



TOWNSHIP OF NORTH BRUNSWICK COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

INCOME & FUNDING GUIDELINES

The Community Development Block Grant Program (CDBG) provides deferred loans to pay for renovations of single-family owner-occupied dwelling units that are occupied by lower-income households.

A low- and moderate-income household is defined as a household in which the total income of all of the household members is equal to or less than the Section 8 Housing Assistance Payments Program low-income limit established by HUD for an equivalent sized family.

A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, or any other group of related or unrelated persons who share living arrangements.

Funding is provided as a five (5) year deferred loan. This means that 20% of the loan amount is forgiven each year, so that if the owner continues to own and occupy the property for five years, the entire amount of the loan is forgiven.

The deferred loan is secured by a mortgage and mortgage note. An exception is for manufactured homes located in the Deer Brook Village development, where properties are secured by a UCC Financing Statement a security agreement.

The maximum amount of the deferred loan that can be provided per household is \$10,000. The program will cover 100% of the cost of labor, materials, supplies and other expenses required for the rehabilitation of property if the work does not exceed the \$10,000 limit.

All rehabilitation work must be performed by contractors approved by the Administrative Agent and no work performed by a property owner will be funded.

ELIGIBLE PROPERTY IMPROVEMENTS

CDBG funds may be used only for repairs or system replacements necessary to bring a substandard unit into compliance with municipal health, safety, and building codes, to correct code violations, or to eliminate a blighting influence in an existing neighborhood. At least one major system must be replaced or included in the repairs, which include one of the following:

1. Roof.
2. Windows.
3. Siding.
4. Entryway steps.
5. Load-bearing structural systems.
6. Heating.
7. Electrical.
8. Sanitary plumbing.
9. Lead paint abatement.

Additional related work may include, but not be limited to the following:

1. Interior trim work.
2. Interior and/or exterior doors.
3. Interior stair repair.
4. Wall surface repair.
5. ADA improvements.
6. Weatherization.

INELIGIBLE PROPERTY IMPROVEMENTS

Rehabilitation does not include:

1. Additions to a primary unit.
2. Construction or repairs to structures separate from the living units (detached garage, shed, barn, etc.)
3. Installation of luxury items (swimming pool, etc).
4. Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as a window air conditioner or washer and dryer. (If determined unsafe, stoves may be replaced. The replacement or repair of other appliances is prohibited.)
5. Cosmetic improvements, landscaping.
6. Labor costs for homeowners to rehabilitate their own property.