



# City of Newark

Department of Development

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Mayor

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## SIDEWALK REPLACEMENT PROGRAM

### Program Overview

In an effort to meet the needs of low- to moderate-income homeowners and landlords who provide housing to low-to moderate-income individuals within the City of Newark, the Development Department will administer a Sidewalk Replacement Program.

The purpose of the program is to provide sidewalk replacement assistance to eligible low- to moderate-income homeowners and landlords who are in violation of Section 660.05 of the Newark Codified Ordinance which requires property owners to keep sidewalks in repair and free from nuisance. The funding source for the program will be the Community Development Block Grant (CDBG) Program.

### Eligibility Guidelines

Eligible projects must be either owner-occupied or rental properties as defined by 24 CFR 92.2 & 92.254(b) 2 & (c) and be within the city limits of the City of Newark.

Mobile homes are not eligible for this program unless they are titled as real estate, set on a permanent foundation and the mobile home owner owns the land under the mobile home.

Land contract agreements are not eligible for this program.

Eligible applicants will be limited to households with total household incomes at or below 80% of the current Columbus MSA area median income as defined by HUD or landlords who provide housing to individuals who meet the current income guidelines. Household is defined as all people occupying the home as their permanent residence, whether related or not. College age children, who reside at a college, can be included if counted as a dependent on the federal tax returns of the applicant.

Income of applicants will be verified by Department of Development staff and will be limited to those households with total household incomes at or below 80% of the current Columbus MSA area median income guidelines as defined by HUD.

| FY2018 CDBG Income Limits (effective June 1, 2018) |                    |                    |                    |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Household Size:                                    | 1 Person Household | 2 Person Household | 3 Person Household | 4 Person Household | 5 Person Household | 6 Person Household | 7 Person Household | 8 Person Household |
| Gross Income must be less than*:                   | \$42,800           | \$48,900           | \$55,000           | \$61,100           | \$66,000           | \$70,900           | \$75,800           | \$80,700           |

\*Gross income is calculated based on the tenant's income for rental units.

Verification in the form of an inspection to determine the degree of the deficiency shall be conducted prior to the approval of funds. The City of Newark will make every possible effort to conduct this inspection within three (3) business days after approval of the application.

## **Limits of Assistance**

A maximum amount of \$3,000 will be expended for sidewalk replacements unless the property is located on a corner lot and then the maximum amount will be adjusted to \$6,000. Property owners that must remove a tree will be eligible to receive an additional \$500. The combined cost for the sidewalk repair and tree removal cannot exceed \$3,500 or \$7,000 for corner properties. The limit may be increased on a case-by-case basis with written approval of the Department of Development Director, if circumstances warrant the need for additional funds to meet the program objectives.

## **Application Procedure**

An application for the City of Newark's Sidewalk Replacement Program must be completed at the time the request for assistance is made. Incomplete applications will not be considered for assistance.

Verification of the following will be made for owner occupied properties:

- ❖ Income
- ❖ Composition of Household
- ❖ Ownership of property
- ❖ Mortgage verification – not delinquent
- ❖ Property taxes are paid – not delinquent
- ❖ Hazard Insurance

Verification of the following will be made for rental properties:

- ❖ Income of tenants
- ❖ Composition of Household of Tenants
- ❖ Ownership of property
- ❖ Mortgage verification – not delinquent
- ❖ Property taxes are paid – not delinquent
- ❖ Hazard Insurance

Once it has been determined that a sidewalk replacement is warranted and the application process has been completed, bid specifications and a cost estimate will be written and generated by the Department of Development staff.

## **Standard Streamlined Procedure For Procurement**

Under the “streamlined” approach, where the property owner is the procuring party, in order to ensure cost effective, timely, and quality work, the city may provide technical assistance services to the property owner. The property owner must request the city’s technical assistance services in writing. The request should be made at the time of application submission or soon thereafter. The technical assistance that the city program may provide is limited to the following actions:

1. The sidewalk must be inspected by the Housing Rehabilitation Specialist to verify the nature of the problem and to determine that a sidewalk replacement as outlined in the program guidelines is warranted.
2. The scope of work and staff cost estimate will be prepared shortly after the initial inspection.

3. The property owner will review and approve the scope of work and the cost estimate.
4. The Housing Rehabilitation Specialist will provide the property owner with a list of approved contractors registered with the program for consideration of bidders to select from. The owner will then select the contractors from the pre-qualified contractor list that they wish to have bid on the work. (A homeowner may request a contractor that is not on the list but they must also supply contact information for this contractor and the contractor must fill out an application form and meet all other program requirements before a bid may be accepted from that contractor). Bids should be solicited from at least three contractors.
5. The Housing Rehabilitation Specialist will then send the written bid package to the contractors listed by the homeowner; these may be mailed, e-mailed or faxed. The bid package will contain a description of the work and the date of a job review, if one is to be held, and the date and time that the bids are due back to the City of Newark Development Office for the bid opening.
6. All bids must be received at the City of Newark Development Office at or before the time due for the bid opening. The bid opening will be conducted during normal business hours and all interested parties, including the homeowner and contractors, are encouraged to attend.
7. At a minimum, the following documentation must be maintained for each bid opening: the date, time and location of the bid opening, the names and positions of each attendee, the name of each contractor that submitted a bid, the name of each contractor that did not submit a bid, the results of the bid analysis, and a cost-based ranking of the bids. Each bid must be dated and its receipt documented.
8. After the bid opening, the Housing Rehabilitation Specialist will thoroughly review each bid for responsiveness to the solicitation and for accuracy. The Housing Rehabilitation Specialist will then review the bids with the homeowner and point out to the homeowner any discrepancies found during the review of the bids.
9. The property owner must abide by the program rules established for the acceptance of the lowest and most responsible bid submitted by a qualified, responsible contractor. The property owner must also abide by the program rules established for the selection of a qualified contractors bid acceptance as listed in the program manual.
10. Evidence of the homeowner's participation in the bid review and evaluation process including the contractor selection must be maintained in the project file.
11. A copy of the scope of work and the contract (and other accompanying contract documents) must be provided to the contractor and the homeowner. Note that no work can begin until the contract (and other accompanying contract documents) are signed.
12. All other inspection, payment and file documentation requirements outlined in the program procedure manual must be met.

## **Finance Mechanism**

For sidewalk replacement projects where the recipient of funds is an owner-occupant unit the property owner shall receive a loan from the City equal to the cost of replacement. Repayment of the loan shall be secured by a mortgage lien against the assisted property and the signing of a promissory note.

The loan between the property owner(s) and the City of Newark shall be structured as to where one-third (1/3) of the principal amount of the Mortgage will be reduced on the anniversary date for three consecutive years of the completion of the Sidewalk Replacement and no payments are required, providing the Owner has met the terms of the Loan Agreement. However, in the event that the property which is pledged as security for the Note is sold, transferred, or in the event of the demise of the customer, the entire unpaid principal together with a zero percent (0%) interest shall immediately become due and payable

For sidewalk replacement projects where the recipient of funds is a rental unit the property owner shall receive a loan from the City equal to the cost of replacement. Repayment of the loan shall be secured by a mortgage lien against the assisted property and the signing of a promissory note.

The loan between the property owner(s) and the City of Newark shall be structured as to where the borrower(s) are required to make monthly payments for 50% of the principal. Payments are due and payable on the 1<sup>st</sup> of each month starting at 6 months after the date of the loan closing. The remaining 50% of the beginning principal will reduce by one-third (1/3) on the anniversary date of the completion of the Sidewalk Replacement and no payments are required on this 50%, providing the Owner has met the terms of the Loan Agreement. However, in the event that the property which is pledged as security for the Note is sold, transferred, or in the event of the demise of the customer, the entire unpaid principal together with a zero percent (0%) interest shall immediately become due and payable.

Prepayment may occur at the discretion of the home owner(s) at any time throughout the term of the loan with no penalty.

The structure of each individual loan may be modified by the Director of the Department based on the individual circumstances of the applicant.

For sidewalk replacement projects where the recipient of funds is an owner-occupant unit if the homeowner(s) ceases to occupy the subject property as his or her principal place of residence for any reason, including death, then the full amount of the principal together with interest shall become immediately due and payable. It is the obligation of the homeowner [or in the event of death, the personal representative's, heir's, and/or fiduciary's obligation] to notify the City of Newark of a change in ownership of the property.

## **Replacement Standards**

Standards established under the City of Newark Property Maintenance Code and local Residential Building Code shall be utilized to identify and address the deficiencies for which corrective action is to be taken.

All corrective measures must comply with the sidewalk replacement and elevation standards of the Newark City Engineer.

## **Record keeping**

The City of Newark will maintain records on both an administrative and client basis.

Administrative files will contain at a minimum:

- ❖ Requisition/Purchase Orders for services.
- ❖ Copies of expenditures (invoices).
- ❖ Pay-ins to the Revolving Loan Fund.

Client files will contain at a minimum:

- ❖ Original application for assistance under the Sidewalk Replacement Program.
- ❖ Verifications pertaining to client income.
- ❖ Verification of ownership, amount of equity, and appraisal (if necessary).
- ❖ Original inspection of the subject property conducted by the Housing Rehabilitation Specialist.
- ❖ Bidding Specifications.
- ❖ Proposals / Bids from contractors.
- ❖ Final Inspection of property.

## **For further information**

Please contact:

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