



Legislation Details (With Text)

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Resolution Approving Updates to Housing Rehabilitation Program Guidelines

Department: Neighborhood Development
Council District: All

Public Hearing: No
Advertising Date/By:

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PURPOSE:

City Council consideration is requested for an update to the Housing Rehabilitation Program Guidelines to include programmatic changes and inclusion of housing bond funded programs for fiscal year 2017-2018.

BACKGROUND:

The City operates various homeowner and rental housing rehabilitation assistance programs under one set of guidelines which are periodically updated for City Council approval. The recommended changes include minor text changes and more substantive changes listed below:

- Facilities for the Physically Disabled - assistance limit increased from \$10,000 to \$15,000 due to rising costs of materials and labor.
- Homeowner Rehabilitation Deferred Loans - reduction of interest rates from 3% to 0%. Average rehab costs have increased substantially over the years. When loans averaged \$10,000, an accumulating 3% interest rate on a long term deferred loan, was not so damaging to an owner's equity. However, with average rehab costs now in the \$45,000 range, a 3% interest rate has a significant impact on owner equity over a long term deferred loan. Our deferred loan products are reserved for our lowest income borrowers who are earning less than 50% of the area median income. Participant home values average less than \$100,000 and are generally not located in areas of value appreciation. When an accumulating interest loan takes all of the available equity in these owner's homes, it makes it impossible for them to

borrow funds for future maintenance or other needs.

Additional new programs funded by the Housing Bonds have been included for implementation in fiscal year 2017-2018:

- Multi-family Energy Efficiency Improvements - this program provides shorter term financing for rental property energy efficiency related repairs and replacements. The loans are amortizing and pay back into a revolving loan fund for other borrowers.
- Rental Housing Handicapped Assistance Grant Program - this program provides a grant fund source to assist handicapped renters with modifications.
- Code Compliance Order to Repair Program - this program provides the funding to implement Orders to Repair on properties where the owner is unable or unwilling to complete the required repairs. A first priority lien is placed on the property for the cost of the repairs.

BUDGET IMPACT:

Updates to Housing Rehabilitation Program guidelines only - no budget impact. Funds are already in place.

RECOMMENDATION / ACTION REQUESTED:

City Council is requested to approve the suggested changes to the Citywide Housing Rehabilitation Programs guidelines for implementation in the 2017-2018 fiscal year.