

Particularly significant are the following proposed modifications:

1. Eliminate deferred loans, many of which did not require payment until the property is sold or transferred, and institute forgivable loans which will be forgiven incrementally over a period of up to ten (10) years, with deed restrictions up to twenty (20) years, to minimize flipping houses after significant City investment;
2. Increase program loan amounts as follows:
 - a. Rehab—from \$45,000 to \$65,000; increased construction costs and volume of repairs
 - b. TURN—from \$45,000 to \$65,000; increased construction costs and volume of repairs
 - c. Emergency repair—from \$6,500 to \$15,000; increased construction costs; limited to health and safety only (system failures—HVAC, roof, gas, electrical, and plumbing)
 - d. Physical accessibility—from \$7,500 to \$15,000; flooring, all bathrooms added as eligible modifications; allows full mobility and whole home accessibility;
3. Eliminate repeat assistance (Rehab and TURN) except for one-time emergency assistance;
4. Eliminate equity requirements due to inequities in property valuations and loan limitations when equity is insufficient (current guidelines limit assistance to emergency or minimum housing code items only);
5. Hold/deny assistance when evidence of hoarding; impedes full inspection to determine repair needs, expose staff to hazardous conditions; will refer to social and mental health service providers for decluttering assistance; and
6. Enable staff loan approval authority, to shorten processing time from bid receipt to loan closing on smaller rehab projects, as follows:
 - a. Community Development Director – loans up to \$20,000
 - b. City Manager – loans from \$20,001 to \$30,000
 - c. Loan Committee – loans above \$30,000

A side-by-side comparison of the current and proposed loan program criteria are attached.

Staff is requesting that Council approve the modifications to the lending guidelines as outlined.