



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:
- \$90,000 per unit for 1 Bedroom units;
 - \$105,000 per unit for 2 Bedroom units;
 - \$120,000 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 Tuesday, March 21 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