



SUMMARY EXISTING RENTAL REHABILITATION PROGRAM KEY PROVISIONS



The Department of Planning and Community & Economic Development is administering a loan program to assist investors to upgrade their non owner-occupied rental properties.

The current interest rate for the Rental Rehabilitation loan is 5.00%. The loan is to be repaid in monthly installments, which include principle and interest. The maximum term of the loan is 15 years.

Requirements for Participation

Certain minimum requirements must be met before a property can be rehabilitated through the program. Here are the basic prerequisites for participation:

- The property must be a non owner-occupied, residential rental property containing no more than eight dwelling units.
- The property must be located within the City of Madison.
- Eligible properties must be 75% occupied by households with incomes of no more than 80% of the Dane County median income (see attached chart).
- The property, after rehabilitation, must meet the local Minimum Housing and Energy Codes.
- The maximum loan amount shall be \$19,000 for a single unit and \$3,000 per additional unit up to a maximum of \$40,000 for an eight-unit building.
- The rents after rehabilitation for the first year cannot exceed the HUD fair market rents for Dane County.
- Total debt secured by the property, including the new City loan, cannot exceed 90% of the value of the property.