

CDBG NOT-FOR-PROFIT HOUSING REHABILITATION LOAN PROGRAM

1. ELIGIBLE APPLICANTS

Any not-for-profit corporation that has the capacity to undertake and complete the rehabilitation of housing for low and moderate income persons. The corporation must be a 501 (c) 3 or 4 tax exempt organization. The corporation shall not be eligible for loan funds under this program if any of its officers or board members are in default of any taxes or debts owed to any bank or governmental unit. The corporation must have presently served the community as a housing organization for a minimum of 3 continuous years prior to the application date. Community Housing Development Organizations (CHDO) are encouraged to apply.

2. ELIGIBLE PURPOSES

CDBG Rental Rehabilitation Funds must be used solely for the cost of the physical rehabilitation of housing for the benefit of mentally or physically disabled persons, very low income and low-income persons, homeless or disadvantaged youth. Properties rehabilitated with CDBG Housing Rehabilitation Funds must be occupied by eligible residents for not less than 10 years. No board members or officers of the corporation shall be eligible tenants in any housing rehabilitated under this program.

3. ELIGIBLE PROPERTY

Buildings eligible for rehabilitation with CDBG Funds must be located in census blocks with a median income that does not exceed 80% of the median income for the City (SEE ATTACHED MAP), or blighted areas in urban renewal districts. Buildings must be capable of meeting applicable building and housing codes after rehabilitation.

4. APPLICATION PROCESS

Notice of funding availability shall be advertised in the Terre Haute Tribune Star. Loans shall be allocated on a first-come, first-serve basis. Applications will be recorded according to the date and time received by the Department of Redevelopment. Loans shall be awarded by the Redevelopment Commission after a review and recommendation is received from the Department of Redevelopment.

5. LOAN REQUIREMENTS

The loan amount shall be forgiven over ten (10) years from the date of the signing of the note and mortgage. The original amount shall be reduced to zero, prorated monthly, over a ten (10) year period or until a change in the use of the property is made which would not comply with the program requirements, at which time the remaining balance would be due. We will take a 1st, 2nd, or 3rd mortgage, whichever is appropriate.

6. LOAN MAXIMUM

The maximum loan for any project that a not-for-profit applicant may receive shall be \$50,000.00 per housing unit and no applicant shall receive a loan greater than \$300,000.00 or \$400,000.00 for a multi-unit project.

7. APPLICATION FEE

There will be no application fee for a CDBG Housing Rehabilitation Loan.

8. REQUIRED REHABILITATION

Buildings to be rehabilitated under the CDBG Program will be inspected by the Department of Redevelopment which will prepare cost estimates, plans, and specifications for the work to be completed. Rehabilitation specifications shall be in compliance with all applicable building codes and the Department of Redevelopment Housing Rehabilitation Standards.

9. CONTRACTING

The loan recipient shall be required to hire a general contractor to perform the work that is procured through a public bid process. Bid administration shall be performed by the Department of Redevelopment. Rehabilitation contracts shall be awarded by the loan recipient.

10. RELEASE OF FUNDS

Loan funds will be released to the loan recipient and contractor upon completion of work activity as identified in the work write-up by line item.

11. AFFIRMATIVE MARKETING AND EQUAL HOUSING OPPORTUNITY

Loan recipients shall make a good faith effort to attract eligible residents from all racial, ethnic, and gender groups in the housing market area.

12. RELOCATION OF TENANTS

No tenants may be displaced or relocated as a result of the housing rehabilitation activity.

FOR FURTHER INFORMATION, CONTACT MIKE KASS AT THE DEPARTMENT OF REDEVELOPMENT, ROOM 301 CITY HALL 812-232-0018.