

Proposed Rental Rehabilitation Program Changes

CDBG Committee

12/07/23

| Pre-2020 Program Guidelines  | Proposed 2024 Program Guidelines  |
|--|---|
| Maximum loan amount was \$25,000 for 1 units and additional \$3,000 per unit; up to \$46,000                   | Maximum loan amounts increased to: <ul style="list-style-type: none"> <li>• 1-6 units, up to \$75,000</li> <li>• 7-12 units, up to \$150,000</li> <li>• 13-20 units, up to \$200,000</li> </ul>   |
| Fixed interest rate at 2%  | Interest rate based on borrowing rate; 2023 interest cost (3.5744048%). Rounded up to 4%  |
| Amortization schedule at 15 years  | Amortization schedule increased to 20 years   |
| Rents must remain at or below the <a href="#">Fair Market Rents (FMR)</a> for 1 year after project completion. | Rents must remain at or below the <a href="#">Fair Market Rents (FMR)</a> for the life of the loan. (Self-Reported Annual Statement)  |
| No ongoing inspection requirements   | Units must be made available for an annual inspection, if requested by City/CDD staff   |
| Application fee \$200  | Application fee \$75  |
| No targeted areas  | <p>Target areas identified based on demographics, age of housing stock, population (number of rental units), income level, and property code violations.</p> <p><b>Targeted Areas: Census Tracts 6, 14.01, 21</b></p> <p>Targeted area loan terms receive 0% interest rate.</p> |