



City of Portland, Maine CDBG Multi-Family Rehabilitation Program



The program is designed to provide low interest rate loans to assist Portland property owners with necessary improvements to residential units occupied by low/moderate income households.

Qualifying Criteria:

- ◆ Owner-Occupied two-to-four unit buildings and Investor-Owned multi-family buildings in the City of Portland.
- ◆ Be current on all City taxes and fees.
- ◆ Meet underwriting criteria.

Eligible Improvements:

- ◆ Federally assisted rehab must include testing and treatment of lead paint hazards.
- ◆ Repair of Code Violations
- ◆ Energy Conservation/Weatherization Improvements
- ◆ Other non-luxury building improvements.

Financing Terms:

- ◆ Interest rate will vary between 1%-3%. Loan may be amortized up to 20 years. Loan to value ratio shall not exceed 95%. Loan payments may be delayed up to four months to allow for completion of rehab work.
- ◆ Non-lead rehab is factored into program limits first; any remaining amount will be dedicated to required lead hazard reduction costs. Lead hazard reduction costs that exceed the maximum loan limits or exceed 95% loan to value will be loaned at 0% due on sale. The costs associated with the treatment of lead paint hazards will be financed with Lead Safe Housing Program funds, subject to the availability of funds. Project must meet the guidelines of the Lead Safe Housing Program to be eligible for those funds.
- ◆ Maximum loan amount is \$15,000 per unit.

Rent Regulation Agreement:

- ◆ Rental Units assisted under this program must be rented to income eligible households at an affordable rent for a period of five years. Fair Market Rents for the Greater Portland Metropolitan Statistical Area, as published by HUD, are used as the standard.

- ◆ Rent shall not increase for one year after loan closing.
- ◆ After the first year, an annual increase of a maximum of 5% of the monthly contract rent plus the actual cost of additional debt service incurred as a result of improvements to the property, property taxes, and owner paid utility charges. Any rent increase must be approved, in advance, by the City.
- ◆ Marketing of all current and future vacancies shall be done to affirmatively further Fair Housing opportunity to all individuals. All public advertising of vacancies shall contain the phrase "Equal Housing Opportunity".

Income Eligibility:

- ◆ Units assisted under this program must be rented to or occupied by income eligible households earning at or below 80% of the area median income, as defined by HUD, for the Greater Portland Metropolitan Statistical Area.

Effective as of April, 2010

Family Number:	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMI	\$40,800	\$46,600	\$52,450	\$58,250	\$62,950	\$67,600	\$72,250	\$76,900