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OFFICE OF THE GOVERNOR

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1983

— ● —

ENROLLED

HOUSE BILL No. 1860

(By Mr. Minard + Mr. Delifano)

— ● —

Passed March 12, 1983

In Effect Ninety Days From Passage



No: 1860

ENROLLED

H. B. 1860

(By MR. MINARD and MR. SCHIFANO)

[Passed March 12, 1983; in effect ninety days from passage.]

AN ACT to amend and reenact sections one, two, three and four, article twenty-a, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to further amend said article by adding thereto a new section, designated section five, relating to neighborhood rehabilitation; the use of community development funds to provide loans and grants to persons qualified as living in owner-occupied, single family units within counties and municipalities; removing certain limitations by giving counties and municipalities the authority to provide loans and grants to the owners of rental units which are not necessarily owner-occupied and contain more than four units; and allowing deferred repayment of loans.

Be it enacted by the Legislature of West Virginia:

That sections one, two, three and four, article twenty-a, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that said article be further amended by adding thereto a new section, designated section five, all 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
- 2 of safe, decent, sanitary and affordable owner-occupied and

3 rental dwellings is one of the most serious problems facing
4 this state and that a major contributing factor to this problem
5 is the deterioration of the state's existing housing stock; that
6 these deteriorating dwellings exist in both the urban and rural
7 areas of the state; that a disproportionate number of
8 owners of these deteriorating dwellings are older, less affluent
9 and otherwise less able to afford the expense of the remodeling,
10 repairing and rehabilitating of their residences necessary to
11 maintain such residences in a sanitary, safe and decent condi-
12 tion; that because of the lack of acceptable loan collateral,
13 the age of their residences and the location and age of the
14 neighborhoods in which their residences are located, many of
15 such owners have not been able to borrow funds necessary
16 to effect such remodeling, repair and rehabilitation; and that
17 some of such homeowners who have been able to obtain
18 funds for such purposes have been able to do so only upon
19 rates of interest and upon other terms and conditions which
20 are particularly onerous and disadvantageous to such owners.

21 (b) The Legislature further finds and declares that the as-
22 sistance authorized in this article will provide, and will en-
23 courage private lenders to provide, to such owners, more read-
24 ily and at rates of interest and upon other terms and condi-
25 tions significantly more favorable to such owners, the loans
26 necessary to finance the cost of such remodeling, repair and
27 rehabilitation.

28 (c) The Legislature further finds and declares that the pow-
29 ers granted to municipalities and counties in this article will
30 enable them to maximize the use of federal programs for hous-
31 ing rehabilitation.

32 (d) The Legislature further finds and declares that it is
33 manifestly in the public interest to foster the pride, self-
34 respect and esteem incident to home ownership and to encour-
35 age and assist in the maintenance of residences, both owner
36 occupied and rental, in a safe, decent and sanitary condition;
37 that without the assistance authorized in this article, there will
38 be continued deterioration of housing with the resultant prolif-
39 eration of slums, higher crime rates and general decline in
40 civil pride, public spirit and the quality of life, with all of the

41 public cost, direct and indirect, attendant thereon; and that
42 accordingly by providing such assistance, any municipality or
43 county will be acting in all respect for the benefit of the
44 people of the state of West Virginia and shall thereby serve a
45 public purpose in improving and otherwise promoting their
46 health, welfare and prosperity. In order to carry out the general
47 purposes stated herein, the Legislature further declares that
48 the governing body of any county or municipality shall, inso-
49 far as it may deem reasonable and proper, give preference to
50 the rehabilitation of owner-occupied dwellings when making
51 grants or loans under this article.

§8-20A-2. Definitions.

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

2 (1) "Eligible dwelling" means real estate upon which there
3 is located a structure designed primarily for residential hous-
4 ing and consisting of dwelling units for not more than thirty
5 families: *Provided*, That all ownership thereof shall be limited
6 to persons who would qualify as eligible owners.

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

24 (3) "Rehabilitation" means a specific work of improvement
25 within a municipality or county undertaken primarily to re-
26 model, repair or rehabilitate an eligible dwelling.

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

1 (a) Any municipality or county shall have plenary power
2 and authority, by charter provision, ordinance or resolu-
3 tion, to establish a special fund of moneys made available by
4 appropriation, grant, contribution, loan or otherwise, to be
5 known as the neighborhood rehabilitation fund of such mu-
6 nicipality or county, to be governed, administered and ac-
7 counted for by the governing body of such municipality or
8 county, as a special purpose account, separate and distinct
9 from any other moneys, fund or funds owned by such
10 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 who qualify
14 as eligible owners and the amount of assistance to such
15 owners.

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

22 (d) Such loans shall be made or guaranteed and grants
23 made only upon determination by the governing body of such
24 municipality or county, or by a board or commission ap-
25 pointed for such purpose by such governing body, that the
26 recipients are eligible owners, that the proceeds of the loan
27 or grant shall be used for rehabilitation and that loans or
28 grants to such eligible recipients for rehabilitation are not
29 otherwise available upon reasonably equivalent terms and
30 conditions: *Provided*, That grants may be given only for the
31 rehabilitation of residences occupied by their owners.

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

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

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

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

50 (4) In the event an eligible owner defaults on such loan
51 made by such municipality or county, or in the event such
52 municipality or county incurs an obligation on a guaranteed
53 loan, such municipality or county shall be entitled, at its
54 option, to realize on any and all security for said loan:
55 *Provided*, That the right of such municipality or county to
56 realize on such security with respect to a guaranteed loan
57 shall be subordinate and secondary to the right of the lender
58 as to such security, to the extent of the unpaid balance of
59 such loan.

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

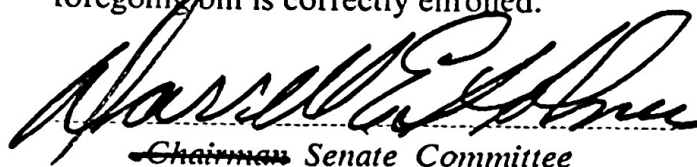
§8-20A-4. Inspection and technical assistance.

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

§8-20A-5. Deferral of repayment.

1 The governing body of a municipality or county may, at its
2 discretion, establish criteria for extreme hardship (by reason
3 of age, low income, disability or other factors) applicable to
4 an eligible owner, and which criteria will permit deferral of
5 repayment of a portion or of all the loan until a definite future
6 date, the death of the eligible owner or the sale of the "eligible
7 dwelling" to another owner, whichever occurs first. The eligi-
8 ble owner for the purposes of this section shall be interpreted
9 as the person in whom title of the property is vested or the
10 spouse of said eligible owner at the time the rehabilitation loan
11 or grant, or both, is provided.

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


~~Chairman~~ Senate Committee

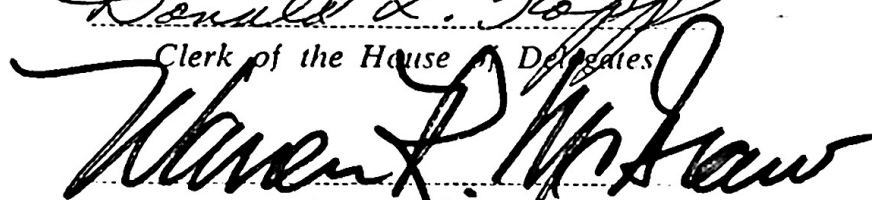

 Chairman House Committee

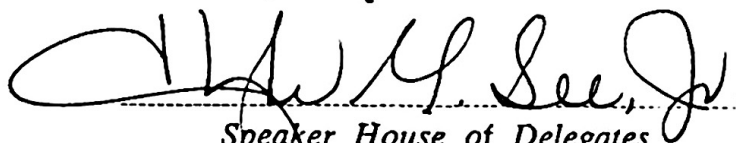
Originating in the House.

Takes effect ninety days from passage.

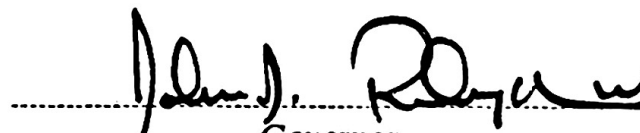

 Clerk of the Senate


 Clerk of the House of Delegates


 President of the Senate


 Speaker House of Delegates

The within is approved this the 29
 day of March, 1983.


 Governor

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