

HOUSING FUNDING

More funds available for housing rehab

By Dennis Pelham
Daily Telegraph Staff Writer

ADRIAN — Rule changes in a federally-funded program are allowing more grant money to go into housing rehabilitation projects in Lenawee County, said a Community Action Agency official.

CAA is getting close to putting all the county's Community Development Block Grant funds into home repair projects before an August expiration date, said Burt Fenby of the CAA office in Adrian. He updated county commissioners on the program at a human services committee meeting Wednesday.

A total of \$204,121 has already gone into 21 projects, he reported, leaving \$41,879 in grant funds still available. Half the grant money is required to be spent in a targeted area of the cities of Adrian and Morenci and village of Blissfield. Seven projects have been approved in Adrian and two in Blissfield. Outside the targeted area, projects have been in Adrian, Blissfield, Dover, Madison, Rome and Woodstock townships and the city of Tecumseh.

In the last grant cycle, unexpected income from homeowners repaying past rehabilitation loans prevented CAA from using all the grant money available. Most homeowners in the program repay the loans only when they sell the property.

In the past, program rules required any repayment revenue in excess of \$2,500 be spent before grant money was allocated to new rehabilitation projects, Fenby said. A rule change raised the revenue limit to \$35,000, he said.

CAA has collected about \$21,000 in repayments this cycle, he said. That money can now go into other housing projects approved by the Michigan State Housing Development Authority, he said, including partnership projects with Habitat for Humanity.

Also, the Lenawee County Commission loosened eligibility rules last year to allow homeowners who owe more in mortgage debt than their homes are currently worth to qualify. They have to be current on mortgage and tax payments, he said.

Fenby said increasing the pool of potential participants is a benefit. He did not have figures available on loans given to underwater homeowners.

Applications for rehabilitation and emergency repair loans will be taken beyond the August expira-

tion of the current grant cycle, Fenby said, so a pool of applications will be ready for the next grant cycle.

"We would talk to anyone we can about it," Fenby said.

Rehabilitation loans can be as much as \$35,000. Applicants must earn 80 percent or less of the area median income to be eligible for a loan requiring monthly payments at no interest on half the loan amount over 15 years. Families earning less than 60 percent of median family income make no monthly payments.

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