

## 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>&lt;80% of Median Income</u>	<u>Household Size</u>	<u>&lt;80% of Median Income</u>
1	\$41,450	5	\$63,900
2	47,350	6	68,650
3	53,250	7	73,350
4	59,150	8	78,100

- **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.

<b><u>Amount of City Assistance Per Unit</u></b>	<b><u>Minimum Period of Affordability in Years</u></b>
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 with a history of noncompliance on prior City funded projects.**

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