

Olivia Housing Rehabilitation Owner Occupied and Rental Repair Loan Program

Housing Repair Loans

The City of Olivia has pledged \$476,840 in funds to provide owner and rental housing repair loans to 21 income eligible homeowners and 5 rental property owners living within the City of Olivia. The following eligibility requirements will apply.

- ◆ **Ownership** - The applicant must own a property within the City of Olivia. Ownership of property also includes life estates and homes being purchased through contract for deed.
- ◆ **Target Area** - The property must be in the city limits of Olivia.
- ◆ **Occupancy** - The home to be improved must be the applicant's principal place of residency. The applicant must live in the home a majority of the year. For rental properties, the rental property to be improved must be occupied by low and moderate income tenants before the grant is closed and throughout the term of the Repayment Agreement. Upon participation in the grant, the rental property owner also agrees to stay within Fair Market Rents for Renville County.
- ◆ **Eligible Repairs** - Repairs that are permanent and necessary are eligible. Examples are: roofing, foundations, siding, windows, heating units, electrical, plumbing and health and safety items.
- ◆ **Real Estate Taxes** - An applicant must be current with their real estate taxes in order to receive a Housing Repair Loan.
- ◆ **Insurance** – The home must be insured while the loan is in place.
- ◆ **Income** - Homeowners who are low to moderate income are eligible to participate in the program.

2016 Renville COUNTY	
Household Size	Gross Household Income
1	\$35,750
2	\$40,850
3	\$45,950
4	\$51,050
5	\$55,150
6	\$59,250
7	\$63,350
8	\$67,400

- ◆ **Owner Occupied Rehab Average Loan** - The average Housing Repair Loan is \$18,340. The homeowner will need to furnish at least 30% of the total project to the Housing Repair Loan. SWMHP will assist in determining the match and other resources that may be available to fund the match. The maximum Housing Repair Loan is \$25,000.

Loan Breakdown: 70% of the cost, 0% deferred loan*
30% homeowner's match.

Deferred Loan – The Housing Repair loans will be loaned as 0% deferred loans. A deferred loan is a loan with no monthly payment and no interest will accrue which will be forgiven 10% each year or will revert into a grant if the property does not change ownership within ten (10) years.

- ◆ **Rental Rehab Average Loan** - The average Housing Repair Loan is \$18,340. The rental property owner will need to furnish at least 30% of the total project to the Housing Repair Loan. The maximum Housing Repair Loan is \$25,000.

Loan Breakdown: 70% of the cost, 0% deferred loan*
30% rental property owner’s match.

Deferred Loan – The Housing Repair loans will be loaned as 0% deferred loans. A deferred loan is a loan with no monthly payment and no interest will accrue which will be forgiven 20% each year or will revert into a grant if the property does not change ownership within five (5) years.

- ◆ **Occupancy** - The rental property to be improved must be occupied by low to moderate income tenants or, if vacant, the property owner must agree to rent to low to moderate income tenants before the grant is closed and throughout the term of the Repayment Agreement. The tenant income limits are as follows:

2016 Renville COUNTY	
Household Size	Gross Household Income
1	\$35,750
2	\$40,850
3	\$45,950
4	\$51,050
5	\$55,150
6	\$59,250
7	\$63,350
8	\$67,400

Upon participation of this grant, the rental property owner also agrees to stay within 2015 Fair Market rents for Renville County as follows:

Renville COUNTY 2015 Fair Market Rent	
Bedroom Size	Maximum Rent and Tenant Paid Utilities
Efficiency	\$428
1	\$538
2	\$643
3	\$801
4	\$879

Renville County HRA/EDA Section 8 Utility Allowances effective-11/1/2015

Category	Description	0- Bedroom	1- Bedroom	2- Bedroom	3- Bedroom	4- Bedroom	5- Bedroom
Heating	Fuel Oil	0	86	110	135	171	0
	Natural Gas	0	61	79	95	121	0
	Electric	0	59	77	94	118	0
	Liquid Propane	0	69	89	109	138	0
Cooking	Natural Gas	0	5	7	8	11	0
	Electric	0	9	12	14	15	0
	Liquid Propane	0	12	13	15	17	0
Other Electric		0	37	47	58	73	25
Water Heating	Natural Gas	0	20	25	31	38	0
	Electric	0	21	26	32	39	0
	Liquid Propane	0	21	26	33	40	0
Range		0	10	10	10	10	0
Refrigerator		0	13	13	13	13	0
Rural Water		0	5	6	7	8	0
Water/Sewer		0	46	54	78	94	0
Trash Collection		0	16	16	16	16	16