

TITLE 1  
CHAPTER 12

**HOUSING LOAN POLICIES AND PROCEDURES**

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**1-12-1 OWNER OCCUPIED REHABILITATION PROGRAM:**

**1-12-1-1 PROGRAM DEFINITION:**

- A.** The City of Florence Housing Rehabilitation Loan Program, initially funded through an Oregon Community Development Program (OCD) Grant, was initiated on the basis of findings on housing condition, income, and availability of other sources for housing rehabilitation assistance.
- B.** The goals of the Rehabilitation Loan Program are:
  - 1. To alleviate health and safety problems and correct structural deficiencies in target area homes.
  - 2. To conserve existing housing stock.
  - 3. To increase housing opportunities for low and moderate income households.
  - 4. To enable lower income residents of the targeted areas to remain in their homes.

**1-12-1-2 APPLICANT ELIGIBILITY:** In order to be eligible for a Housing Rehabilitation Loan, an applicant must meet all of the following requirements:

- A.** Residency: The applicant must own and occupy the property to be rehabilitated. The property must also be in an identified target area within the City's Urban Growth Boundary.

- B.** Income: Annual income of the Applicant household must not exceed 80% of County median income as established by HUD.
1. Total gross income includes, but is not limited to the following: wages, tips, interest, dividends, rental income, investment or business income, social security benefits, pensions, annuity income, alimony, child support, welfare payments, veterans' benefits, disability benefits, stipends, or living allowances. Income does not include "windfall payments" such as lump sum insurance settlements, capital gains due to the sale of a personal residence or business or food stamps.
  2. For the purposes of this subsection, "Applicant" includes all members of the household, cohabitants, renters and boarders and all persons sharing a title to the property.
  3. To determine the applicant's income for eligibility purposes, one of the following methods will be used:
    - a. Applicants with full-time employment will annualize their current monthly income.
    - b. Applicants receiving social security and welfare will annualize their current monthly benefit.
    - c. Applicants working temporary, part-time and seasonal occupations will have income computed from their latest federal income tax return.
    - d. Self-employed persons will take the average of their income from their last two federal income tax returns.
  4. Income and employment information submitted by applicants will be subject to verification.
    - a. Applicants who annualize their current monthly income or benefits must provide a copy of the check(s) for the month prior to application.
    - b. Applicants employed in temporary, part-time or seasonal occupations or self-employed persons must provide copies of federal income tax returns(s).
- C.** Net Worth: The net worth of an applicant (exclusive of equity in subject property, two automobiles and household property) may not exceed \$20,000.00.
1. An Applicant 55 years of age or older may have a net worth of up to \$40,000.00 as defined in subsection C.
  2. "Assets" may include, but are not limited to: Investments, property, bank accounts, stocks, bonds, or vehicles.
  3. For purposes of this sub-section, "Applicant" includes: All persons sharing title to the property, applicant's spouse, and any dependent children of applicant or spouse.
  4. For the purpose of this sub-section, "Subject Property" is that property which includes the house and the lot. The lot size is determined as the size of the parcel which included the house at the time of the initial purchase. For instance in an area zoned with five-acre minimums, the "Subject Property" would be the house, as well as the five-acre plot. Any property subsequently purchased would be included as an asset.
- D.** Applicants are required to accept maximum assistance available from energy weatherization programs, and other federal, state, or private housing rehabilitation loan and grant sources.
- E.** City of Florence employees, contract personnel retained to administer the program, and City of Florence Committee Members and families thereof, or others who exercise any functions or responsibilities in connection with the administration of the Community Development Program shall be ineligible for a Housing Rehabilitation loan, nor shall such a person have any interest, direct or indirect, in the proceeds of such a loan.

**1-12-1-3 PROPERTY ELIGIBILITY:**

- A.** Location: Property must be located within identified target areas within the City's Urban Growth Boundary.
- B.** Reasons for disqualification: The existence of the following conditions could disqualify a structure for a Housing Rehabilitation Loan.
  - 1. The structure has deteriorated to the extent where rehabilitation is not economically feasible.
  - 2. The structure and/or use does not conform with the zoning regulations and/or the Comprehensive Land Use Plan of the City or County in which it is located.
  - 3. Significant code violations exist which would be extremely difficult and/or economically unfeasible to correct.
  - 4. The proposed expenditure would not increase the value of the property sufficiently to protect the owner's existing equity.
  - 5. The cost of the repairs required to bring the dwelling up to minimum property standards will exceed the program's loan limit.
- C.** Inspections/Rehabilitation Standards: Each property will be inspected prior to making a determination as to its eligibility. Improvements/repairs necessary to bring the dwelling up to HUD Minimum Design Standards for Rehabilitation for Residential Properties and other applicable codes will be determined by the Rehabilitation Specialist. Buildings must be rehabilitated to the extent that they will be suitable for occupancy for at least 20 years.
  - 1. In order for the property to be eligible for assistance, the homeowner must agree to carry out all necessary improvements to meet program minimum property standards set forth in Section C.
- D.** Property in Flood Plain: Property located in a special flood hazard area as identified by the Secretary of Housing and Urban Development will not be eligible for assistance unless the community in which the property located is participating in the National Flood Insurance Program.
- E.** Judgments: A judgment in excess of \$3,000.00 at the time of entry will disqualify the property for a Housing Rehabilitation Loan.
- F.** Federal Tax Liens: All Federal Tax liens must be satisfied prior to loan closing.
- G.** Property Taxes: All real property taxes that are due and payable at the date of loan closing must be paid before loan closing.
- H.** Consent Form Holders of Prior Financing: Written consent from ALL holders of prior financing must be secured prior to loan closing. Prior financing includes, but is not limited to prior mortgages, trust deeds and land sales contracts.
  - 1. Prior financing containing balloon payment provisions will disqualify the property for a Housing Rehabilitation Loan.
- I.** Fire Insurance: All premiums for fire insurance coverage that are due and payable at the date of loan closing must be paid before loan closing.

**1-12-1-4 THE REHABILITATION LOAN:**

- A.** Types of Loans: Two kinds of loans will be available under this program. No interest deferred payment loans will be made to very low income applicants under 50% of county median income as established by HUD. Installment loans with an interest rate of 1% per year, amortized over a period of up to 20 years will be available to other applicants. Loans less than \$5,000.00 will be amortized over 10 years; loans over \$5,000.00 but less than \$7,500.00 will be amortized over 15 years; and loans over \$7,500.00 will be amortized over 20 years.
- B.** The maximum amount of a Housing Rehabilitation Loan will be the lesser of the following:
1. \$25,000 to be adjusted administratively by the amount of the "Consumer Price Indexes Pacific Cities and U. S. City Average: West – B/C" (less than 1,500,000 population) for the month of December, beginning January 1, 2006.
  2. Actual cost of approved rehabilitation work and fees. If the approved amount proves to be inadequate due to more extensive repairs than initially anticipated, the Community Services Director may raise the amount of the loan by no more than ten percent of the original approved amount without exceeding the borrower's maximum loan eligibility.
  3. The applicant's net worth including equity in subject property. Equity in subject property is determined by subtracting all liens, judgments of records from 125% of county assessed value or appraised value (appraisal within the prior 12 months).
    - a. The net worth requirement of 1-12-1-4B3 may be waived by the City of Florence Loan Committee, except for no interest deferred payment loans.
- C.** Loan Terms: Loans will be amortized up to 20 years depending on the size of the loan as described in A. Monthly house payments for principle and interest including the Housing Rehabilitation Loan, real estate taxes and fire insurance will not exceed 30% of income as that income is determined by 1-12-1-2-B, 1-4. If the applicant lacks sufficient debt repayment ability as shown in the Family Income and Expense Summary of the Application, a no interest deferred payment loan may be made if it meets the net worth requirements of 1-12-1-2-C, and 1-12-1-4-B-3, and the applicant receives a favorable recommendation from the City of Florence Loan Committee. The Committee will consider the amount of income that is used for basic needs such as food, shelter, clothing and medical care and the amount of income used for non-basic needs such as extra vehicles, boats, vacations, expensive appliances and home furnishings, etc., in making its recommendation. Net worth requirements may NOT be waived as described in 1-12-1-4-B3 for applicants receiving no interest, deferred payment loans. Applicants will be required to accept an amortized loan up to the maximum amount of their repayment ability as shown on the Family Income and Expense Summary of the Application. The cost of any additional rehabilitation work and related costs can be financed by a no interest deferred payment loan.
- D.** Assistance Priorities: Preference loan assistance will go to minorities, elderly, handicapped and female heads of households.
- E.** Homeowner Participation: Eligible applicants will be required to do some or all of the work when, in the estimation of the Rehabilitation Specialist, the applicant is able to do so.
- F.** Eligible Improvements: A Home Rehabilitation Loan must be used to finance the cost of rehabilitation work deemed necessary by the Rehabilitation Specialist to bring the property into compliance with the applicable codes, ordinances, and rehabilitation standards established by the program.
1. HUD has established Minimum Rehabilitation Standards which every participating property should meet after rehabilitation. These standards relate to sanitation, space, security, weatherization, illumination and electrical systems, structure and materials, water supply, access and site conditions. In addition all houses must be rehabilitated to the extent that they

will be suitable for occupancy for at least 20 years after rehabilitation as provided in the approved application. All homes will be insulated and weatherized to UBC Code except in those instances where weatherization would require substantial alteration/repair of the structures.

2. Removal of architectural barrier to meet the special needs of the elderly and handicapped persons will be considered an eligible improvement under this program.
3. A Rehabilitation Loan may not be used to finance the cost of:
  - a. New construction, expansion, addition or the finishing of unfinished spaces, such as attic or basement. Exception: dwellings which fall below HUD's minimum square footage standards for the number of occupants)
  - b. Materials, fixtures, or equipment of a type or quality which exceeds that customarily used in properties of the same general type or value as the property being rehabilitated.
  - c. Appliances (Exception: a faulty range or refrigerator may be replaced when it is deemed to be a health or safety hazard).
  - d. Purchase, installation or repair of furnishings.
  - e. The applicant's labor or the labor of a member of the applicant's family or household.

**G.** Securing the Housing Rehabilitation Loan: The continuation of the Housing Rehabilitation Loan Program is dependent upon timely repayment of loans into a revolving loan fund. To that end, every rehabilitation loan will be secured by a note and trust deed, duly recorded. In order to secure the City's position, title insurance will be obtained.

1. Fees -Recording Fees, Title Report fees, and the cost of the Title Insurance Policy will be included in the loan. In the event that a loan application is not approved, or in the event that an applicant decides not to accept an approved loan, the applicant will not be required to pay for fees.
2. During the term of the Housing Rehabilitation Loan, the applicant shall maintain fire insurance covering at minimum, the total indebtedness against the property including the rehabilitation loan. Property taxes shall also be kept current during the term of the loan. It is the applicant's responsibility to provide proof of fire insurance naming the City of Florence as a beneficiary prior to approval for a loan. It is the applicant's responsibility to notify the City of Florence annually with proof of the renewal of fire insurance policy.
3. Applicants will be notified in writing of his or her eligibility for a loan within 30 days of receipt of a completed application. If an eligibility determination cannot be made within 30 days, the applicant will be notified in writing of the reasons(s) for the delay and the approximate time needed to make the determination.
4. All verification documentation including consent(s) from holder(s) of prior financing, credit reports and verification of any information contained in the application must be submitted within 60 days of the applicants signing of the application. If the required documentation is not received within 60 days of signing of the application, the next eligible applicant will be considered for a loan.
5. All loans shall be reviewed and will require approval by the City of Florence Loan Committee.
6. Rehabilitation work done by the homeowner (self-help) must be completed within 120 days from the date of the notice to proceed. Time extension may be granted in accordance with the self-help Construction Contract. Project "milestones" will be established through

consultation between the Housing Rehabilitation Specialist and the homeowner. In the event that the homeowner cannot complete the project milestones by the due date, the City of Florence reserves the right to withhold further payments to the homeowner and/or hire a contractor to complete the work.

7. Security Position: the City shall subordinate to all prior financing including the financing used in conjunction with the loan for rehabilitation work. Subordination will be decided on a case by case basis by the committee.
- H.** Alternative Assistance Requirements: It is not the intent of this program to duplicate services otherwise available in the Target Areas, but rather to complement them.
1. Whenever possible, funds from other programs will be used to supplement Rehabilitation Loan Funds.
  2. If there is an alternative form of assistance available which appears to be more appropriate to an applicant's needs (Example: An elderly person who may qualify for an FmHA Section 504 Home Repair Grant) he/she will be required to pursue that alternative.
  3. Applicants who prove to be ineligible for this program will, whenever possible, be referred to a program which more closely matches their circumstances or needs.
- I.** Loan payments received by the City of Florence will be deposited in a Housing Rehabilitation Loan Fund to be used for future owner occupied and investor owned housing rehabilitation loans.

**1-12-1-5 POLICY CHANGES AND APPEALS:** These policies are intended as a guide and a safeguard to the interests of all parties involved in the Rehabilitation Loan transaction. It must be remembered, however, that the achievement of the Rehabilitation Program goals is of prime concern.

- A.** Policy Exceptions: In an extraordinary situation where an exception to a policy or policies would be justified, reasonable and appropriate, staff may present the matter to the local City of Florence Loan Committee for review. Any such policy exception recommended by the Committee shall be applicable to the particular case in question only, and subject to approval from HUD, or its authorized agent.
- B.** Policy Changes. If a particular policy contained herein is found to be inadequate, unworkable, or inappropriate; or if significant citizen complaints are received, the policy may be changed by the City of Florence Loan Committee subject to the approval of HUD, or its authorized agent.
- C.** Homeowner/Contractor Disputes: In the event of a conflict between the homeowner and the contractor, the following procedure will be followed:

Prior to beginning of work, both the homeowner and the contractor will have a clear and precise understanding of the work to be done. There may be times, however, when the understanding of the two parties may be quite different. In this event, the Rehabilitation Specialist will immediately attempt to mediate the problem. If the Rehabilitation Specialist is not able to mediate the problem to the mutual satisfaction of the homeowner and the contractor, then the City of Florence Community Services Director will review the case. The Community Services Director, after consultation with the City of Florence Loan Committee will issue a ruling within 30 days after receipt of a written request for a review. The request for the review may be submitted by the homeowner or contractor. This ruling concludes the administrative review.

In addition, the homeowner may file a complaint with the State Builders Board, HUD or HUD's agent. The City of Florence will assist the homeowner in filing their complaint by providing names and addresses.

## **1-12-2 INVESTOR REHABILITATION LOAN PROGRAM POLICIES**

**1-12-2-1 PROGRAM DEFINITION:** The City of Florence Investor Rehabilitation Loan (IRL) Program is a financial assistance program to assist owners of rental housing units. The IRL Program will serve the public through the following goals:

- Rehabilitation of rental housing units to provide decent, affordable housing to low income families.
- Stimulate private investment in Florence's rental housing stock.

The IRL is NOT intended to be used as a substitute for commercial financing. Rather, it is intended to serve as a source of financing for investors so that they can upgrade their property and at the same time, maintain rents affordable to lower and moderate income families.

**1-12-2-2 PROGRAM REQUIREMENTS:** An Investor Rehabilitation Loan may be made for the improvement of an investor-owned property provided the following conditions are met:

### **ELIGIBILITY REQUIREMENTS:**

- A.** The property must be located in identified target areas within the City's Urban Growth Boundary.
- B.** The property must need rehabilitation in order to comply with applicable county/city codes and ordinances and HUD Minimum Design Standards.
- C.** Buildings must be rehabilitated to the extent that they will be suitable for occupancy for at least 20 years.
- D.** The housing units occupancy must be at least 51% low and moderate income households (80% County median income as established by HUD) before and after rehabilitation for installment loans and 70% very low income households (50% County median income as established by HUD) for deferred payment loans.

**1-12-2-3 LOAN APPROVAL:** The City of Florence Housing Rehabilitation Loan Committee will review and approve all IRL program loans.

**1-12-2-4 SECURITY:** The City of Florence will be secured by a Promissory Note and Trust Deed on the subject property. Title insurance will be required for all IRL's. If the property equity (appraised value after rehabilitation less total indebtedness secured by the property including the IRL) is less than the amount of the IRL, additional collateral will be required to secure the loan. The appraised value of the subject property will be determined by certified appraisers acceptable to the City or its agent. Additional collateral that may be used to secure the IRL will be cash, time deposits, marketable securities or other real estate. Releases may be provided on the additional collateral when property equity is adequate to secure the remaining balance on the IRL.

- A.** Property In Flood Plain: Property located in a special flood hazard area as determined by the U.S. Department of Housing and Urban Development will not be eligible for assistance unless the community in which the property is located is participating in the National Flood Insurance Program.
- B.** Judgments: All judgments must be satisfied prior to loan closing.
- C.** Tax Liens: All state, federal, county and city tax liens must be paid prior to loan closing. All property taxes must be current prior to loan closing.

- D. Assessments: All assessments by a governmental agency for streets, sidewalks, water, sewer and other public improvements must be paid current.
- E. Fire Insurance: All fire insurance premiums that are due and payable must be paid prior to loan closing. The owner must maintain fire insurance equal to total indebtedness secured by the property including the IRL.
- F. Prior Financing: Written consent must be secured from all holders of prior financing prior to loan closing. Prior financing provisions containing "balloon" or lump sum payments must be refinanced prior to loan closing.
- G. Security Position: The City IRL will subordinate to all prior financing including the financing used in conjunction with the IRL for rehabilitation work.
- H. Financial Capability: The applicant must demonstrate the ability to provide the 50% private investment or the labor and materials to match the IRL amount to the satisfaction of the Community Services Director.

**1-12-2-6 LOAN AMOUNTS:** The maximum IRL amount is limited to the lesser of:

- A. Property equity as defined in Section 1-12-2-4.
- B. Five thousand dollars (\$5,000.00) per dwelling unit (average all units in project).
- C. Fifty percent (50%) of the cost of eligible rehabilitation work.

The minimum loan amount is \$600.00 per unit (average all units in project).

The property equity requirements may be waived if the applicant can provide additional collateral as described in Section 1-12-2- 4, subject to approval of the Community Services Director.

**1-12-2-7 LOAN TERMS:** There are two types of loans available depending on the nature of households occupying the housing units.

- A. If at least 51% of the units are occupied by low and moderate income households (80% County median income as established by HUD), the loan terms are 20 years, at 3% interest, fixed monthly payments and no penalties for early loan retirement.
- B. If at least 70% of the units are occupied by very low income households (50% County median income as established by HUD), then the loan can be deferred at 3% interest until sale of property or property is converted to other than residential uses available for rent or lease.
- C. Both loans may be assumable upon sale of property if the property buyer meets the program eligibility requirements.
  - The assumable loan terms will be the Wall Street Journal Prime Rate plus 3% and a maximum length of 20 years. The payment shall be a monthly fixed rate. There will be a loan assumption fee payable to the City of 1% or \$75.00 whichever is greater. Loan payments received by the City of Florence will be deposited in a Housing Rehabilitation Loan Fund to be used for future owner occupied and investor owned housing rehabilitation loans.

**1-12-2-8 APPLICATION PROCESS:**

- A. Notification: Applicants will be notified within thirty days (30) of receipt of a completed application of their eligibility for a loan or the reason for disapproval.



- B. Submission of Verification/Releases: ALL verification documents and releases from prior lien holders must be submitted prior to loan closing.
- C. Submission of Construction Bids: A minimum of 3 acceptable bids for the rehabilitation work must be submitted within 60 days of receipt of the Bid Form/Inspection Report furnished by the City or its agent.
- D. Commitment of Prior Financing: All private financing and other assistance used in conjunction with the IRL for the rehabilitation work must be secured within 60 days of the loan interview date.
- E. Extension: Time extension up to 30 days for A, B, C, and D, above may be approved by the Community Services Director.
- F. Preference: Applications providing for a higher number of housing units to be occupied by households of low and moderate incomes will be given priority for loan assistance.

**1-12-2-9 DISBURSEMENT OF LOAN PROCEEDS:** Progress payments to the contractor will be made on the basis of the amount of acceptable work completed less a 5% retainage. The owner and Community Services Director must approve all payments. The contractor will sign a waiver of right to lien prior to the final disbursement. Loan proceeds disbursements by the City shall be a maximum of 50% of the value of the work accomplished at the time of the progress payment.

**1-12-2-10 RELOCATION:** It will be the responsibility of the applicant to provide for tenant relocation if required. If displacement is anticipated, the applicant must submit a plan to the City or its agent that complies with state/federal law. City staff or its authorized agent will assist the applicant to prepare a relocation plan.

**1-12-2-11 OTHER PROGRAM REQUIREMENTS:**

- A. Civil Rights: The borrower shall not discriminate upon the basis of race, color, sex, marital status, handicap, religion or national origin in the sale, lease, rental, use or occupancy of the property to be rehabilitated with IRL assistance.
- B. Equal Employment Opportunity: As required, the borrower shall comply with all applicable provisions of federal and state statutes and regulations and City ordinances concerning equal employment opportunities for persons engaged in rehabilitation work undertaken in connection with IRL assistance.
- C. Labor Standards, Contract Work, Hours and Safety Standards: If the property to be rehabilitated with IRL assistance is designed for residential use by eight or more families, the borrower shall agree to notify its contractor(s) and subcontractors that in the employment of laborers and mechanics in connection with the rehabilitation work, such contractors and subcontractors are required to comply with the provisions of the Davis-Bacon Act, as amended, of the Contract Work Hours and Safety Standards Act, and of other applicable federal laws and regulations pertaining to labor standards. Copies of these provisions are available at the U.S. Department of Labor or City offices.
- D. Condominium Conversion: The borrower must agree not to convert units assisted under this program to condominium ownership for a period of 10 years after completion of rehabilitation.
- E. Nondiscrimination Against Tenants with Children and Subsidized Tenants: The borrower must agree not to discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any Federal, State or Local housing assistance program (except for a project housing elderly persons) or on the basis that the tenants have a minor child who will be residing with them.

**1-12-2-12 POLICY CHANGES AND APPEALS:** These policies are intended as a guide and a safeguard to the interests of all parties involved in the Rehabilitation Loan transaction. It must be remembered, however, that the achievement of the Rehabilitation Program goals is of prime concern.

- A.** Policy Exceptions: In an extraordinary situation where an exception to a policy or policies would be justified, reasonable and appropriate, staff may present the matter to the local City of Florence Loan Committee for review. Any such policy exception recommended by the Committee shall be applicable to the particular case in question only, and subject to approval from HUD, or its authorized agent.
- B.** Policy Changes: If a particular policy contained herein is found to be inadequate, unworkable, or inappropriate; or if significant citizen complaints are received, the policy may be changed by the City of Florence Loan Committee subject to the approval of HUD, or its authorized agent.
- C.** Investor/Contractor Disputes: In the event of a conflict between the investor and the contractor, the following procedure will be followed:

Prior to the beginning of work, both the investor and the contractor will have a clear and precise understanding of the work to be done. There may be times, however, when the understanding of the two parties may be quite different. In this event, the Rehabilitation Specialist will immediately attempt to mediate the problem. If the Rehabilitation Specialist is not able to mediate the problem to the mutual satisfaction of the investor and the contractor, then the City of Florence Community Development Director will review the case. The Community Development Director, after consultation with the City of Florence Loan Committee will issue a ruling within 30 days after receipt of written request for review. The request for the review may be submitted by the investor or contractor. This ruling concludes the administrative review.

In addition, the investor may file a complaint with the State Builders Board, HUD or HUD's agent. The City of Florence will assist the investor in filing their complaint by providing names and addresses.

**1-12-3 NEW HOUSING LOAN PROGRAM**

**1-12-3-1 PROGRAM DEFINITION:** The New Housing Loan Program is available to provide assistance with the payment of City building permits and System Development fees for up to two new housing units per fiscal year constructed by Habitat for Humanity or other organizations providing new housing ownership opportunities to low/moderate households, subject to approval by the City's Housing Loan Committee.

**1-12-3-2 APPLICANT AGENCY ELIGIBILITY:**

- A.** Applicant agencies are restricted to organizations whose primary mission is the construction of new housing units for ownership by qualified low/moderate income households.
- B.** Such organizations must have a record of at least three years of successful completion of new housing units and transfer of ownership to the low/moderate income households.
- C.** The housing units must be located within the City boundaries.
- D.** Agency eligibility will be determined by the City Council following application by an organization.

**1-12-3-3 NEW HOUSING LOANS:**

- A.** Deferred payment no interest loans are available for up to two housing units per fiscal year per eligible organization to cover initial costs of building permit and Systems Development fees.
- B.** After application for loan funds, approval by the Housing Loan Committee, and completion and recording of loan agreements, the applicant agency may apply for building permits. Loan proceeds will be debited internally from the Housing Loan Fund and credited to the building permit and SDC funds. No loan funds will be dispersed to the applicant agency.

- C. The loan is to be repaid in full at the time title to the unit transfers from the first non-agency owner to the second owner. No interim payments are required. Unpaid loans become a lien against the property.
- D. Loan payments received by the City will be deposited in the Housing Loan Fund for continued use in assisting rehabilitation and construction of housing for income qualified residents and owners.

**1-12-3-4 CONSTRUCTION:** The City assumes no responsibility or liability for construction of the unit(s) other than the normal permitting and inspection process. Construction of the units and conformance with all applicable local, state and federal codes and requirements is the sole responsibility of the applicant. In the event that an applicant is unable to complete a unit, the City may assist in obtaining grants, loans or providing other assistance necessary to ensure completion of the unit, and protection of the value of the City's lien.

**1-12-3-5 APPEALS:** An applicant who is denied loan funds by the Housing Loan Committee may appeal that decision to the City Council.

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Ord.11, Series 1985, August 1985  
Ord.10, Series 1986, May 27, 1986  
Ord.13, Series 2003, May 20, 2003  
Ord. 5, Series 2005, June 5, 2005