


CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 900-18	HISTORY	
	DATE: March 15, 1988	FILE #	DATE
	FILE NUMBER: 49587	63297	4/29/97
	DEPARTMENT: NEIGHBORHOOD IMPROVEMENT		

SUBJECT: LOANS FOR EXTERIOR REPAIRS, COURT-ORDERED REPAIR OF DWELLINGS AND PERSONAL REPRESENTATIVES

PURPOSE: To provide loans to dwelling owners lacking other resources to correct exterior conditions which are a hazard or which adversely affect property enjoyment rights of adjacent properties; funds to contractors and receivers appointed by the Courts for the repair and maintenance of dilapidated properties; and aid for Court appointed personal representatives.

POLICY:

The City of Grand Rapids will carry out the purpose of this Policy under the following rules:

I. REPAIR AID FOR OWNERS

- A. Repair Aid Eligibility: The owner of a fire-damaged dwelling or a blighted vacant dwelling may apply for a short-term loan of up to \$3,000 to repair the exterior of a dwelling if:
1. Insurance funds are unavailable or are inadequate to make full exterior repairs.
 2. The owner has been denied a commercial bank home improvement loan and does not qualify for either a State or City home repair loan.
 3. The dwelling has either: been fire-damaged; been ordered repaired by the Court; or has been identified by the City on a list of problem properties having deteriorated exteriors adversely affecting the desirability of immediate surrounding properties.

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4. Each intended repair is described on a Work Specification List and is related to a cost estimate and to the method to be used to make the repair.
- B. Approval of Repair Aid: The City may approve a short-term loan of up to \$3,000 to make all or a portion of the specified exterior repairs if the application meets above-mentioned requirements and if:
1. The City finds that the health, safety and/or enjoyment of property rights of adjacent properties will be threatened if prompt exterior repairs are not made.
 2. The City finds that the proposed method of making the approved repairs will result in quality work accomplished in a timely manner.
 3. The City stipulates which of the described repairs are to be made from approved funds so as to repair only those features which most adversely affect the desirability of nearby properties and adversely distinguish the dwelling from others in the immediate block. The City may require repairs or repair methods other than those proposed by the applicant.
- C. Mortgage Execution: Upon approval of a Work Specification List, the loan recipient shall execute a promissory note and mortgage for the agreed cost of repairs. The note and mortgage shall include the following conditions:
1. The time shall be stated by which all approved repairs set forth on an attached Work Specification List are to be completed.
 2. A stipulation shall be included that the City may engage Contractors to complete any approved repairs should the owner fail to complete them within the agreed time limit, and that the cost of such repairs undertaken by the City shall be paid from any remaining portion of the approved loan funds.
 3. Interest at the rate of eleven percent (11%) per annum, computed monthly.
 4. Funds disbursed to an owner shall be due and payable in full to the City upon the sale of the property, but no later than thirty-six months after completion of the repairs, or as otherwise approved by the Court. Delinquent accounts shall be forwarded to the Delinquency Control Committee.

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- D. Mortgage Recorded: The City shall record the mortgage and promissory note with the Kent County Register of Deeds.
- E. Disbursement of Funds: The City shall disburse funds to the owner and/or agent of the owner in accordance with established procedures of the City housing rehabilitation program.
- F. Financial Aid for Abandoned Dwellings: The City may approve temporary funding for exterior repairs of City-owned dwellings and dwellings which have titles transferred to the State of Michigan for non-payment of taxes. The cost of repairs to any City or title-transferred property shall be repaid to the City upon transfer of ownership to a private party.

II. REPAIR AID FOR COURT-ORDERED REPAIRS

- A. Repair Aid Eligibility: Upon order of the Court, the City Commission may provide up to \$15,000 to be used to make Court-ordered repairs or to provide other services directed by the Court, or determined appropriate by the City.
- B. Services Agreement: An Agreement between the City and a contractor or receiver shall specify services to be rendered and disbursement arrangements.
- C. Lien: The loan shall be secured by a mortgage on the property to be repaired and a Promissory Note executed by the property owner or the receiver.
- D. Repayment: Funds disbursed to a Court-appointed contractor or receiver shall be due and payable in full to the City by the owner of the property placed in receivership within one year of the completion of repairs and services, or as otherwise approved by the Court. Delinquent accounts shall be forwarded to the Delinquency Control Committee.
- E. Interest: Repayment to the City shall include interest at the rate of eleven percent (11%) per annum, computed monthly.

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III. AID FOR COURT APPOINTED PERSONAL REPRESENTATIVES

- A. Repair Aid Eligibility: Upon appointment of a Personal Representative by the Probate Court, following a petition by the City Attorney, the City may provide a loan of up to \$5,000 to be used to make repairs and provide for payment of other expenses associated with the holding of such real property, where Housing Code violations are present, until sale or other transfer to a party who will rehabilitate the property.
- B. Services Agreement: An Agreement between the City and the Court-appointed Personal Representative shall specify services to be rendered and disbursement arrangements.
- C. Lien: A non-recourse Promissory Note shall be executed by the Personal Representative and the loan shall be secured by a mortgage on the property.
- D. Repayment: Funds disbursed to a Court-appointed Personal Representative shall be due and payable in full to the City upon sale of the property, but no later than one year after completion of the repairs and services, or as otherwise approved by the Court. Delinquent accounts shall be forwarded to the Delinquency Control Committee.
- E. Interest: Repayment to the City shall include interest at the rate of seven percent (7%) per annum, computed monthly.