



**City of Arlington
Housing Rehabilitation Program
Non-Profit Organization
Application**



Date of Application: _____

Name of Organization: _____

Address: _____

Telephone Number: _____

Contact Person: _____

Applicant must be a non-profit organization and the owner of single family or duplex housing located in a City Council approved target area that is currently occupied by, or intended to be occupied by eligible low-income households. Applicants must certify that the home is not currently offered for sale, and must maintain ownership of the properties for the applicable affordability period.

Application Process - In order to determine eligibility, the following documentation is required.

1. Organization Information – Provide a one-page executive summary of the organization describing brief history, mission, and services provided by the organization
2. Board Roster – Include name, address, affiliation, and position on board
3. Proof of nonprofit status
4. Articles of Incorporation – State of Texas
5. Proof of Board Liability Insurance
6. Copy of most recent audit
7. Code of Conduct
8. Organizational chart
9. Minutes authorizing approval to apply for grant
10. List of authorized representatives who can enter into a contract
11. List of single-family or duplex properties to be rehabilitated that are owned by the nonprofit organization. (See attachment # A).

Application Process Continued:

Once the above information has been submitted, please contact the Urban Development Specialist at (817) 276-6707 to schedule an appointment. At this appointment, staff will review the above information to determine eligibility. Once your application is approved, staff will conduct an orientation to provide you with an overview of the program policies and procedures.

Program Guidelines

Based on available funding, the City of Arlington provides non-profit organizations with funding by the U.S. Department of Housing and Urban Development (HUD), funds are in the form of forgivable loans. The purpose of these forgivable loans is for non-profit organizations to undertake general rehabilitation measures that will bring their rental properties up to the standards of the City of Arlington's written Code, and rehabilitation standards. A rental property may qualify for up to \$24,500 of rehabilitation funds. For a rental property to be eligible it must meet the following requirements:

- Must be located within a designated target area.
- Non-profit organization must own or be in the process of purchasing a home that has been vacant at least 90 days (contract for deeds or land contracts are not considered a means of purchase).
- Tenant must meet the Department of Housing and Urban Development's definition of low-income based on verified gross household income and household size.
- Property must be occupied by a low-income tenant during the affordability period (length of the forgivable loan).
- Must have standard property insurance and flood insurance if required.
- Must be current on property taxes, if applicable.
- Must not have more than two eligible liens against the property.
- Must certify that the property is not being offered for sale.
- Non-profit organization must allow the city to review rental ledger on an annual basis or as requested.
- Homes must have a market value as listed on the Tarrant Appraisal District (TAD) website of less than the annual FHA 203(b) limit.

Eligible Rehabilitation

Eligible rehabilitation includes all rehabilitation necessary to bring the structure into compliance with the City of Arlington's applicable/locally adopted, written property standards, City Code and other applicable state and federal codes. This includes addressing present or impending code violations, foundation repairs, attic insulation, roofing, vinyl siding, and other activities as needed and that can be covered by the amount of the funds permitted.

Forgivable Loans

The non-profit organization will be required to enter into a "Housing Rehabilitation Assistance Agreement" with the City of Arlington authorizing the City to secure a debt obligation in the amount of the total rehabilitation costs. This debt obligation is in the form of a forgivable loan

(i.e., when all the terms of the agreement are satisfied the non-profit organization's debt to the City will be forgiven). Terms to be met in order to receive loan forgiveness are as follows:

- Retain property as rental property occupied by a low-income tenant for 5 years following completion of rehabilitation. A property that is not occupied by a low-income tenant or, if the property remains vacant for a period of 90 days or more, the City may recapture any outstanding debt obligation;
- If property is sold, the remaining loan balance must be repaid;
- Must not default on any mortgage payments that would result in foreclosure on the property;
- Must maintain applicable insurance on the property.

Forgivable Loans Continued:

- Must comply with all other requirements as outlined in the current Housing Rehabilitation program policies and procedures

If all terms are met, the loan is fully forgivable at the end of 5 years. The loan is forgiven at a pro-rated rate of 1.67% per month. Failure to comply with the above terms will result in the City's recapture of any outstanding debt obligation. For example, if your total debt obligation is \$24,500 and you sell the home 3 years after completion of the rehabilitation, then at that time, \$14,700 of the loan will have been forgiven and the City will still be owed \$9,800 which will be recaptured when the home is sold.

Definition of Low-Income

"Low-Income Household" shall mean all the persons occupying the housing unit whose total gross income does not exceed 80% of the area median income, adjusted for household size, as established by HUD.

Household Income Calculations

The HUD definition of annual income is the gross amount of income of all adult household members that is *anticipated to be received during the coming 12-month period*. Income of all household residents aged 18 or over, unless they are a full-time student, will be included in the household income determination. This includes self-employment wages, TANF, alimony, Social Security benefits, pensions, child support, and regular gifts of money from friends, family, church, or social agency. Money earned from providing services, and interest from bank accounts or investments must be disclosed.

Contact Information:

Marisa Loera
Housing Rehabilitation Program
501 W. Sanford St, Suite 20
Arlington, TX 76011

Telephone (817) 276-6707
marisa.loera@arlingtonhousing.us

I/we have reviewed the requirements of the Housing Rehabilitation Program and agree to abide with all the terms and conditions.

Signature

Date

