



OWNER OCCUPIED ASSISTANCE PROGRAM

PROGRAM GUIDELINES

Revised: September 2026

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

401 Main Street
Johnstown PA, 15901
814-539-2504 ext. 118

Funding for this program is limited, and assistance will be awarded based on the availability of funds. Applications will be reviewed and processed on a first-come, first-served basis; however, the Department reserves the right to prioritize applications based on documented emergency conditions or other circumstances deemed urgent by program staff.

In accordance with federal lead-based paint regulations, households with children aged six (6) and under may receive priority consideration for assistance.

To be eligible for consideration, all applications must be completed in full and submitted with all required supporting documentation. Incomplete applications or applications lacking required documentation will not be processed until all deficiencies have been resolved.

Applicants must have owned and continuously occupied the property as their primary residence for a minimum of one (1) year prior to applying for assistance through the City of Johnstown.

The City of Johnstown reserves the right to amend, modify, or discontinue program guidelines, eligibility requirements, and funding priorities at any time without prior notice.

Background:

The City of Johnstown has identified the need for owner-occupied housing rehabilitation assistance for very low-, low-, and moderate-income homeowners as a priority objective in its Five-Year Consolidated Plan. To address this need, the City has developed a housing rehabilitation program designed to assist income eligible owner-occupied homeowners with the repair and improvement of existing residential properties located within the City's corporate limits.

The City of Johnstown has received federal financial assistance from the U.S. Department of Housing and Urban Development (HUD) to operate a housing rehabilitation loan and deferred grant program that primarily benefits low- and moderate-income persons. The program is intended to preserve the City's housing stock, improve living conditions, eliminate health and safety hazards, increase accessibility for people with disabilities, and enhance the overall quality of life for participating households.

Eligible Rehabilitation Activities:

- Roof replacement. (See Sub-Section A)
- Furnace replacement. (See Sub-Section B)
- Water heater replacement to provide safe and dependable domestic hot water service. (See Sub-Section C)
- Accessibility and ADA-related modifications, including ramps, lifts, accessible bathrooms, widened doorways, handrails, and other improvements which increase mobility and independence for people with disabilities. (See Sub-Section D)

- Correction of code violations and health and safety deficiencies.
- Electrical, plumbing, and structural repairs.
- Weatherization and energy-efficiency improvements.
- Other eligible rehabilitation activities necessary to bring the dwelling into compliance with applicable housing quality standards and local building codes.
- All project materials used will be middle-grade quality, no items considered luxury will be permitted.

Program assistance will be provided in accordance with HUD regulations, City program guidelines, and funding availability. All rehabilitation activities must meet applicable federal, state, and local requirements and are subject to inspection and approval by the City or its designated representatives.

Program Requirements:

Applicants must have household income, which do not exceed 80% of the area's median income. HUD has established Section 8 Income limits for the Johnstown, PA Metropolitan Statistical Area (MSA) based on household size. The income limits are subject to change without notice.

HOUSEHOLD INCOME LIMITS FY 2026

Household Income Limits Summary for FY 2026 for the Johnstown, PA MSA

Household Members:	1	2	3	4	5	6	7	8
Maximum Income	\$48,300	\$55,200	\$62,100	\$68,950	\$74,500	\$80,000	\$85,500	\$91,050

1. To determine whether households are eligible for participation in this program, the City of Johnstown selected to use HUD's definition of income "Internal Revenue Service (IRS) Form 1040 Adjusted Gross Income". Household income counted must be 6-months current or anticipated to be received during the 12-month period of actual loan review. Therefore, additional information will be required to verify, support and document income reported on the application and reported on the applicant's IRS 1040 tax return.
2. Examples of income inclusions are wages, salaries, tips, taxable income such as interest income, social security payments, dividends, IRA distributions, pension and annuity payments, rental real estate, unemployment compensation payments, alimony payments received and capital gains, etc. The loan will not be approved if supporting documentation is not provided in a timely manner. Examples of exclusions are child support, inherited money or property, willed or given as a gift, life insurance proceeds received as a result of someone's death.
3. The applicant must have owned and occupied the residence for a minimum of one

(1) year at the time of application. All utilities must be current, in service and operable. The City reserves the right to waive this requirement for homes (occupied by a child aged six (6) or under; which will be receiving lead hazard control measures.

4. The applicant must provide a full copy of the recorded property deed.
5. Applicant(s) must show proof of homeowner's insurance.
6. Applicant(s) must show proof of flood insurance as applicable.
7. Applicant(s) must show proof property taxes are current for the previous two years. The property tax includes City, County and School taxes. Those homeowners who are delinquent on their taxes cannot participate in the program.
8. Applicant(s) must show proof all utility bills are current.
9. Previous recipients of assistance under this program, may not re-apply.

Funding Limits:

The City of Johnstown's Owner-Occupied Rehabilitation Loan Program provides financial assistance to low- and moderate-income homeowners for correcting code deficiencies and completing necessary repairs. The program is designed to improve the safety, livability, accessibility, energy efficiency, and overall condition of eligible homes.

Eligible households may receive up to \$24,000 in rehabilitation assistance for an owner-occupied, single-family dwelling or an owner-occupied, two-unit residential property.

When documented rehabilitation needs exceed the standard program limit, additional assistance may be considered on a case-by-case basis, subject to the availability of program funds. The Department Director may approve funding above \$24,000 when additional work is necessary to address health and safety concerns, accessibility requirements, code compliance issues, or other eligible rehabilitation needs. Total assistance may not exceed \$50,000 per residential property.

Repayment Requirements:

1. Federal Program Compliance
 - This program is funded through the U.S. Department of Housing and Urban Development (HUD) and is subject to all applicable federal regulations. Borrowers are required to comply with program requirements and cooperate with City staff throughout the term of the loan. Failure to comply with federal regulations or program requirements, or failure to cooperate with City staff, may result in partial or full repayment of the loan.
2. Deferred Loan and Forgiveness Provision
 - The rehabilitation loan is a deferred loan with a 0% interest rate. No payments of principal are required if the borrower owns and occupies the property as the principal residence. The loan is eligible for forgiveness if the property remains

owner-occupied, properly maintained, and free of code and energy-related violations throughout the term of the loan.

3. Mortgage Requirements

- Borrowers are required to execute a mortgage in favor of the City. The mortgage amount will include all eligible rehabilitation costs, recording fees for legal documents filed with the Cambria County Courthouse, and applicable inspection fees, including but not limited to lead-based paint risk assessments, paint testing, and clearance inspections. Radon testing and mitigation as required will be included in the inspection process and rehabilitation activity.

4. Lien Period

- The mortgage will be recorded as a lien against the property dependent on the amount of funding provided.
 - \$0 - \$25,000 = 5 years
 - \$25,001 - \$50,000 = 10 years
 - \$50,000 and above = 15 years

5. Loan Forgiveness

- The loan will be fully forgiven at the end of the lien period provided that the property has remained owned, occupied, and properly maintained by the original borrower throughout the entire term of the loan.

6. Sale or Transfer of Property

- If the property is sold or title is transferred before the lien period expires, the entire outstanding loan balance will become immediately due and payable to the City of Johnstown at the time of sale or transfer.

7. Transfer to a Family Member

- In the event of the original borrower's death, or if the borrower is no longer able to reside in the property due to health-related circumstances, the loan may be transferred to an eligible family member who assumes ownership of the property.

8. Eligibility Requirements for Successor Owners

- A family member who assumes ownership of the property must continue to meet all program requirements for the remainder of the loan term to remain eligible for loan forgiveness. Any occupant of the property must also meet the program's current income eligibility requirements.

9. Property Inspections and Compliance

- The City will conduct an inspection of the property to determine eligibility for loan forgiveness. If code, maintenance, or other program-related violations are identified, the borrower will be provided ninety (90) days to complete the necessary repairs or corrective actions. If a follow-up inspection determines that the violations have not been corrected, the borrower will forfeit eligibility for loan forgiveness. In such cases, the lien will remain in effect, and the full

outstanding loan balance will become immediately due and payable to the City of Johnstown.

Housing Rehabilitation Program:

The City of Johnstown offers a housing rehabilitation program to assist eligible homeowners make needed repairs to the home. Following is the methodology for receipt of assistance:

Applying for Assistance:

- Applications are available from the Department of Community and Economic Development at City Hall.
- Applicants must complete the entire application, provide all required documents, and sign the application.
- An appointment is required to apply.
- Applications are generally processed in the order they are received, although urgent cases may be prioritized.
- Households with children aged six (6) and under receive priority due to lead-based paint concerns.

Property Inspection and Project Planning:

- A City rehabilitation inspector will inspect the home to identify needed repairs.
- If repairs are identified and the home is deemed eligible for rehabilitation, with children six (6) and under. All properties deemed eligible for the program will also have a radon test performed and per test results may require radon mitigation procedures to be completed.
- Based on the inspection, the City will prepare a list of approved repairs and an estimated cost.
- Once the homeowner approves the final scope of work, no additional changes can be made.

Selecting a Contractor:

- A list of approved contractors will be provided to select a minimum of three (3) to bid on the project.
- The City will request bids from the selected contractors.
- The contract will generally be awarded to the lowest responsible bidder.

Construction Process:

- The selected contractor will provide a proposed start date.
- Loan closing will be scheduled before work begins.
- Homeowners are expected to monitor the work and communicate with the contractor throughout the project.
- It is the responsibility of homeowner and/or contractor to report any concerns or questions which may arise and be reported to the City immediately.
- The City will inspect the work during construction and prior to payments being made.
- Homeowners must approve completed work and sign payment requests.
- Will there be maximum number of payment requests allowed and will there be a retainage on each request, paid out with final project acceptance.
- Final approval for contractor payments is made by the Residential Development Officer and the Director of Community and Economic Development.

Situations That May Make Property Ineligible:

The City may stop assistance or decline to work on a property if conditions create health or safety risks for inspectors or contractors. Examples include:

- Homes that are structurally unsafe or should be condemned.
- Serious infestations of rodents, insects, or other pests.
- Environmental hazards such as severe moisture problems, asbestos, or other dangerous materials that cannot be addressed before rehabilitation begins.
- Animal waste inside the home.
- Poor housekeeping conditions that prevent safe access or create unhealthy working conditions.
- Threats of violence.
- The presence, use, or suspected manufacture of illegal controlled substances.
- Occupants refusing to provide full access to the property.

Important Notice:

The City reserves the right to discontinue assistance if unsafe conditions exist, and program guidelines may be changed at any time without prior notice.

Sub-Section A – Roof Replacement

Roof replacement may be eligible when the existing roof is deteriorated, damaged, leaking, has less than a five (5) year life expectancy, or otherwise unable to adequately protect the dwelling from weather-related conditions.

Eligible work shall be limited to the removal and replacement of the existing roof with a new roofing system necessary to provide a safe and weather-resistant roof.

Roof replacement shall be limited to work necessary to replace the existing roof and shall comply with applicable building codes, program requirements, and industry standards. Cosmetic upgrades or improvements beyond the replacement of the existing roof shall not be eligible.

Prior to authorization, the administering agency may require an inspection, photographs, contractor estimates, or other documentation establishing the condition of the existing roof and the need for replacement. All roof replacement work shall be subject to prior approval by the administering agency.

Sub-Section B – Water Heater Replacement

Funding may be used solely for the replacement of an existing water heater which is no longer functioning properly, has exceeded its useful life with less than five (5) years, presents a safety concern, or is operating inefficiently. Eligible work is limited to the removal and replacement of the hot water tank and the associated plumbing, electrical, gas, venting, and safety components necessary to complete the installation and ensure code compliance.

Replacement units must be appropriately sized for the household, meet applicable building and energy-efficiency standards, and be installed by a qualified contractor in accordance with all local, state, and federal requirements.

- The program does not cover upgrades unrelated to the water heater replacement, routine maintenance, repairs to other household systems. All project materials used will be middle-grade quality, nothing considered luxury will be permitted.

Sub-Section C – Furnace Replacement

Furnace replacement may be eligible when the existing furnace is unsafe, non-functional, substantially deteriorated, has less than five (5) years life expectancy, or unable to provide adequate and dependable heat to the dwelling.

Eligible work shall be limited to the removal and replacement of the existing furnace with a new, properly sized furnace necessary to provide safe, reliable, and adequate heat to the dwelling. A Manual J or other acceptable methodology will be completed to properly size the heating unit.

The replacement furnace shall comply with applicable building codes, manufacturer specifications, and program requirements and shall be installed by a qualified licensed technician.

Prior to authorization, the administering agency may require an inspection, photographs, contractor estimates, or other documentation demonstrating the condition of the existing furnace and the need for replacement. Cosmetic upgrades or improvements beyond the replacement of the existing furnace shall not be eligible.

Sub-Section D – ADA Home Modifications

Accessibility modifications may be eligible when necessary to improve the safety, accessibility, and functional use of a dwelling for an individual with a disability residing in the home.

Eligible work shall be limited to modifications that address documented accessibility needs and may include, but are not limited to, ramps, lifts, accessible entrances and exits, doorway widening, threshold modifications, handrails, grab bars, accessible bathroom and kitchen adaptations, stairway modifications, mobility-related improvements, and other alterations necessary to accommodate a wheelchair, walker, other mobility aid to support independent living within the home.

All work shall be limited to what is reasonable and necessary to address the individual's documented accessibility needs and shall comply with applicable federal, state, and local laws, building codes, accessibility requirements, and program guidelines.

Prior to authorization, the administering agency may require documentation from a qualified medical professional, therapist, case manager, or other appropriate source verifying the accessibility need. The agency will also require a property inspection, photographs, measurements, contractor estimates, or other supporting documentation necessary to determine eligibility and establish the appropriate scope of work.

- Cosmetic improvements, general home renovations, or modifications unrelated to addressing the documented accessibility needs of the residents shall not be eligible. All work shall be subject to prior review and approval by the administering agency before construction, installation, or procurement of materials begins. All project materials used will be middle-grade quality, nothing considered luxury will be permitted.

CHECKLIST FOR OWNER OCCUPIED HOUSING
REHABILITATION LOAN PROGRAM

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| ☐ | APPLICATION |
| ☐ | IRS FORM 1040 ADJUSTED INCOME (OR) MOST RECENT PAY STUB OR
SOCIAL SECURITY AWARD LETTER |
| ☐ | COPY OF RECORDED PROPERTY DEED |
| ☐ | HOMEOWNERS INSURANCE DECLARATION PAGE |
| ☐ | TWO YEARS OF PAID TAX RECIEPTS FOR CITY, COUNTY AND SCHOOL |
| ☐ | FLOOD INSURANCE DECLARATION PAGE (IF APPLICABLE) |

APPLICATIONS SUBMITTED WITHOUT THE ABOVE DOCUMENTATION WILL NOT BE PROCESSED.