



Guideline Revisions: Housing Rehabilitation Programs

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Current Rehabilitation Programs



CURRENT	PROPOSED
Single Family Rehabilitation Loan Program (includes Emergency Loans)	Residential Rehabilitation Loan Program
	Emergency Residential Rehabilitation Loan Program
Small Rental Property Rehabilitation Loan Program	Small Rental Property Rehabilitation Loan Program

Current Rehabilitation Programs



CURRENT	PROPOSED
Single Family Rehabilitation Loan Program (includes Emergency Loans)	Residential Rehabilitation Loan Program
	Emergency Residential Rehabilitation Loan Program (includes Residential & Small Rental)
Small Rental Property Rehabilitation Loan Program	Small Rental Property Rehabilitation Loan Program

Overview - Three Rehabilitation Programs



- **Residential Rehabilitation Loan (“Residential”)**
- **Emergency Residential Rehabilitation Loan (“Emergency”)**
- **Small Rental Property Rehabilitation Loan (“Small Rental”)**

Problem Statement - “Residential”



- **1% application fee viewed as an economic barrier**
- **Lack of alignment between the program’s name and the types of housing that can be served**
- **Low number of applicant participation**
 - **Goal of 7 projects/year**
 - **Averaged 2-3 projects/year**

Problem Statement - “Residential” (cont)



- **Lead grant was never well defined in program**
- **Confusion over the emergency loans**
- **Ability to fix code violations with garages**
- **Last time program was updated was 2012**

Changes - “Residential”



- **Name change to Residential Rehabilitation Loan Program**
- **Eligible dwelling type includes 1-4 owner-occupied units; aligns with HUD definitions**
- **1% application fee removed**
- **The level of assistance clarified to better define the lead paint hazard reduction grant**

Changes - “Residential” (cont)



- **Emergency loan removed from program guidelines**
- **Garage repairs are allowed; removed confusing language**
- **Accessibility section added**
- **Included townhomes in the project types**

Problem Statement - “Emergency



- **Emergency loan was “lost”**
- **Confusion over the emergency loans details**
- **Emergency loan did not apply to Small Rental**
- **Low number of program participants**
 - **Seven emergency loans in the last ten years**

Created - “Emergency”



- **Similar to format of Residential program**
- **Eligible dwelling type includes 1-4 owner-occupied units AND rental dwellings with 7 or fewer units**
- **Deferred 5 Yr. 0% Interest Loan: Min \$500 to Max \$5,000**

Problem Statement - "Small Rental"



- **Small loan amount available**
 - **\$2,000/unit minimum**
 - **\$5,000/unit maximum**
- **Low number of applicant participation**
 - **Goal of 10 units/year**
 - **Averaged 2-3 units/year**
- **Affordability period not well defined**
- **No emergency loans available**

Changes - “Small Rental”



- **Increased loan amount**
 - **\$5,000/unit minimum**
 - **\$25,000/unit maximum**
 - **Owner still required to commit 25% of total project cost**

UNITS	Current Amount	Proposed Amount
1 unit	\$5,000	\$25,000
2 units	\$10,000	\$50,000
3 units	\$15,000	\$75,000
4 units	\$20,000	\$100,000
5 units	\$25,000	\$125,000
6 units	\$30,000	\$150,000
7 units	\$35,000	\$175,000

Changes - “Small Rental”



- **Affordability new section**
 - **Defined - Renting units to families <80% AMI**
 - **Starts – When final contractor payment made**
 - **Building – Tied to building, not owner**
 - **Compliance – During entire affordability period**

Changes - “Small Rental”



- **Affordability period changes**

Loan Amount	Affordability Period
= \$5,000 per unit	2 years
≤ \$10,000 per unit	5 years
≤ \$15,000 per unit	10 years
≤ \$20,000 per unit	15 years
≤ \$25,000 per unit	20 years

Changes - “Small Rental”



- **Includes a Lead Based Paint Hazard Reduction Grant**
 - **Projects between \$5K-\$25K of federally assisted programs requires lead assessment**
 - **Owner required to commit 25% of cost**
- **Refers emergency repairs that will not exceed \$5,000 to the Emergency Residential Rehabilitation Loan Program**

Changes - All Programs



- **Cleaned up outdated language references**
- **Adds a performance measurement and evaluation**
- **Adds or clarifies the warranty section**
- **Approval process shortened**



Thank You