

## Section 5 - Housing Policies

This section revises Section 7.1.3, APPENDIX C to the 2009-2012 Consolidated Plan. Revisions include: deletion of the rental housing priorities subsection – the Office of Housing will be reviewing appropriate rental housing and population data at the end of 2009 and it is envisioned that new rental housing priorities will be adopted in 2010 based upon that review; deletion of all references to Housing Investment Areas (although in certain cases updated terminology is being used to reflect the same geographic targeting); deletion of all references to the federal HOME American Dream Downpayment Initiative; revisions to the rental assistance section to reflect that HOME funding will no longer be used for that purpose; and other non-substantive edits.

The Consolidated Plan housing policies in this Appendix C pertain to all capital funds administered by the Seattle Office of Housing (OH) unless otherwise noted. Policies for rental assistance funds administered by the Seattle Human Services Department (HSD) are also included. Please refer to the currently applicable City of Seattle Housing Levy Administrative & Financial Plan for additional policies governing the use of Levy funds.

### Rental Preservation & Production Program Policies

#### Affordability Policies

The policies described in this section apply to capital funds awarded by OH for production or rehabilitation to provide or preserve affordable rental housing, including HOME and CDBG funds, except that these policies do not apply to Housing Levy funds, Sound Families funds, programs where the City leverages other funds through credit enhancement strategies, other City fund sources for which specific affordability guidelines are adopted by City legislation, mitigation funds that are used to provide affordable rental housing in accordance with the findings of a nexus study, or funds used for bridge loans (but amounts repaid on bridge loans and bridge loans converted to long-term financing are subject to these policies unless the fund source for the bridge loan was otherwise exempt). Affordability policies for Levy Rental Preservation & Production Program funds are provided in the currently applicable Levy Administrative & Financial Plan.

The following rental affordability policies apply to permanent capital funding appropriated for use in a biennial budget cycle (e.g. 2010-2011):

- At least 50% of rental program funds shall be used for units with affordable rents for extremely low-income households (incomes up to 30% of area median income);
- Remaining rental program funds may be used for units with affordable rents for very low-income households (incomes up to 50% of area median income), with the following exceptions:

- ✓ Funds may be used to produce or preserve units with affordable rents for households with incomes above 50% of area median income up to a maximum of 80% of area median income in the Central Area, Rainier Valley/Beacon Hill, Delridge/Westwood, South Park, Pioneer Square, and International District neighborhoods;
- ✓ Funds may be used to produce or preserve units with affordable rents for households with incomes above 50% of area median income up to a maximum of 80% of area median income within half a mile of a light rail or bus rapid transit station located outside of the Downtown Urban Center;
- Tenant households with income above the applicable eligibility levels are called “over-income households.” Funds may be used to acquire or rehabilitate an existing, occupied project and subsidize some units affordable to low-income households, but occupied by over-income households with incomes up to 80% of area median income. Such funds will be considered to have been used for housing affordable to extremely low-income households or very low-income households, respectively, to the extent the units are required to be occupied solely by and affordable to, such households within 2 years of the date of the loan agreement. In such case, the initial regulatory term will be established for a 52-year period. By the end of the initial 2-year period after the date of the loan agreement, over-income households need to be relocated or the Borrower will be in default and required to return a prorata portion of the OH funding.

### **Rent Standards and Eligible Households**

Except as provided in the *Affordability Policies* above, program funds are to be used only for units that are occupied or will be initially occupied by eligible households at affordable rents for the respective income categories.

For the purposes of the Consolidated Plan, “affordable rent” for low-income households means annual rent not exceeding 30% of 80% of median income; affordable rent for very low-income households means an annual rent not exceeding 30% of 50% of median income; and affordable rent for extremely low-income households means an annual rent not exceeding 30% of 30% of median income. For the purposes of determining whether a unit bears affordable rent, the term “rent” includes the rent paid by the tenant plus an allowance for utilities paid by the tenant.

City funding is not available for units that are occupied at the time of funding by over-income tenants, as defined under *Affordability Policies* above, with household income greater than 80% of median income. The City may require as a funding condition that units occupied by such households, although not City-funded, become rent-regulated under a City regulatory agreement when occupancy changes.

## Development Project Siting Policy

Unless the Director waives the siting policy as stated below, OH will not fund, or certify as consistent with this Consolidated Plan, a project if the proposed number of subsidized rental housing units for extremely low-income households would exceed the capacity for additional subsidized rental housing units for extremely low-income households in the Census block group where the proposed project is located.

Capacity for additional subsidized rental housing units for extremely low-income households is defined as:

- The total number of housing units in the Census block group according to the latest information as updated annually by the Department of Planning and Development (DPD), multiplied by 20%;
- Less the number of existing subsidized rental housing units for extremely low-income households in the Census block group according to the latest report available from OH (OH's inventory of subsidized rental housing in Seattle includes projects with capital subsidies from public agencies; i.e. City-funded projects as well as non-City funded projects as reported periodically by county, state and federal agencies).

The siting policy does not apply to projects located within the Downtown Urban Center and within the South Lake Union and Uptown Urban Centers north to include the north side of Mercer Street because of their special nature as high priority areas for affordable housing investment.

The OH Director may grant a waiver of the siting policy if one or more of the following criteria are met:

- The proposed project is a neighborhood-supported project.  
To be considered a neighborhood-supported project, OH must determine that the proposed project is supported by a reasonable number of immediate neighbors and/or affected neighborhood organizations. Such determination will be based on review of results of the community notification process as described in the ***Neighborhood Notification and Community Relations Policy*** section (see below) including notification of immediate neighbors, consultation with established community groups, public meetings, and/or other means of community notification as OH deems appropriate. In accordance with national, state and local fair housing laws, OH disregards, in evaluating neighborhood support for the project, any opposition that appears to be based on characteristics of future residents of a project if discrimination based on such characteristics is prohibited.
- Additional market-rate housing development is planned in the Census block group, and OH determines that the proposed project would not result in more than 20% of total housing units in the block group being subsidized rental housing for

extremely low-income households, based on an adjusted estimate of total housing units that includes units for which building permits have been issued (based on the Department of Planning & Development's latest annual report of building permit data) or other such documentation as deemed appropriate by OH.

- OH determines that natural or manmade barriers (e.g. a bluff, waterway, or freeway) physically separate the proposed project from existing concentrations of subsidized rental housing for extremely low-income households.

### **Affirmative Marketing**

Borrowers are required to affirmatively market vacant units. Borrowers must use marketing methods designed to reach persons from all segments of the community, including minorities, persons of color and persons with disabilities. In addition, owners are strongly encouraged to inform providers of emergency shelters and transitional housing about their projects and to promote access to households ready to move into permanent housing. Owners will be required to maintain records of their affirmative marketing efforts and to report annually to OH on those efforts. Borrowers of funding for transitional housing will be required to develop processes to assure that homeless individuals or families coming out of emergency shelters have equal access to transitional housing projects as people coming from other places.

### **Rental Assistance Policies**

The City invests federal and local resources in rental assistance programs that enable low-income individuals and families to achieve housing stability. Seattle's rental assistance policies are guided by regional Ten-Year Plan to End Homelessness key strategies: prevent homelessness and move homeless people rapidly into housing.

The high cost of housing in Seattle poses a significant challenge for many people. The three primary factors that demonstrate the need for tenant-based rental assistance funds are:

- The number of individuals who are homeless;
- The extent to which gross housing costs exceed 30% of gross household income (referred to as "cost burden"); and
- The number of households on the Seattle Housing Authority's waiting list for subsidized housing.

The City certifies that rental assistance is an essential element of Seattle's Consolidated Plan given the priority to secure affordable rental housing to very low-income households most in need.

In 2010, the City's rental assistance will be supported by Seattle General Fund, Community Development Block Grant, and federal Recovery Act Homelessness Prevention and Rapid Re-Housing Program (HPRP) funding. The rental assistance programs will be guided by applicable local and federal regulations. HPRP funding

guidelines are outlined in the Notice of Allocations, Application Procedures, and Requirements for Homelessness Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009 [Docket No. FR-5307-N-01]. HPRP funding may be used for specific housing-related activities, including rental assistance, rent arrears, security and utility deposits, utility payments, moving cost assistance, and hotel/motel vouchers.

Rental assistance is a subsidy paid to a landlord on behalf of a tenant for a portion of the tenant's rent. Generally, the tenant pays a portion of their monthly income toward rent and utilities, and the subsidy provider pays the remainder up to a reasonable amount. Rental subsidies and housing-related financial assistance are provided by nonprofit organizations under contract with the City. Subsidies are often combined with case management and other supportive services to help the tenant remain stable.

Individuals or households receiving rental assistance must meet minimum eligibility requirements, including having a household income at or below 50% of median income and either at-risk of homelessness or currently homeless.

## **Homeownership Program Policies**

The policies that follow apply to HOME funds awarded by OH for homeownership purposes. The policies do not apply to CDBG or Housing Levy funds. Policies for use of Levy homeownership funds are provided in the currently applicable Levy Administrative & Financial Plan.

### **Eligible Use of Funds**

- HOME funds may be used for (1) downpayment and closing cost assistance and/or interest rate write down for eligible buyers; and (2) site acquisition and/or development costs for a home or homes to be sold to eligible buyers.
- OH may provide up to \$1,000 of HOME funds to non-profit homeownership organizations at the time of loan closing to help pay for counseling services provided by such organizations in connection with each home to be sold to an eligible buyer household. However, the \$1,000 for counseling services must be authorized in the contracts between organizations awarded homeownership funding and OH, and may not be included as part of homebuyer assistance loans to homebuyers.
- The value of the home must not exceed 95% of the median purchase price in Seattle, as published by HUD, or as determined locally through market analysis in accordance with HUD HOME Program requirements, or as allowed by any HUD exception or policy revision.
- Eligible buyer households must purchase a home in Seattle and use it as their principal residence. Purchases of investment properties are not allowed under this

program. All types of for-sale units are eligible, including single-family residences, condominium units, limited equity cooperatives, co-housing, land trusts, and homes on leased land. Homes with an accessory dwelling unit (ADU) are eligible, provided that the buyer will be an owner-occupant of the home and ADU tenants and rents meet household income limits and affordability requirements, per HOME regulations. A lease-to-own contract or long-term lease may be considered a purchase.

### **Homebuyer Eligibility**

- Buyers benefited by the program must be low-income, first-time homebuyers. First-time homebuyer is defined as any individual and his or her spouse who have not owned a home during the 3-year period prior to the individual's purchase of the home. The term first-time homebuyer also includes an individual who is a displaced homemaker or single parent, as defined in 24 CFR Part 92 HOME Investment Partnership Program, Section 92.2 Definitions, as follows:

Displaced homemaker means an individual who:

- (1) is an adult;
- (2) has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and
- (3) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

Single parent means an individual who:

- (1) is unmarried or legally separated from a spouse; and
- (2) has one or more minor children of whom the individual has custody or joint custody, or is pregnant.

OH may narrow the definition of “first-time homebuyers” in order to ensure equitable treatment between married and non-married persons. OH also may, for the same purpose, expand the “single parent” eligibility category.

- Eligible buyer households must successfully complete a pre-purchase homebuyer education program approved by OH.
- Borrowers must be able to financially qualify for a first mortgage approved by OH. In programs administered directly by the City, qualifying income will be defined using the IRS definition of adjusted gross income for reporting on IRS Form 1040, subject to any adjustments or exclusions required by federal law or regulations.

### **Funding Guidelines**

HOME funds for homebuyer assistance loans to eligible buyer households are subject to the following conditions:

- Loans will be limited to the amount needed for each buyer household, providing gap financing to enable low-income households unable to qualify for sufficient private financing to purchase a home.
- In order that single-source downpayment assistance may be provided for the convenience of borrowers, in lieu of loans from Levy or other City funds and non-City sources to the same borrower, OH may allow a higher amount of City-funded homebuyer assistance, not to exceed \$70,000, for a borrower that receives assistance made as part of a project or lending program for which a developer or nonprofit lending agency has obtained commitments of non-City homebuyer subsidy funds, but only if all of the following conditions are satisfied:
  - (1) Non-City subsidy funds provided to such project or program must be used for deferred downpayment assistance loans or other assistance that increases the ability of low-income households to purchase a home.
  - (2) The average amount of City-administered homebuyer assistance for all eligible households benefited by the program, including buyers who do not receive any City-administered funds, may not exceed \$45,000.
- Loans will generally be 30-year deferred loans. Loans may include provisions for payment of a share of appreciation. Any share of appreciation payable may be reduced and/or eliminated over time. Loan repayment terms shall specify the interest rate, which generally shall not exceed 3% simple interest; loan term; period of payment deferral; and any contingent interest or share of appreciation.
- Loans using the recapture option will be structured with repayment obligations, using a promissory note and deed of trust approved by OH.
- Borrowers must provide a minimum of \$2,500 or 1% of the purchase price, whichever is greater, of their own funds toward the home purchase as a condition to any homebuyer assistance loan. Homebuyers may receive gifts of funds towards their portion of the downpayment; however, gifts must not exceed 25% of the borrower's total downpayment requirement.
- The terms of each homebuyer assistance loan, except loans involving land trust projects, shall provide that the entire principal balance is due upon sale or refinancing of the home, at the lender's option, to the extent permitted by applicable law. However, OH may permit assumption of the loan by another eligible borrower in lieu of repayment.
- Eligible buyers or developers may receive homebuyer assistance up to a maximum of \$45,000 per assisted household, including both Levy funds and other City-administered funds, unless the maximum is increased in accordance with provisions below. The \$45,000 cap includes any fees paid to non-profit homeownership organizations for counseling services. Homebuyer assistance loans include loans to homebuyers and loans to developers or prior owners assumed by, or otherwise passed through to, homebuyers. Homebuyer assistance loans may be used for downpayment, closing costs, and/or first mortgage loan interest rate write down, as approved by OH.

- City-funded assistance for any home improvements, if committed or provided in connection with a home purchase, is considered to be assistance for the purchase and, together with the homebuyer assistance, cannot exceed the applicable funding limit except in the case of assistance provided to a nonprofit developer for home purchase or land purchase and/or improvement costs associated with an OH-approved land trust project, for which the combined homebuyer assistance and home improvement assistance may total up to \$65,000, provided that the homebuyer assistance does not exceed \$45,000.
- Borrowers may use any first mortgage product approved by OH, including FHA and Fannie Mae products, and portfolio loans. FHA 203(k) purchase-rehabilitation loans are also eligible, provided the rehabilitation amount exceeds \$5,000.

### **Recapture and Resale Guidelines**

- In conformity with HUD rules, OH will impose either resale or recapture requirements, at its option, when HOME funds are used. The recapture or resale options may be managed by the City, a sub-recipient, or other contracting party at OH's option. The recapture or resale options cannot be used together in the same loan, except that OH may recapture funds loaned to a land trust in case of a transfer of a home contrary to resale restrictions.
- For HOME funds that are allocated for eligible development costs and programs operated by nonprofit housing agencies, the resale option may be used. In such cases, the agreement with the developer or nonprofit housing agency will provide for long-term affordability of the housing. Requirements include:
  - ✓ The initial sale and any resale of subsidized units during the applicable affordability period must be made to low-income households.
  - ✓ The resale price during the applicable affordability period is limited to maintain an affordable purchase price for subsequent low-income homebuyers. The resale formula must also provide for a fair return to the seller. The resale price and return formula must be approved in advance by OH.
  - ✓ New purchaser income and resale price are restricted during the affordability period via a recorded deed restriction or land covenant, or there is a purchase option or right of first refusal in favor of the City or a City-approved entity at a restricted price, or both methods are used.
- For HOME funds allocated to lending programs, the recapture option may be used. The City or a City-approved entity will have the right to require full repayment of the HOME subsidy when resale occurs, regardless of the applicable affordability period, to the full extent permitted by law.

## **Subordination Policy**

Many program borrowers refinance their homes or borrow against the value of their homes, and request that their homebuyer assistance loan's lien position be subordinated to another loan. In some cases agreeing to these subordination requests could greatly increase the risk that taxpayer funds may not be paid back. The current policy of OH is that subordination requests will be evaluated by the Homeownership Program Manager and will generally follow the following conditions:

- The total proposed loan to value ratio does not exceed 90% of the appraised or assessed value, whichever is less. The new loan does not have a balloon payment before the homebuyer assistance loan maturity date and is not an interest only loan.
- The homeowner needs to refinance only the existing first mortgage indebtedness against the property to take advantage of better rates, terms, and payments, and is not incurring additional indebtedness against the property, except for one or more of the following:
  - ✓ Refinancing fees;
  - ✓ Payments needed in order to save the house from a foreclosure;
  - ✓ Costs of an urgent health and safety repair;
  - ✓ Medical, funeral, or other emergency expenses of the homeowner or immediate family that is determined to be allowable by the Homeownership Program Manager.

## **Targeted Outreach**

The City will work with the Seattle Housing Authority (SHA), the Washington State Housing Finance Commission (WSHFC), and local lenders to target outreach to underserved communities.

## **Homebuyer Education and Counseling**

All homebuyers using City downpayment assistance funds are required to attend homebuyer education. A portion of available federal funds are awarded by OH for delivery of homebuyer education and counseling programs.

In addition, the Seattle Housing Authority (SHA) has up to \$15,000 through its DPA Program available for eligible Public Housing and Housing Choice Voucher residents who are interested in purchasing a home. SHA staff screen and determine the suitability of residents and tenants of public housing for participation in homebuyer programs. In order to administer and distribute the down payment assistance, SHA developed partnerships with several local, culturally-specific non-profit housing counseling agencies such as the Urban League, El Centro de la Raza and the International District Housing Alliance. The role of these counseling agencies is to screen residents for eligibility and

provide ethnically-diverse homebuyer outreach, referral, education and counseling. They also recruit for and provide homebuyer education workshops, work with residents on credit issues, pre-qualify and connect them with lending programs and assist with housing search and other supportive services. When residents have been determined eligible by one of the housing counseling agencies for SHA's Down Payment Assistance Program, SHA staff review the application to ensure that residents meet the guidelines and are protected from predatory lending practices. If approved, up to \$15,000 is provided to residents during closing.

## **General Policies for Capital Funding**

The following policies apply to OH-funded affordable rental and homeownership housing capital projects.

### **Bridge Loan Policy**

OH bridge loans are intended to provide short-term funding to permit low-income housing development activities to proceed in advance of the availability of permanent project funding. Bridge loans for affordable housing may be made utilizing any OH-administered fund sources determined to be appropriate by the OH Director. Additional policies for use of Levy bridge loan funds are provided in the currently applicable Housing Levy Administrative & Financial Plan.

Bridge loans may be made only when, in the judgment of the OH Director, the borrower provides reasonable assurance that the funds will be used for eligible purposes and that permanent funding will be available from other sources on acceptable terms to ensure repayment of the funds before the loan maturity date. The maximum term for bridge loans shall be two (2) years, unless subject to additional bridge loan pilot program conditions and guidelines pursuant to the currently applicable Levy Administrative & Financial Plan. OH shall require payment of a reasonable rate of interest on bridge loans, which shall be no less than 3% simple interest. In addition, a loan fee may be charged for providing bridge loans.

A bridge loan may be made as a component of a larger loan that includes long-term financing. OH may allow all or a portion of a bridge loan to be converted to a permanent loan subject to maximum subsidy limits for funds administered or allocated by OH and other City agencies that may be combined to provide permanent gap financing for the housing portion of a project, pursuant to the currently applicable Levy Administrative & Financial Plan. Applications for bridge loans may be made outside of OH's Notice of Funding Availability (NOFA) process.

### **Neighborhood Notification and Community Relations Policy**

Prior to application for OH funding (permanent or bridge) for production or preservation of affordable rental housing or development of housing for low-income homebuyers, applicants are required to prepare and begin implementing a community relations plan,

including neighborhood notification activities. The community relations plan is needed whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful notification effort leads to open, ongoing communication between developers and neighbors. This requires cooperation by developers, the City, and neighborhood residents. A positive, open relationship between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of ironing out differences. While not meant to be a definitive process for each proposal and neighborhood, the steps outlined below provide a comprehensive notification process.

It is the policy of the City of Seattle that OH funding of affordable housing not be refused solely on the basis of concerns expressed by neighbors; the City supports and is committed to promoting diversity in Seattle neighborhoods. Consistent with State and Federal law, a housing project should not be excluded from a neighborhood solely based on any of the following characteristics of the persons who will live there: age, ancestry, color, creed, disability, gender identity, marital status, national origin, parental status, political ideology, race, religion, gender, sexual orientation, possession or use of a Section 8 certificate, or use of a guide or service animal by a person with a disability.

The City supports affordable housing projects that will preserve and enhance the strengths of Seattle's neighborhoods. Housing developers and neighbors should keep OH informed of any issues or concerns throughout the community notification process and operation of the project.

*Guidelines for affordable housing developers:*

This policy section is intended to provide guidance to developers, acknowledging that neighborhood notification efforts and appropriate community relations plans may vary.

1. Prior to releasing purchase and sale agreement contingencies:
  - Consult with OH. OH will help identify developers of other affordable housing in the neighborhood(s) being considered and suggest neighborhood organizations to contact.
  - Contact other affordable housing owners to learn about a neighborhood's historical and current housing- and development-related concerns.
2. Prior to submitting an application for City Consolidated Plan consistency certification:
  - Notify neighbors within at least 500 feet of the site using a written notice, letter or flyer. Consider including basic information about the developer agency, proposed project, estimated schedule, contact person, and neighborhood organizations that have also been notified about the project in

the written communication.

- Contact neighborhood organizations, including the neighborhood community council and the local district council, with updated information about the project, including final site selection, schedule, and proposal for ongoing communication with the neighborhood. The ongoing communication plan may include presentation(s) at regularly scheduled neighborhood organization meeting(s), invitation to a meeting hosted by the housing developer, formation of an advisory committee, and/or regular project updates in neighborhood organization publications or posted at local libraries, community centers, etc. Information the housing developer should consider sharing at meetings includes the following:
    - Experience as a housing developer and manager; provide names and addresses of other affordable housing projects;
    - Description of targeted population of the housing, to the extent that it does not compromise the safety, confidentiality or well-being of the residents; information about property management and support services, if applicable;
    - Mechanisms for communication between the housing developer and neighbors, including 24-hour contact person and number if possible;
    - Estimated schedule for construction and completion; and
    - Opportunities for neighbors to provide input on the project (i.e. names of interested neighborhood organizations and how to contact them; community advisory committee; etc.).
3. Maintain communication with immediate neighbors and the neighborhood and community organizations throughout the project's design and construction phase.
  4. Once the housing is operational:
    - Invite neighborhood and community organizations and neighbors to project open houses.
    - Establish ongoing communication with neighborhood organizations and neighboring residents and businesses. Promptly address emerging issues and share successes.
    - Keep the City apprised of any issues.

*Guidelines for neighbors:*

1. Encourage housing developers and residents to be active members of your community. Invite them to neighborhood meetings and events. Build foundation for long-lasting, positive relationship.

2. Communicate concerns about design, operation and management of a project. Work collaboratively with housing developers and/or residents to identify ways to address those concerns.
3. Neighbors may want to consider negotiating a community relations plan with the housing developer if it turns out that clarity of understanding is difficult to reach verbally.
4. Make sure housing developer and/or residents know what is working well.

### **Relocation, Displacement, and Real Property Acquisition**

Development of affordable rental and homeownership housing should be designed to minimize displacement of households. Any temporary relocation or permanent displacement of households must comply with all applicable provisions of (a) Seattle Municipal Code 20.84–Relocation Assistance; (b) the City’s Just Cause Eviction Ordinance; and (c) for projects using federal funds, the federal Uniform Relocation Act (URA) and any other relocation regulations and handbooks applicable to the particular funding program.

These policies, laws and regulations contain, among other requirements, different timelines under which households must be given various notices and provided financial assistance under certain circumstances. Consultation with OH staff prior to submission of applications for funding is required for any applicant whose project will involve any temporary or permanent relocation activities.

### **Fair Contracting Practices, WMBE Utilization**

Sponsors must comply with the City’s Fair Contracting Practices Ordinance. Sponsors and their general contractors shall be encouraged to take actions, consistent with that ordinance, which would increase opportunities for women and minority business enterprises (WMBE). A combined WMBE aspirational goal of 14% of the total construction and other contracted services contracts shall apply for all affordable rental housing capital projects funded by OH. OH shall encourage additional efforts to increase WMBE participation including mentoring programs and participation in apprenticeship and other training opportunities.

## **HomeWise Program Policies**

OH’s HomeWise Program provides for low-interest home rehabilitation loans and weatherization services primarily for the purpose of improving the health, safety, and energy efficiency of housing for low-income households.

Income limits for rehabilitation loans vary by fund source, but in no case exceed 80% of median income. The maximum individual rehab loan is \$45,000, with a waiver by the OH Director allowing up to \$10,000 additional (for an overall total of \$55,000) due to

demonstrated health and safety needs. Interest rates generally are set at 3% simple interest. Depending on the circumstances of the individual household, the loan may be amortized or deferred. HomeWise forgivable grants are available, up to \$10,000, for lead-based paint abatement if required in a rehabilitation project. Grant terms require full repayment if the home is sold within 5 years and provide for forgiveness after 5 years. The program generally gives priority to loans for improving health and safety, and for curing code violations. The program also gives priority for repairs that address exterior dilapidation or conditions that would contribute to neighborhood revitalization in the Southeast Neighborhood District.

Weatherization services are provided for energy efficiency and health and safety improvements in owner- and renter- occupied single-family homes and eligible multifamily rental properties. The income limits for such services vary by fund source.