# **CITY OF KINGSTON**Office of Housing Initiatives

Bartek Starodaj, Director



Steven T. Noble, Mayor

# City of Kingston Downtown Revitalization Initiative Residential Rehabilitation Program

The City of Kingston is proud to use a portion of its <u>Downtown Revitalization Initiative</u> funds to help eligible residential property owners undertake minor to substantial repairs to resolve building code violations, address health and safety hazards, and make necessary structural improvements. The grant program will be administered via the Office of Housing Initiatives ("Housing Initiatives") in partnership with the Grants Management Department. The grant program requirements are summarized in Figure 1.

The Residential Rehabilitation Program will provide grants of up to \$40,000 each to incomeeligible owners of residential properties in the Uptown Stockade Business District of Kingston. This area is bounded by the Esopus Creek and Route I-587 to the north and east, St. James Street to the south, and Washington Avenue and Dietz Stadium to the west. View boundary map <a href="here">here</a>. Applicants who are unsure if their property falls within this map should email bstarodaj@kingston-ny.gov with the residential address.

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#### **Program Requirements**

The purpose of these funds is to assist income-eligible residential property owners undertake minor to substantial repairs to resolve building code violations, address health and safety hazards, and make necessary structural improvements.

- Award Amount: A minimum of \$20,000 and a maximum of \$40,000 will be available to
  each property owner. The property owner must contribute at least 25% of the total
  costs of the project through monetary investment or as evidenced by eligible expenses
  of more than \$500 for building improvements made within the twelve months prior to
  application submission.
- Match Requirement: Awardees must contribute a minimum of 25% of the project total. Match may be through monetary investment or as evidenced by eligible expenses of more than \$500 for building improvements made within the twelve months prior to application submission date.
- Eligible Applicants: Financial assistance will be available to low- and moderate-income property owners whose households are at or below 100% of the area median income ("AMI") for Kingston. Specifically, for an <u>owner-occupied unit</u>, the homeowner must be at or below 100% AMI. For a <u>non-owner-occupied rental unit</u>, that unit must be affordable to tenants whose households are at or below 80% AMI.
- Eligible use of funds: minor to substantial repairs in order to resolve building code violations, address health and safety hazards, and/or to make necessary structural improvements.
- Ineligible uses of funds: acquisition costs; new construction (including in-fill buildings); improvements to structures owned by religious or private membership-based organizations; or improvements to municipally owned and municipally operated buildings; furnishings, appliances, electronics, tools, disposable supplies, business equipment, and non-permanent fixtures. Funds may not be used for site work or ancillary activities on a property including but not limited to: septic systems/laterals, grading, parking lots, sidewalks, patios, new deck construction, garages, sheds, landscaping, fences, free standing signs, general maintenance or repairs.
- Form of Grant/Compliance Period: The value of the work funded by DRI Small Grants program will be provided to the property owner in the form of a forgivable grant; it will be forgiven, so long as the recipient remains the property owner (and, where applicable, maintains the affordability of the rental units) for at least three years. A mortgage lien will be placed on the property for the total amount of the grant award for a compliance period of three years. If the subject property is transferred or sold within those three years, the full amount of the investment must be repaid. If the property remains under

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the same ownership for the compliance period, a satisfaction of mortgage will be filed and the lien released at the end of three years.

- Disbursement Procedures: Funds will not be provided in advance. Once the project reaches substantial completion, the City will conduct an inspection to ensure work has been completed according to program requirements and will issue a punch list of remaining items to be completed. Funds will be disbursed from the City of Kingston directly to an appropriately procured construction contractor on a progress basis according to a schedule of values in a contract signed by the property owner, City of Kingston and procured contractor.
- **Environmental Testing:** Prior to the start of each rehabilitation, the property will be tested for potential environmental hazards.

#### Instructions for calculating project cost, grant amount request, and match amount.

Determine your total project cost. This is the total cost to complete your project, regardless of grant funding/match amounts. Include only items that are listed above under Expenses Eligible for Reimbursement or Match.

- 1) If the total project cost is more than \$53,333, your grant request could be up to \$40,000 and your match will be the difference.
- 2) If the total project cost is \$53,333 or less, multiply the total project cost by .75. That will be your grant request. The remainder (total project cost multiplied by .25) will be the match amount.
- 3) If the total project cost is less than \$26,667, your project is ineligible for this grant program.

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Maximum grant amount per	\$40,000			
property/property owner	340,000			
Minimum grant amount per	\$20,000			
property/property owner	720,000			
Total grant monies available	\$247,500			
Match requirement	25%*			
iviator requirement	*through monetary investment or as evidenced by			
	eligible expenses of more than \$500 for building			
	improvements made within the twelve months prior to			
	application submission date			
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Grant program type	Funds will be disbursed from the City of Kingston directly to an appropriately procured construction			
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	contractor on a progress basis according to a schedule			
	of values in a contract signed by the property owner,			
	City of Kingston and procured contractor.			
Application opens	Jul 10, 2023			
Application deadline	September 6, 2023 (2pm)			
Deadline to complete work and	June 30, 2024 (estimate)			
request reimbursement				
Property eligibility	Residential properties located in the Uptown Stockade			
	Business District ("USBD")			
	Note: residential units in mixed-use buildings are eligible			
	(e.g., an apartment located over a storefront)			
Affordability requirements	Owner-occupied unit: Homeowner must be at or			
	below 100% AMI (\$112, 400 for a family of four)			
	Non-owner occupied unit: Must be affordable to			
	tenants whose households are at or below 80%			
	AMI (see Figure 2)			
Affordability regulatory period	3 years*			
	*unit would have to remain owner-occupied for three			
	years OR			
	*unit would have to remain affordable at 80% AMI for			
	three years			

Figure 1–Summary of the City of Kingston DRI Residential Rehabilitation Application Requirements

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	1 person	2 person	3 person	4 person	5 person
Low Income					
(80% AMI)					
Maximum					
Rents	\$ 1,423	\$1,626	\$1,829	\$2,032	\$2,196
Low Income					
(80% AMI)					
Maximum					
Household					
Incomes	\$56,950	\$65,050	\$73,200	\$81,300	\$87,850
Owner-					
Occupied Unit					
Maximum					
Household					
Incomes					
(100% AMI)	\$78,700	\$89,900	\$101,200	\$112,400	\$121,400

Figure 2 – Maximum rents and maximum household income per 2023 U.S. Department of Housing and Urban Development figures. Rents are determined based on the applicable HUD income limits, including utilities.