



RENTAL HOUSING PROGRAM **FACT SHEET**

SERVICE AREA City-Wide (Priority given to projects within target neighborhoods)

PROPERTY TYPE Rental Properties – which are not owner-occupied

ASSISTANCE TYPE A Forgivable Deferred Payment Loan (DPL)

APPLICATION CATEGORIES

- Small: *1-4 Family Projects;*
- Large: *Projects with 5 or more units*

INTEREST RATE 0% Interest

TERMS

- 5 to 15 years for residential rehab. or acquisition of existing housing depending on per unit loan amount:
(*< \$15,000 = 5 yrs HOME funds.; \$15,000 to \$40,000 = 10 yrs.; >\$40,000 or rehab = 15 Yrs.*)
- 20 years for new construction projects and/or acquisition of newly constructed housing;

FUNDING LIMITS The lesser of 50% of the total reasonable project costs or:

- \$70,000 per unit for 1 Bedroom units;
- \$82,500 per unit for 2 Bedroom units;
- \$97,500 per unit for 3 Bedroom units;

Plus Green Construction Supplement of \$7,500 per unit.

RENT & INCOME LIMITS

- Tenants in HOME assisted units must earn no more than 60% of median income;
- Projects containing 5 or more HOME assisted units - at least 20% of the HOME assisted units must be occupied by those earning 50% or less of median income;
- Rent can't exceed Program Rent Limits (less utilities).

ELIGIBLE COSTS Demolition, Acquisition, Major Systems, Handicapped Improvements; Correction of Substandard Conditions; Historic Preservation, Architectural/Engineering; Permit Fees, Green Construction, Affirmative Marketing, Fair Housing, Lead Based Paint, Legal, Developer Fees, Financing Fees, Audit, Cost Certification, and Site Improvements.

REQUIREMENTS

- Owners must have at least 10% equity in the project;
- NJ Energy Star Program & Green Construction must be used for New Construction projects and should be used for gut rehabilitation projects;
- Unless proof is provided that no lead exists in the property, Lead Safe Work Practices must be used for all rehab projects receiving less than \$25,000 per unit of Program assistance and Lead Abatement must be used for rehab projects receiving over \$25,000 per unit of Program assistance;
- Prevailing wages must be used for projects containing 12 HOME assisted units or more;
- Project must start within 6 months of funding approval;
- Funds can be used to cover eligible soft costs incurred no more than 24 months prior to commitment of HOME funds;
- Funds can't reimburse renovations started/completed prior to execution of all agreements.

RESTRICTIONS

- Documentation must be submitted annually to EHIP regarding rent, occupancy, affirmative marketing, tenant selection, hazard insurance, replacement reserves, taxes, maintenance plans, and profit & Loss Statements;
- Project will be inspected by EHIP annually for code violations and LBP hazards. Deficiencies must be corrected in a timely manner;
- Loan must be repaid if compliance is not maintained for required term;
- Loan terms are enforced by Mortgage, Note and Deed Restriction;
- Refinancing is allowed if property is up to code (as determined by EHIP inspection) & if there is sufficient residual equity available to allow recapture of City's program assistance as well as superior mortgages. Additional cash-out cannot be taken in excess of 80% LTV.

DEADLINE Monday, May 20, 2021 at 12:00 PM – no exceptions.

COPIES One (1) Signed Original, Plus One (1) Hard Copy and (1) USB = 3 total

TECHNICAL ASSISTANCE BY APPOINTMENT ONLY between 9:00 AM and 3:00 PM
At EHIP in Elizabeth City Hall – Room 109

QUESTIONS CALL EHIP 908-352-8450 BETWEEN 9:00 AM and 4:00 PM