

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1978



ENROLLED

SENATE BILL NO. 321

(By Mr. Bro Herton, Mr. President.)



PASSED March 10, 1978

In Effect ninety days from Passage



no. 321

ENROLLED

Senate Bill No. 321

(By MR. BROTHERTON, MR. PRESIDENT)

[Passed March 18, 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
2 lack of safe, decent, sanitary, and affordable dwellings
3 is one of the most serious problems facing this state and
4 that a major contributing factor to this problem is the
5 deterioration of the state's existing housing stock; that
6 these deteriorating dwellings exist in both the urban
7 and rural areas of the state; and that a disproportionate
8 number of homeowners residing in these deteriorating
9 dwellings are older, less affluent and otherwise less able
10 to afford the expense of the remodeling, repairing and
11 rehabilitating of their residences necessary to maintain
12 such residences in a sanitary, safe and decent condition;
13 that because of their lack of acceptable loan collateral,
14 the age of their residences and the location and age
15 of the neighborhoods in which their residences are located,
16 many of such homeowners have not been able to borrow
17 funds necessary to effect such remodeling, repair and
18 rehabilitation; and that some of such homeowners who

19 have been able to obtain funds for such purposes have
20 been able to do so only upon rates of interest and upon
21 other terms and conditions which are particularly onerous
22 to such homeowners.

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

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

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

§8-20A-2. Definitions.

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

3 (1) "Eligible dwelling" means real estate upon which
4 there is located a structure designed primarily for resi-
5 dential housing and consisting of dwelling units for not
6 more than four families: *Provided*, That all occupancy

7 thereof shall be limited to persons and families who
8 would qualify as eligible residents.

9 (2) "Eligible resident" means a person or family re-
10 siding in an eligible dwelling owned by such person or
11 family situate within the boundaries of a municipality
12 or county, irrespective of race, creed, national origin
13 or sex, with respect to whom it is determined by the
14 governing body of such municipality or county that (a)
15 such person or family because of financial condition, age,
16 infirmity, family size or other reasons, is unable to obtain,
17 on suitable terms and condition, loans or other credit
18 necessary for the rehabilitation of such eligible dwelling,
19 and hence requires the assistance as provided in this
20 article, (b) such rehabilitation is necessary to place
21 such eligible dwelling in a safe, sanitary and decent
22 condition, and (c) the assistance as authorized in this
23 article shall make financing available to such person
24 or family, or enable such person or family to obtain
25 such financing on terms and conditions substantially more
26 favorable to such person or family than would otherwise
27 be available.

28 (3) "Rehabilitation" means a specific work of improve-
29 ment within a municipality or county undertaken pri-
30 marily to remodel, repair or rehabilitate an eligible
31 dwelling occupied by an eligible resident as his principal
32 residence.

§8-20A-3. Neighborhood rehabilitation fund.

1 (a) Any municipality or county shall have plenary
2 power and authority, by charter provision, ordinance or
3 resolution, to establish a special fund of moneys made
4 available by appropriation, grant, contribution, loan or
5 otherwise, to be known as the neighborhood rehabilita-
6 tion fund of such municipality or county, to be governed,
7 administered and accounted for by the governing body
8 of such municipality or county, as a special purpose
9 account, separate and distinct from any other moneys,
10 fund or funds owned by such municipality or county.

11 (b) The governing body of any municipality or county
12 may, from time to time, by resolution, establish criteria

13 which shall govern the determination of persons and
14 families who qualify as eligible residents.

15 (c) The purpose of such neighborhood rehabilitation
16 fund shall be to provide funds for the making of grants
17 and loans, or to guarantee the repayment of loans made
18 by private lenders, to eligible residents of such munici-
19 pality or county, the proceeds of which loans are to be
20 used exclusively for rehabilitation.

21 (d) Such loans shall be made or guaranteed and grants
22 made only upon determination by the governing body
23 of such municipality or county, or by a board or com-
24 mission appointed for such purpose by such governing
25 body, that the recipients are eligible residents, that the
26 proceeds of the loan or grant shall be used for rehabilita-
27 tion and that loans or grants to such eligible recipients for
28 rehabilitation are not otherwise available upon reasonably
29 equivalent terms and conditions.

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

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

38 (2) The loan shall be in such principal amount, repay-
39 able in such number of consecutive and substantially
40 equal monthly installments at such annual rate of interest
41 and shall be secured in such manner as specified in such
42 agreement;

43 (3) In the case of a guaranteed loan, such municipality
44 or county shall be obligated to repay, from the neighbor-
45 hood rehabilitation fund established in accordance with
46 this article, any installment or installments of such loan
47 as shall be in default from time to time in accordance
48 with the provisions of such agreement;

49 (4) In the event an eligible resident defaults on such
50 loan made by such municipality or county, or in the

51 event such municipality or county incurs an obligation
52 on a guaranteed loan such municipality or county shall
53 be entitled, at its option, to realize on any and all security
54 for said loan: *Provided*, That the right of such municipal-
55 ity or county to realize on such security with respect
56 to a guaranteed loan shall be subordinate and secondary
57 to the right of the lender as to such security, to the
58 extent of the unpaid balance of such loan.

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

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

1 In addition to all other powers and rights of a munici-
2 pality or county, any municipality or county shall have
3 plenary power and authority, at the request of eligible
4 residents, to inspect the residences of such eligible resi-
5 dents, to make recommendations concerning rehabilita-
6 tion and to provide all manner of technical services and
7 assistance in the planning, processing and design of
8 needed rehabilitation.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James L. Davis
Chairman Senate Committee

Clarence C. Houston Jr.
Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

J. Chillon, Jr.
Clerk of the Senate

V. Blankenship
Clerk of the House of Delegates

W. T. Bratherton Jr.
President of the Senate

Donald L. Kopp
Speaker House of Delegates

The within is appended this the 30
day of March, 1978.

John J. Belcher
Governor



RECEIVED

MAR 17 11 02 AM '78
OFFICE OF THE GOVERNOR

APPROVED AND SIGNED BY THE GOVERNOR

Date Mar. 30, 1978
Time 8:35 A.M.

RECEIVED

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OFFICE
SECRETARY OF STATE