

RENTAL REHABILITATION LOAN PROGRAM

Program Description

This Program provides low-interest loans and/or forgivable loans for up to 75% of the cost of the rehabilitation work to rental properties to ensure the continued availability of safe, decent, and affordable rental housing for low and-moderate income residents of the City of Dubuque.

All units being assisted must accept housing assistance for the term described under "Subsequent Rents"

Program Requirements

1. Location

- Any existing rental dwelling located within the City of Dubuque.

2. Income

- 51% of the units must be occupied by tenant households earning at or below 80% of the area median income (AMI). For a duplex, at least one side must be occupied by an income qualifying households. (Limits adjusted annually by HUD)

<u>Household Size</u>	<u><80% of Median Income</u>	<u>Household Size</u>	<u><80% of Median Income</u>
1	\$45,550	5	\$70,300
2	\$52,050	6	\$75,500
3	\$58,550	7	\$80,700
4	\$65,050	8	\$85,900

- **Exceptions:** All tenant households meeting income requirements at the time of assistance may continue to reside in the unit if their income exceeds 80% AMI in the future.
- **NOTE:** All new tenant households must earn at or below 80% AMI at the time of leasing during the **affordability** period of the loan.

3. Applicants/Owners/Companies

- All other rental properties owned by the applicant must be within compliance of any applicable City of Dubuque Codes to be considered eligible for this program.

4. Maximum Properties

- Applicants cannot have more than two properties enrolled at one time in the Rental Rehabilitation Loan Program.

5. Rent Limits – Voucher Payment Standards (provided by HUD)

<u>Bedroom Size</u>	<u>Maximum Rent</u>
1	\$569
2	\$753
3	\$1,006

6. Types of Assistance

- Loans and/or forgivable loans for up to 75% of the cost of the rehabilitation work not to exceed \$15,000 per unit. Forgivable loans will be limited to \$10,000 per unit, but non-forgivable loans can be issued for an additional \$5,000 per unit at 3% APR over a term not to exceed 10 years.
- Single family, duplex and multi-family homes with less than 7 units may apply for up to \$25,000/unit, for a 2+ bedroom units; however, forgivable loans will be limited to \$10,000/unit. Any assistance over \$10,000/unit will be available at 2% APR over a term not to exceed 10 years.

7. Subsequent Rents

- The maximum rents are recalculated by HUD on a periodic basis and will be made available to rental project owners/managers.
- Owners of CDBG-assisted rental housing must annually provide information on rents and tenant occupancy to demonstrate compliance with program requirements through the affordability period.

<u>Amount of City Assistance Per Unit</u>	<u>Minimum Period of Affordability in Years</u>
Up to \$15,000	5 years or for the term of the loan, whichever is greater
Over \$15,000 to \$25,000	10 years

Improvements include: All code violations; deteriorated lead-based paint*, weatherization; general re-modeling (ex: kitchen/bath remodel); access for persons with disabilities and incipient items.

City reserves the right to deny applications submitted by OWNERS that are not in good standing with the City.

***As of September 2001, all properties using federal funds must be lead safe under the Rehabilitation Activity.**