

MIAMI COUNTY/CITY OF PIQUA
PY 2015 COMMUNITY HOUSING IMPROVEMENT PROGRAM (CHIP)
RENTAL REHABILITATION PROGRAM

**Guidelines
for
Rental Housing Rehabilitation Loans
for
Landlords**

The following guidelines apply to Rental Rehabilitation Loans to be made by the Miami County Board of Commissioners from federal funds supplied to Miami County by the Ohio Development Services Agency, Office of Community Development (ODSA, OCD) under the Fiscal Year 2013 Community Improvement Program (CHIP). A copy of these guidelines shall be provided to every Landlord (Applicant).

1. No member of the governing body of the locality and no other official, employee, or agency of Miami County, in a position to make decisions concerning the Rental Rehabilitation Program, shall directly or indirectly be eligible for this Program. This prohibition shall continue for one (1) year after an individual's relationship with Miami County ends.
2. Applicants must agree not to discriminate against tenants on the basis of sex, race, creed, religion, color, handicap, age, familial status, military status, place of national origin, source of income, or any other "protected class."
3. Applicants must agree to rent to persons of low or moderate incomes (according to HUD's Section 8 Income Limits, as listed at the end of this document) and to not charge rents in excess of the maximum allowable Fair Market Rents established by HUD. Rent is defined as contract rent plus an allowance for utilities based on the applicable utility chart.
4. Applicants must agree not to increase the tenants' gross rent by more than any rent increases allowed by HUD, or to evict the tenants from the rehabilitated property, except for good cause and a receipt of release from Miami County. Applicants must also have a written lease agreement with a term of not less than one (1) year.
5. Applicants must agree, through language contained in a loan agreement, promissory note, and mortgage lien, to rent and occupancy restrictions for a period of time known as the "Affordability Period" based on the amount of CHIP funds per unit. The Affordability Period is outlined at the end of this document.

6. Loan Limits:

Option 1: Ten (10) year Deferred Loans (0% interest, non-amortized) for up to 50% of the rehabilitation cost per dwelling unit, but not exceeding the maximum of \$30,000/unit. The Property Owner will provide not less than fifty percent (50%) of the financing from private and other sources to be matched by the County PY 2015 CHIP-funds. If the property is sold prior to the affordability period expiring then 100% of CHIP Rental Rehabilitation funding would have to be paid back to Miami County.

Option 2:

Direct Loans with an Annual Percentage Rate (APR) of 1% over the Prime Rate, not to exceed 5%, for up to twenty (20) years, but not exceeding \$30,000 per dwelling unit. No matching funds will be required from the Landlord/non-profit agency, except when the rehab cost will exceed the stated maximum of \$30,000/unit. Currently, the interest rate is 4/25%; however, this rate is subject to change based on the fluctuation of the Wall Street Journal Prime Rate. The Wall Street Journal surveys the 30 largest banks and publishes the consensus Prime Rate.

Option 3 (Combo of Option 1 and 2): Ten (10) year Deferred Loan (0% interest, non-amortized) for up to 50% of the rehabilitation cost per dwelling unit, but not exceeding the maximum of \$30,000/unit and Direct Loan with an Annual Percentage Rate (APR) of 1% over the prime rate, not to exceed 5%, for up to twenty (20) years, but not exceeding \$30,000 per dwelling unit. No matching funds will be required from the Landlord/non-profit agency, except when the rehab cost will exceed the stated maximum of \$30,000/unit. Currently, the interest rate is 4/25%; however, this rate is subject to change based on the fluctuation of the Wall Street Journal Prime Rate. The Wall Street Journal surveys the 30 largest banks and publishes the consensus Prime Rate.

7. Applicants must be the owner of the dwelling unit(s) to be rehabilitated. Both occupied and vacant dwelling units are eligible for CHIP assistance. Vacant units must be occupied by income eligible tenants within six months of project completion.
8. The after-rehabilitation value of the rental property must not exceed 95% of the Miami County median purchase price, as issued by HUD and ODSA, OCD. These figures are listed at the end of this document.
9. Dwelling units must be located within Miami County, but outside the corporation limits of the City of Piqua. Applicants of dwelling units located in the Village of Bradford, on the Darke County side, may apply to Darke County for CHIP Assistance.
10. Applications for assistance shall be processed on a "first come, first served" basis until all CHIP funds are committed. Applications shall be processed in the order of the date they were received, to determine those Applicants eligible for assistance under the Rental Rehabilitation Program.

11. The CHIP Rental Rehabilitation Program funds are limited to only rental dwellings containing four (4) or less rental units in the same structure.
12. Properties owned via Land Contract may be rehabilitated, if both parties to the land contract sign the mortgage and promissory note.
13. Applicants of the property to be rehabilitated may not be delinquent or in default on mortgage payments, property insurance payments, property taxes, municipal utilities, State and Federal taxes, and/or municipal taxes.
14. Applicants agree that in the event the rehabilitation property is sold, leased, disposed of, or otherwise conveyed during the term of the mortgage, the total amount remaining on the loan (the unpaid portion of the loan) will be remitted to the County.
15. The “as-is value” of the real estate must exceed existing debt on the real estate. The “after rehabilitation value” must meet or exceed total debt on the real estate.
16. Applicants must furnish proof of insurance against the loss of the building by fire or any other means in an amount necessary to cover the total debt of the real estate after rehabilitation.
17. Assistance must be capable of fixing all health and safety violations and bring the property up to the Residential Rehabilitating Standards of the Ohio Development Services Agency, Office of Community Development (ODSA, OCD) and any and all applicable local and County codes. Approved foundations for all living space areas and an approved potable water supply and method of sewage disposal shall also be required.
18. At least 70% of the CHIP funds must be used for correcting health and safety violations or incipient (about to happen) health and safety violations. Up to 30% of CHIP funds may be used for other repairs. All repairs must be part of the real estate.
19. Applicants must use a Miami County/ City of Piqua approved contractor. Applicants may, under special circumstances, be permitted to undertake all, or a portion of, the improvements. Applicants doing their own rehabilitation work will not be reimbursed for any labor expenses, which are incurred by them. Any person taking part in the physical rehabilitation of the dwelling unit must have received USEPA Lead Safety for Renovation, Repair, and Painting (RRP/LSRR training) certification prior to the rehabilitation work.
20. If the applicant acts as the General Contractor and intends to hire subcontractors, then the Applicant must obtain at least three cost estimates for the work being subcontracted. These cost estimates must be obtained within two weeks of signing the CHIP Rental Rehabilitation approval form of the work specifications and given to Miami County/Piqua CHIP Housing Inspector in order for him/her to finalize the work description (Exhibit A)

21. The Applicant will not be reimbursed for expenses incurred prior to a CHIP Rental Rehabilitation Landlord Agreement being signed and a Purchase Order has been opened for the rehabilitation work. Also, expenses incurred that the Applicant is going to use towards their 50% match should they select that finance mechanism will not be allowable if they incurred prior to the CHIP Rental Rehabilitation Landlord Agreement being signed.
22. Applicants must permit Miami County to act as their agent in all matters pertaining to rehabilitation carried out under the Rental Rehabilitation Program.
23. Applicants may assist the contractor and the Housing Inspector in the selection and approval of materials to be used in the rehabilitation of the property. (Examples: windows, doors, carpets, siding, paint colors, etc.)
24. In the event of any dispute between the Applicant and the contractor concerning the completion of the home repairs, the Housing Inspector will work with both parties in the negotiations of a satisfactory solution. If such a solution cannot be found, the County will be the final authority on when the repair work has been satisfactorily completed. The Applicant may then appeal the County's decision as per the process outlined in the County's CHIP Dispute Resolution and Conflict Management Policy.
25. All CHIP rental rehabilitation work must be completed within a sixty (60) days from the date of the Notice to Proceed is signed. This could be negotiable should the rehabilitation be extensive. There should be written documentation in the project file justifying the reasoning for additional days and must be done at the time the Notice to Proceed is signed.

Income Limits for Tenants

The total income of all persons residing in rental unit shall not exceed the following 2015

HUD Income limits (these limits are subject to change in 2016):

Number of Persons in Household	Low-Income Limits (80% of Median Income)
1	\$34,550
2	\$39,500
3	\$44,450
4	\$49,350
5	\$53,300
6	\$57,250
7	\$61,200
8	\$65,150

These limits are the same as the "low-income" limits established by the Section 8 Assisted Housing Program. The source of these estimates is the U.S. Department of Housing and Urban Development.

Minimum Affordability Period

Average Per-Unit CHIP \$	Minimum Affordability Period
Less than \$15,000 per Unit	5 years
\$15,000 to \$30,000 per unit	10 years
Over \$40,000 per unit	15 years

After Rehabilitation Value Limits

County	One-Family	Two-Family	Three-Family	Four-Family
Miami	\$126,000	\$161,000	\$195,000	\$242,000

FAIR MARKET RENT (INCLUDING AND ALLOWANCE FOR UTILITIES) EFFECTIVE DATE: 2015

Number of Bedrooms	Fair Market Rent (\$)
Efficiency	493
1	554
2	726
3	972
4	1,089

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I (we) acknowledge the receipt of the Miami County Community Housing Improvement Program (CHIP) "Guidelines for Rental Housing Rehabilitation Loans for Landlords".

I (we) understand that I (we) must comply with the Miami County CHIP guidelines for the Rental Housing Rehabilitation Loans for Landlords Program in order to receive assistance.

I (we) further agree to work cooperatively with Miami County Department of Development staff, and the Contractor, if I (we) chose this option, I (we) have selected to perform renovation work on my (our) rental property.

I (we) acknowledge that Miami County Department of Development staff, who are the administrators of the CHIP Rental Rehabilitation Assistance Program, may elect to terminate the CHIP assistance at any time during the project period for my (our) failure to comply with these guidelines.

Applicant

Date

Applicant

Date

Please sign and return just this page along with your application.

**Miami County/City of Piqua
Rental Rehabilitation Program**

PY 2015 CHIP Rental Rehab Application
Circle CHIP activity you are submitting the application for:

Rental Home Repair

Rental Rehabilitation

Landlord/Developer/Property Owner's Name(s):

Property Address for Rental Rehab:

Landlord/ Developer/Property Owner's Address:

Landlord/ Developer/Property Owner's Phone Number(s):

Home Phone(s)

Cell Phone(s)

Landlord/ Developer/Property Owner's E-Mail Address(es):

Building Type:

- _____ Single Family Detached
- _____ Duplex & Two/Three Family (Semi-Detached)
- _____ Row House/Garden Apartment/Townhouse
- _____ Manufactured Home (note: mobile homes are ineligible)
- _____ Other (describe) _____

Total Number of Dwelling Units at Property: _____

NOTE: Complete the Attachment for each Dwelling Unit to be Rehabbed

Projected Rehab Work/Needs (use a separate sheet if necessary):

Signature of Applicant

Date

Signature of Applicant

Date

Received by: _____
Miami County Representative

Date

ATTACHMENT

Numerical Address of Unit: _____

Current Status of Unit (Occupied or Vacant): _____

Current/Proposed Monthly Rent: \$ _____

Number of Bedrooms: _____

Mark(X) under who pays for the following Utilities or Services and by what Type:

UTILITIES	Type	Landlord	Tenant
Heating:	Natural Gas		
	Bottle Gas		
	Electric		
	Oil		
Cooking:	Natural Gas		
	Bottle Gas		
	Electric		
	Oil		
Water Heating:	Natural Gas		
	Bottle Gas		
	Electric		
	Oil		
Other Electric			
Water			
Sewer			
WHO PROVIDES THESE SERVICES	Trash Collection		
	Range		
	Refrigerator		
	Air Conditioning		

NOTE: Complete one Attachment per dwelling unit.