WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1978

ENROLLED

SENATE BILL NO. 321

(By Mr. [Signature]

PASSED March 10, 1978

In Effect ninety days from Passage
ENROLLED

Senate Bill No. 321
(By Mr. Brotherton, Mr. President)

[Passed March 4, 1978; in effect ninety days from passage.]

AN ACT to amend and reenact article twenty-a, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to permitting counties as well as municipalities to establish neighborhood rehabilitation programs.

Be it enacted by the Legislature of West Virginia:

That article twenty-a, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 20A. NEIGHBORHOOD REHABILITATION.

§8-20A-1. Legislative findings and purpose.

1 (a) The Legislature hereby finds and declares that the lack of safe, decent, sanitary, and affordable dwellings is one of the most serious problems facing this state and that a major contributing factor to this problem is the deterioration of the state’s existing housing stock; that these deteriorating dwellings exist in both the urban and rural areas of the state; and that a disproportionate number of homeowners residing in these deteriorating dwellings are older, less affluent and otherwise less able to afford the expense of the remodeling, repairing and rehabilitating of their residences necessary to maintain such residences in a sanitary, safe and decent condition; that because of their lack of acceptable loan collateral, the age of their residences and the location and age of the neighborhoods in which their residences are located, many of such homeowners have not been able to borrow funds necessary to effect such remodeling, repair and rehabilitation; and that some of such homeowners who
have been able to obtain funds for such purposes have
been able to do so only upon rates of interest and upon
other terms and conditions which are particularly onerous
to such homeowners.

(b) The Legislature further finds and declares that the
assistance authorized in this article will provide, and
will encourage private lenders to provide, to such home-
owners, more readily and at rates of interest and upon
other terms and conditions significantly more favorable
to such homeowners, the loans necessary to finance the
cost of such remodeling, repair and rehabilitation.

(c) The Legislature further finds and declares that
the powers granted to municipalities and counties in
this article will enable them to maximize the use of
federal programs for housing rehabilitation.

(d) The Legislature further finds and declares that
it is manifestly in the public interest to foster the pride,
self-respect and esteem incident to home ownership and
to encourage and assist in the maintenance of residences
in a safe, decent and sanitary condition; that without the
assistance authorized in this article, there will be con-
tinued deterioration of housing with the resultant prolif-
eration of slums, higher crime rates and general decline
in civic pride, public spirit and the quality of life, with
all of the public cost, direct and indirect, attendant there-
on; and that accordingly by providing such assistance, any
municipality or county will be acting in all respects for
the benefit of the people of the state of West Virginia
and shall thereby serve a public purpose in improving
and otherwise promoting their health, welfare and pros-
perity.


1 As used in this article, unless the context otherwise
requires:

3 (1) “Eligible dwelling” means real estate upon which
there is located a structure designed primarily for resi-
dential housing and consisting of dwelling units for not
more than four families: Provided, That all occupancy
(2) "Eligible resident" means a person or family residing in an eligible dwelling owned by such person or family situate within the boundaries of a municipality or county, irrespective of race, creed, national origin or sex, with respect to whom it is determined by the governing body of such municipality or county that (a) such person or family because of financial condition, age, infirmity, family size or other reasons, is unable to obtain, on suitable terms and condition, loans or other credit necessary for the rehabilitation of such eligible dwelling, and hence requires the assistance as provided in this article, (b) such rehabilitation is necessary to place such eligible dwelling in a safe, sanitary and decent condition, and (c) the assistance as authorized in this article shall make financing available to such person or family, or enable such person or family to obtain such financing on terms and conditions substantially more favorable to such person or family than would otherwise be available.

(3) "Rehabilitation" means a specific work of improvement within a municipality or county undertaken primarily to remodel, repair or rehabilitate an eligible dwelling occupied by an eligible resident as his principal residence.


(a) Any municipality or county shall have plenary power and authority, by charter provision, ordinance or resolution, to establish a special fund of moneys made available by appropriation, grant, contribution, loan or otherwise, to be known as the neighborhood rehabilitation fund of such municipality or county, to be governed, administered and accounted for by the governing body of such municipality or county, as a special purpose account, separate and distinct from any other moneys, fund or funds owned by such municipality or county.

(b) The governing body of any municipality or county may, from time to time, by resolution, establish criteria
which shall govern the determination of persons and families who qualify as eligible residents.

(c) The purpose of such neighborhood rehabilitation fund shall be to provide funds for the making of grants and loans, or to guarantee the repayment of loans made by private lenders, to eligible residents of such municipality or county, the proceeds of which loans are to be used exclusively for rehabilitation.

(d) Such loans shall be made or guaranteed and grants made only upon determination by the governing body of such municipality or county, or by a board or commission appointed for such purpose by such governing body, that the recipients are eligible residents, that the proceeds of the loan or grant shall be used for rehabilitation and that loans or grants to such eligible recipients for rehabilitation are not otherwise available upon reasonably equivalent terms and conditions.

(e) No loan shall be made or guaranteed by such municipality or county except in accordance with a written agreement between such municipality or county, the eligible resident and in the case of a guaranteed loan the lender making such loan, which agreement shall provide, without limitation, that:

(1) The proceeds of such loan shall be used exclusively for rehabilitation;

(2) The loan shall be in such principal amount, repayable in such number of consecutive and substantially equal monthly installments at such annual rate of interest and shall be secured in such manner as specified in such agreement;

(3) In the case of a guaranteed loan, such municipality or county shall be obligated to repay, from the neighborhood rehabilitation fund established in accordance with this article, any installment or installments of such loan as shall be in default from time to time in accordance with the provisions of such agreement;

(4) In the event an eligible resident defaults on such loan made by such municipality or county, or in the
event such municipality or county incurs an obligation
on a guaranteed loan such municipality or county shall
be entitled, at its option, to realize on any and all security
for said loan: Provided, That the right of such munici-
plity or county to realize on such security with respect
to a guaranteed loan shall be subordinate and secondary
to the right of the lender as to such security, to the
extent of the unpaid balance of such loan.

(f) Nothing in this article contained shall be so con-
strued as to authorize any municipality or county to
make any contract or incur any obligation or liability
of any kind or nature, except such as shall be discharged
or payable solely from the funds on deposit in such
neighborhood rehabilitation fund.

§8-20A-4. Inspection and technical assistance.

1 In addition to all other powers and rights of a munici-
pality or county, any municipality or county shall have
plenary power and authority, at the request of eligible
residents, to inspect the residences of such eligible resi-
dents, to make recommendations concerning rehabilita-
tion and to provide all manner of technical services and
assistance in the planning, processing and design of
needed rehabilitation.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James L. Davis  
Chairman Senate Committee

Clarence L. Christie Jr.  
Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

J. W. Wesson Jr.  
Clerk of the Senate

W. F. Blankenship  
P.E. Blankenship  
Clerk of the House of Delegates

W. F. Booth Jr.  
President of the Senate

Donald L. Hoop  
Speaker House of Delegates

The within was approved this the 30th day of March, 1978.

John J. Bullock  
Governor