
City of Columbus
Department of Development
Housing Division

2012 Rental Rehabilitation Program Guidelines

THE CITY OF
COLUMBUS
MICHAEL B. COLEMAN, MAYOR

DEPARTMENT OF
DEVELOPMENT

2012 Rental Rehabilitation Program Guidelines

Purpose:

The Rental Rehabilitation Program is designed to provide necessary funding for repairs to smaller rental projects in the central city. The program provides financing of up to \$40,000 per unit in the form of a grant. This provides an incentive for owners and/or investors to rehabilitate rental property for low and moderate income qualified renters and keep units online.

The program dollars for this program will be from Councilmanic Bond funding.

The general guidelines for the program are as follows:

I. Geographic Information

Corporate Columbus area with a priority assigned to those units in the City's CDBG Service Area.

II. Eligible Property

Single-family and duplex units, which will serve as low, moderate income housing, are eligible. Units must be able to be restored to decent safe and sanitary condition with the funding provided as determined by the City.

III. Eligible Activities

Rehabilitation in accordance with the City of Columbus Building Code and limited soft costs.

IV. Eligible Applicants

Non-profit and for-profit owners/developers are eligible to apply. Applications will be limited to 1 or 2 units. Applicants must demonstrate that the property for which funding is requested is financially viable once improved. For properties which cannot meet current debt service, applicants will be required to seek mortgage loan modification prior to receipt of City funding.

V. Eligible Occupants

Households with incomes at or below (80%) of the Area Median Income (AMI) adjusted for

household size as established by HUD. Total household income is used when calculating annual gross income.

VI. Financing Guidelines

- A. During the affordability period, as defined by the Restrictive Covenant to be filed as a condition to the grant, tenants are qualified at move-in must have a household income at or below eighty percent (80%) of AMI. Rents must also be set at or below the Fair Market Rent (FMR) as established by HUD. Failure to maintain these requirements will result in the applicant repaying all City funding.
- B. If the property has positive cash flow and a debt coverage ratio of 1.2 or better, the applicant will be expected to contribute to the cost of the work being done. The contribution will be determined based on cash flow of the property and financial situation of the owner in dialogue with City staff.

VII. Eligible Costs

Eligible costs include, but are not limited to, the following:

- Correction of all building code violations/incipient code violations
- Making energy efficiency improvements
- Making general property improvements

Funds will be disbursed directly to the contractor as construction work progresses as a percentage of the construction costs. All construction work will be inspected by the Department of Building and Zoning Services and the Department of Development, Housing Division staff prior to payment being approved. Receipts and documentation must be provided to verify costs. Lien Waivers will be required. All contractors will be approved by the Department of Development, Housing Division. **Construction must begin three months from the date of agreement signing.**

VIII. Restrictive Covenant

All Owners must agree that a Restrictive Covenant will be placed on the unit. The Restrictive Covenant is an agreement between the Owner and City of Columbus that states that all households occupying the units during the affordability period must be low or moderate income. Once the unit is occupied by a qualified tenant, they may remain in the unit as long as they are in good standing – an increase in income above the income limits will not require eviction. If the Owner sells the unit during the affordability period all funds used will be subject to recapture.

The affordability period referenced above is defined as follows:

Per Unit Assistance	Minimum period of affordability in years
Rehabilitation of existing housing Amount of City funds	
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

IX. Additional Obligations for Funds

A. Relocation Review:

Owners must comply with the federal relocation rules. If tenants must be displaced, even temporarily, to accomplish the work, the Owners will work with the City Relocation staff to facilitate proper relocation procedures.

B. Historic Review:

Clearance from the City of Columbus Historic Review Officer. The rehabilitation must comply with Section 106 standards set by the Secretary of the Interior. Historically eligible properties must be rehabilitated in a historically appropriate manner as determined by the Development Department staff.

C. Environmental Review:

The project must receive Environmental Review clearance as defined by the National Environmental Policy Act that includes the Historic Preservation Review referenced above.

D. Lead-based Paint Hazards

Work on properties for rehabilitation that were built before 1978 must comply with Title X rules and regulations, as well as applicable state lead paint law. The cost and scope of rehabilitation work determines what inspections and interventions will be required.

X. Process

- A. Owner will complete a program application that describes the requested scope of work and provides complete information on the current operations, occupancy and financial information on the units.
 - B. Applications will be reviewed and open issues clarified. A housing rehabilitation technician will do a site visit and develop a proposed scope of work limited to the City funding available.
 - C. The scope of work will be reviewed with the Owner. City staff and the Owner will agree on the scope of work and it will be limited to the amount of City funding available.
 - D. The construction project will be bid to City approved contractors.
 - E. Bids will be reviewed by the Housing Division staff and the Owner. The best and most responsive bidder will be chosen.
 - F. Funding request is submitted to the Funding Review Committee to review and recommend approval or denial.
 - G. City council approval will be obtained.
 - H. An agreement will be signed by the City, the Owner and the Contractor. The Owner will file a restrictive covenant on the property. The Contractor will pull permits and begin work after a pre-construction conference is held.
 - I. Contractor invoices must be approved by the Owner and the Housing Division staff. Progress payment schedule will be established as part of the agreement and payment will be made directly to the contractor.
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- J. Upon completion, the Applicant and the City will sign off that both are satisfied with the work.
- K. For the length of the affordability period, the Owner will provide annual reports on the occupancy and physical condition of the units as well as rents charged.

THESE GUIDELINES OUTLINE THE BASIC FUNDING REQUIREMENTS FOR THIS PROGRAM AND ARE NOT MEANT TO BE ALL-INCLUSIVE

The City of Columbus is an Equal Opportunity Lender
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The funds for this program are limited. As such, they will be available on a first-come, first served basis.