

## **Housing Rehabilitation Revolving Loan Program**

The City of Lockport's Housing Rehabilitation Program is designed to improve residential neighborhoods through the rehabilitation of housing conditions Citywide with preference given to designated target areas. The program makes rehabilitation loans to homeowners to correct housing code violations and make other necessary repairs. The program is administered to be compatible with the City's ongoing Code Enforcement Program by providing financial assistance to property owners to bring their housing into compliance with the City's New York State Uniform Fire Prevention and Building Code. Improvements to single- and multi-family dwellings can be made under the program.

The Housing Rehabilitation Revolving Loan Program is defined to contain the following two loan programs to assist as many eligible applicants as possible.

### **Interest Free Revolving Loan Program**

Community Development funds are used to make Interest Free Loans to low and very low-income property owners as per Section 8 income limits, to cover the cost of needed rehabilitation work. (See below – Income Limits.)

Eligible homeowners can receive an Interest Free Loan of up to \$14,000.00 or the actual cost of the rehabilitation work, whichever is less to correct housing code violations, and repair water and sewer laterals, or make energy conservation improvements. In owner occupied multi-family properties, eligible homeowners may receive an Interest Free Loan of up to \$14,000.00 or the actual cost of the rehabilitation work, whichever is less.

The rehabilitation loan is repaid on a monthly basis, over a maximum of twelve years. A shorter payment term may be negotiated at the request of the homeowner and with the approval of the Community Development Department. The loan funds are secured with a collateral mortgage.

**Example:** Rehabilitation Cost: \$14,000.00

\$14,000.00 repayment amount divided by 144 monthly payments  
(12 years) equals a monthly payment of \$97.22

## **Rental Rehabilitation Revolving Loan Program**

The Community Development Department will help an eligible property owner to significantly decrease his/her cost for home improvements by reducing a major portion of the interest of a conventional home improvement loan. Rental Rehabilitation Loan funds can provide up to 50% of the financing for any one particular project. No more than \$8,500.00 of Rental Rehabilitation Loan funds can be used per housing unit according to the Federal Regulations. Eligible homeowners can receive a Rental Rehabilitation Loan to correct housing code violations, repair water and sewer laterals, or make energy conservation improvements.

The rehabilitation loan is repaid on a monthly basis, over a maximum term of twelve years. A shorter repayment term may be negotiated at the request of the homeowner and with the approval of the Community Development Department. The loan funds are secured with a collateral mortgage.

In order to obtain loan assistance, property owners must meet the following conditions:

1. The property must be located within the City of Lockport, but preference will be given to designated target areas.
2. The applicant must be an individual of family who holds legal title to the property. The holding of title must be satisfactory as evidenced by an abbreviated title report (stub search), in the opinion of the City's Corporation Counsel. In the case of an Interest Free Loan, the applicant must reside at the property.
3. The structure of the property must be in violation of applicable City Housing Codes.
4. All applicable taxes (City, County and School), water bills or special assessments on the property to be rehabilitated must be paid to date.
5. The applicant must not be a member of the public body or officer or employee of the public body who exercises any functions or responsibilities in connection with the administration of the Community Development Program.
6. In the case of dwellings of two (2) or more units, 51% of the households residing in the structure after rehabilitation must meet Section 8 Income guidelines for low-income persons.
7. For Rental Rehabilitation Loans, the applicant(s) must enter into an agreement with the Department of Community Development assuring that for a period of two (2) years from the date of signing of the agreement, the applicant agrees to make available at least 51% of the units within the structure to tenants whose income falls within the Section 8 Public Housing Limits. (See following).

8. For Interest Free Loans and tenant income under Rental Rehabilitation Loans, the applicants or tenants adjusted gross family income must not exceed 80% of the median income as defined by Section 8 Housing Income Limits, Department of Housing and Urban Development; Buffalo Area Office. Also, the applicant's total bank savings, stocks and bonds may not exceed \$15,000.00. This does not include personal possessions, such as a car, furniture or the value of the house to be rehabilitated. However, should the applicant own real estate in addition to the property to be rehabilitated, an appraisal of the additional property will be required, with the value to be included in determining the applicant's total assets.

<b>Number of Persons in Household</b>	<b>Low Income May Not Exceed</b>
1	\$35,550
2	\$40,650
3	\$45,700
4	\$50,800
5	\$54,850
6	\$58,950
7	\$63,000
8	\$67,050