

Summary of the Rental Rehab Loan Program Guidelines

What are the goals of this program?

- Provide a source of funds to responsible landlords of occupied rental single family, duplex, triplex, or fourplex buildings desiring to make property improvements that provide safe, decent, and healthy rental units in the City of Saint Paul
- Preserve affordable rental housing options for St. Paul residents

Who is a responsible landlord?

- A landlord who can show a history of upgrading to and maintaining a higher category based on the DSI classification
- A landlord who has maintained units classified C or B by DSI at their current classification by conducting smaller maintenance improvements
- A landlord who can provide information regarding how long they have owned and maintained the property and provide evidence for requiring a loan in order to make the desired upgrades
- A landlord who shows genuine desire to make upgrades to the property, but may not have been previously able, due to cost

What are the designated areas?

- First 6 months: First priority will be given to properties located in ACP-50 areas
- After the pilot phase, the program will be made available citywide.

What are the priority criteria?

- First priority given to one or more of the below criteria:
 - Properties located in ACP50 areas
 - Properties with rents at or below HUD Fair Market Rents
 - Properties located outside of ACP50 Census Tracts (after 6 months) must be occupied by low income persons initially and throughout the 10 year loan term
 - Rehabilitation work focusing on life safety issues (combined with street appeal issues) that may result in a condemnation if not addressed
 - Properties currently housing tenants with Section 8 vouchers
 - Properties targeting special need populations i.e. ADA
 - Properties with 3+ bedrooms

Eligibility criteria include

- Rental properties with 1-4 units that are categorized as C or D by DSI
 - Demonstrated ability to improve the DSI classification and grade change within the program parameters
 - No permanent displacement of existing tenants (except for just cause)
 - Continued rent restrictions through the life of the 10 year loan term
 - Sign up for the free Landlord Alert Program with the Saint Paul Police
 - Properties that have not previously received substantial rehabilitation through other City of Saint Paul programs
 - Upon rent renewal, Section 8 holders must be considered equally

Examples of Eligible Improvements

- Improvements made to increase the livability and/or curb appeal of the property
- Improvements made to comply with ADA and Health and Safety regulations, including lead hazard reduction. Any peeling paint will be required to be addressed.
- Landscaping work including ground cover which corrects poor grade around the foundation walls due to water infiltration
- Limited professional services related to the improvements

Not Eligible for Loan

- Appliances, furniture, hot tubs, whirlpool, bath, or saunas, or other personal items
- New construction of decks, patios, sheds, fences, or other outbuilding
- Refinancing and working Capital
- Cosmetic landscaping, such as trees, shrubs, and sod.

Maximum Loan Amount

- Up to \$30,000 of eligible improvements per building

What are the Proposed Terms of the Loan?

- Loan to be amortized over 10 year at 0% interest

What are the Loan Requirements?

- Rents of the assisted units will be restricted to no more than 3% yearly increase while remaining at or below Fair Market Rents for a minimum of 10 years.
- Properties assisted outside of ACP50 Census Tracts must house at least 50% of the tenants whose incomes are at or below 60% of AMI as adjusted for family size.

- After rehab, Property must meet the minimum rental housing standards confirmed by annual inspections.
- Property owner must provide a self-certification that rents charged did not exceed FMR and income eligibility as noted above.
- Not be declassified by DSI.

How to apply?

- \$250 non-refundable application fee with completed application
- Open period for submission