heating systems;
 - * Repairing or replacing inoperative plumbing fixtures;
 - * Installing accessibility modifications for persons with physical disabilities.

For any rehabilitation work, the presence of lead is tested in homes that were constructed before 1978, and suitable lead hazard control practices are employed if lead is present.

3. All rehabilitation projects shall include installation of appropriate smoke and carbon monoxide detectors if such equipment is not currently installed.

4. The grant will not pay for or reimburse for any work completed prior to the rehabilitation program.
5. The grant will not pay for any work that isn't under contract through this rehabilitation program.

G. Hiring a Contractor:

Program staff will prepare a complete bid package for each project that will be advertised to contractors to submit bids. The bids will be reviewed for completeness and responsiveness by City Program staff. Once reviewed, a bid summary will be prepared and reviewed with the homeowner. Low bidders must be selected if all bids deemed reliable and responsive. escrow account before the project starts and these funds will be the first monies used in paying the contractor.

As a part of the bid package, contractors must provide evidence insurance and insurance must be in force during the course of the project. Contractors must maintain at a minimum the following coverage:

1. Comprehensive general liability (general aggregate) and property damage insurance with a minimum limit of one million dollars (\$1,000,000) per occurrence for bodily injury and property damage.
2. Automobile liability insurance with a minimum limit of one million dollars (\$1,000,000) per occurrence for bodily injury and property damage. Comprehensive form covering all owned and non-owned and hired vehicles.
3. In addition, the Contractor must show evidence that he/she has workers' compensation insurance (waivers will not be accepted), and disability benefits insurance as required by Georgia State Law; is certified in lead based paint related activities (or a certified lead based paint subcontractor); able to demonstrate a history of similar successful projects; able to complete the project within the specified timeframe. **Additional insurance requirements may be required depending on type of service.**

Refer to Attachment D.

Program staff will meet with the homeowner and the selected contractor at the homeowner's home to review the scope of work, plan and discuss the job together. Once the homeowner is comfortable with the work items and program detail he/she will be asked to sign the construction contract which is between the homeowner and the contractor. The most important thing to remember is that **the contract for doing the work is between you and the contractor**. The City will assist you in improving your home, but ultimately you, the homeowner, are responsible for the improvements to your home and maintaining them long term.

H. Required Documentation – This CDBG Program will be utilizing the HUD Approved - IRS Form 1040 Definition of Income to determine household income eligibility.

The following documents must be submitted with your application:

1. A signed copy of your **2024** Federal Income Tax return and all applicable schedules including copies of W-2's and 1099's.
2. Copy of all household members social security card (SSN), birth certificate, or green card which provides proof that all household members are U.S. citizens or resident aliens.
3. Payroll stubs (last 8 consecutive weeks) – showing year-to-date earnings.
4. Proof of any other income (including but not limited to annual social security statement from the Social Security Administration, annual SSI statement, statements for pensions, unemployment benefits, welfare, child support, alimony, etc.).

5. The deed or recorded life use document to your property.
6. Latest property tax and utility bill (water and electric), along with proof of payment. Property tax and utility bills must be current.
7. Proof of homeowner's insurance. Insurance must be current.
8. Most recent bank statement for all checking and savings accounts and proof of all asset income.
9. Most recent mortgage statement if applicable. This includes any home equity lines of credit as well as a traditional mortgage.

**CITY OF DALTON
HOUSING REHABILITATION PROGRAM APPLICATION**

Applicant's Name	Social Security Number	Year of birth
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Co-Applicant's Name	Social Security Number	Year of birth
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Dependents (Name, Age, Relationship)

Other Adult Members of Household (Non-Dependent) (Name, Age, Relationship):

Address (Street, City, Zip Code)

Telephone Number _____ **Email** _____

How long at the above address? _____

Earned Income (Include employment and self-employment income for all household members for the **last tax year**):

Name	Employer	Annual Gross Wages	Date
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2024 Income – List all income:



Other Income Sources (Veterans, SSI, Pension, Rental Income, Interest, Child Support, Alimony, etc.):

\$ _____ per _____

\$ _____ per _____

Bank Accounts: _____ **Name/Address of Bank(s)**

Yes ___ No ___ Checking \$ _____

Yes ___ No ___ Savings-CD's-Money Market \$ _____

Debts - Please list your debts and the amounts: mortgage installment accounts, auto and other loans.

DEBTOR	PURPOSE	DATE INCURRED	AMOUNT	BALANCE PAYMENT
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Home Improvement – Have you owned and occupied your residence for one year or longer?

YES _____ or NO _____

Number of Rooms _____ Number of Bedrooms _____ Number of Baths _____

Directions to the Home: _____

Name of Title/Deed Holder(s): _____

What is your current property tax assessment? _____

Type of Home (i.e. single, multi-family, mobile, farm, etc.): _____

Year Built (approximate): _____ **Date of Mortgage** (approximate): _____

HOUSE ASSESSMENT

CHECK ONE

Foundation:

Type of foundation:

Condition?

GOOD

☐

FAIR

☐

POOR

☐

Roof:

Type of roof (asphalt shingle, metal roll):

Condition?

☐
☐
☐

Exterior:

Type of siding:

Condition?

☐
☐
☐

Doors and Windows:

Number of doors:

Condition?

☐
☐
☐

Number of windows:

Condition?

☐
☐
☐

Plumbing:

Type of plumbing:

Condition?

☐
☐
☐

Electrical:

Size of electrical entrance: _____ amps

_____ Fuse Type

_____ Breakers

Number of extension cords used in home _____

Heating System:

Type of heating system: _____

Age of heating system: _____ years

What specific home improvements do YOU feel are most necessary?

Privacy Act Notice

This information in this application is to be used by the entity collecting it or its assignees in determining your qualifying for rehabilitation assistance under its program(s). It will not be disclosed outside the agency except as required by law. You do not have to provide this information, but if you do not your application for approval as a recipient under its program(s) may be delayed, limited, or rejected.

Authorization & Consent

I (we) hereby apply for rehabilitation financial assistance from City of Dalton for funds toward the cost of improvements to our existing owner-occupied home. I (we) have read the accompanying Handbook and if selected, agree to sign an "eighteen (18) month lien agreement" for the cost of the rehabilitation work done to my (our) home; and agree to maintain my(our) home in good repair for the period of eighteen (18) months from the date of project completion.

I (we) hereby certify that the above statements are true, accurate, and complete to the best of my (our) knowledge and belief. False statements made knowingly by applicant will disqualify the applicant from participation in the program and may be subject to prosecution.

I (we) hereby consent and authorize City of Dalton and its authorized agent(s) to:

- (a) obtain verification of information required for compliance within the regulations of this program, including expenses, employment, property appraisal and contractor estimates;
- (b) upon giving reasonable notice, to enter the applicant's property for the purpose of determining what improvements are needed and to inspect completed work;
- (c) to disclose information contained in my(our) confidential file to nonprofit organizations or unaffiliated third parties involved in community development, that this information may be used in an attempt to secure funding for my home.

Applicant's Signature

Date

Co-Applicant's Signature

Date

The following information is requested by the Federal Government in order to monitor compliance with Federal Laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

Check applicable box:

- | | | | |
|--|---|--------------------------------|---|
| <input type="checkbox"/> White | <input type="checkbox"/> Black/African American | <input type="checkbox"/> Asian | <input type="checkbox"/> American Indian/Alaskan Native |
| <input type="checkbox"/> Native Hawaiian/Other Pacific Islander | <input type="checkbox"/> American Indian/Alaskan Native & White | | |
| <input type="checkbox"/> Asian & White | <input type="checkbox"/> Black/African American & White | | |
| <input type="checkbox"/> American Indian/Alaskan Native & Black/African American | <input type="checkbox"/> Other Multi-Racial | | |
| <input type="checkbox"/> Asian/Pacific Islander | <input type="checkbox"/> Hispanic | | |

Federal and State Law prohibit discrimination on the basis of age, sex, race, national or ethnic origin, handicap or familial status. City of Dalton is committed to serving its community without discrimination, and will comply with all rules and regulations regarding Fair Housing, Equal Opportunity, and Minority and Small Business Participation. The following data is for statistical purposes only and will not be used by any local, state or federal agency in making decisions regarding assistance.

Sex of Head of Household: ☐ Male ☐ Female

Age of Head of Household: _____ years of age

Is any member of household handicapped?

☐ Yes

☐ No

Is any member of household disabled?

☐ Yes

☐ No

Please sign, date and return to:

City of Dalton
Attention: CDBG Home Repair Program
300 W. Waugh St.
Dalton, GA 30720

Applications will be reviewed for program eligibility on a first received basis. Applications not funded through this program will be added to the City of Dalton waiting list, which is based on first come first served basis, so submit your fully completed application as soon as possible.

Required Documentation Checklist

The following documents must be submitted with your application as outlined in the Rehabilitation Handbook, Section H:

Provided Yes or No in space provide by each item below. If answer is No, please provide reason.

- _____ 1. A signed copy of your **2024** Federal Income Tax Return with all applicable schedules including W-2's, 1099's, etc.
- _____ 2. Copy of **all household members** social security cards (SSN), State issued Identifications/drivers license, birth certificates, or green cards providing proof that all household members are U.S. citizens or resident aliens.
- _____ 3. Two (2) months of consecutive payroll stubs for current year – showing year-to-date earnings and rate of pay.
- _____ 4. Proof of any other income (including but not limited to **2025** social security statement from the Social Security Administration, annual SSI statement, statements for pensions, unemployment benefits, welfare, child support, alimony, etc.).
- _____ 5. The deed or recorded life use document to your property.
- _____ 6. Latest property tax bill with proof of payment. Property taxes **must** be current.
- _____ 7. Proof of homeowner's insurance. Insurance **must** be current.
- _____ 8. Two (2) consecutive months of bank statements for all checking and savings accounts and proof of all asset income for all household members.
- _____ 9. Current mortgage or home equity line of credit statement, if applicable.
- _____ 10. Conflict of interest certification.

City of Dalton
Community Development Block Grant Program
Conflict of Interest Certification

I (we) _____, hereby certify, under penalty of perjury that I (we)
Print Applicant(s) Name

Do _____ or Do Not _____ have a relationship (by blood, marriage, or business) with any of the following:**

City of Dalton City Council

City of Dalton Employees

Grant Administrator/Administrative Staff

Please describe any relationships, or circumstances that you believe could contribute to a conflict of interest:

1. _____
2. _____
3. _____
4. _____

Applicant Signature: _____

Co-Applicant Signature: _____

**Please note that if you do have a relationship with any of the identified parties, this does not automatically disqualify you from participation in the program. It means that the relationship must be openly disclosed and documented in the file to avoid the appearance of impropriety.

Additional Insurance Requirements based on type of service:

Type of Service	Additional Insurance Requirements
Asbestos Abatement	Contractor's Pollution Liability (w/ 1 year extended reporting period) 0 Each Occurrence \$3,000,000
Building Remodeling & Construction: (This includes all aspects of building work, including, but not limited to: ducts, electrical, HVAC, painting, plumbing, roofing, etc. *The City of Dalton must be listed as an additional insured on contracts of this type*	For Renovations: Property Coverage or Builders Risk Policy- equal to or greater than the existing building value For New Construction: Property Coverage or Builders Risk Policy - equal to or greater than the total cost of construction per contract For Mixed Renovation and New Construction: Property Coverage or Builders Risk Policy - equal to or greater than the existing building value being renovated plus the total cost of new construction per contract If hazardous substances are involved: Contractor's Pollution Liability W/ 1 year extended reporting period) 0 Each Occurrence \$1,000,000 0 Aggregate \$2,000,000
Landscaping & Lawn Care: (If herbicide, fungicide, pesticide or other chemical application is involved)	Environmental Impairment Liability (w/ 1 year extended reporting period) 0 Each Occurrence \$1,000,000 0 Aggregate \$2,000,000
Pest Control	Environmental Impairment Liability (w/ 1 year extended reporting period) 0 Each Occurrence \$1,000,000 0 Aggregate \$2,000,000
Refuse Transportation & Disposal	Contractor's Pollution Liability (w/ 1 year extended reporting period) 0 Each Occurrence \$1,000,000 0 Aggregate \$2,000,000
Transportation - this applies primarily to the transport of people	Automobile Liability-seating capacity of 15 or less 0 Combined Single Limit \$3,000,000 Automobile Liability-seating capacity greater than 15 0 Combined Single Limit \$5,000,000