

## ***RENTAL REHABILITATION PROGRAM INFORMATION***

The HRA will provide loans up to \$15,000.00 per rental unit (\$10,000.00 per zero (0) bedroom unit).

**Interest Rate is 2% per annum.**

**Term: Up to 15 years**

Properties must be at least twenty-five (25) years old and within the city limits of Duluth, MN.

There are City of Duluth Targeted priority areas within the city that will receive assistance first. Please contact our office at 529-6327 for specifics.

### **Processing Fee**

The Housing and Redevelopment Authority will charge a loan processing fee of \$300.00 per project. The fee is due when your name comes to the top of our waiting list.

### **Mandatory Improvements**

All building code violations must be corrected and the owner is responsible for providing a current copy of Duluth Housing Inspection Report.

State of Minnesota Energy Guidelines must be met in all units.

Owner will be required to furnish an Energy Audit for units.

All lead-based paint hazards must be addressed and a Clearance Test performed at the end of the project. HRA will perform a Lead Paint Assessment and perform the Clearance Test.

### **Owner Must Agree:**

- To keep dwelling units in the Project in good condition and repair, fully rentable and not to remove or demolish any dwelling unit thereon; to complete or restore promptly and in good and workmanlike manner any dwelling unit which may be constructed, damaged or destroyed thereon, and to pay when due, all claims for labor performed, and materials furnished to the Project; to comply with all laws affecting said Project or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act thereon in violation of law.
- To make good faith efforts to attract eligible persons from all racial, ethnic, and gender groups in the housing market areas. No discrimination shall be allowed with respect to various individuals / families as defined in various federal, state, and local civil rights laws / ordinances. Owner shall keep records of such efforts. Owner shall inform tenants of fair housing and equal opportunity laws and post this information conspicuously in a common area of the property.

- To not convert the dwelling units in the Project to condominium ownership or to any form of cooperative ownership not eligible to receive rental rehabilitation under the PROGRAM.
- There will be no income or asset limits of owners of eligible properties; however 60% or more of the first tenants after rehabilitation (50% for duplexes), must certify their income to be less than 80% of the area median income as established by HUD.
- All rental units in a project are required to have rents that do not exceed the existing HUD Fair Market Rents as published by U.S. Department of HUD, or a reasonable rent as determined by the HRA, for the term of the mortgage.

### **CURRENT INCOME LIMITS**

<u>Number of Occupants Living in Dwelling</u>	<u>80% Median Income</u>
1	\$40,000
2	\$45,700
3	\$51,400
4	\$57,100
5	\$61,700
6	\$66,250
7	\$70,850
8	\$75,400

### **CURRENT MONTHLY RENT LIMITS**

0 Bedroom	\$543
1 Bedroom	\$627
2 Bedroom	\$792
3 Bedroom	\$1,020
4 Bedroom	\$1,180
5 Bedroom	\$1,356

**CALL THE HOUSING AND REDEVELOPMENT  
AUTHORITY OF DULUTH REHAB DEPARTMENT  
(218) 529-6327**

222 E 2<sup>nd</sup> Street • PO Box 16900 • Duluth, MN 55816-0900  
(218) 529-6300 • TDD (218) 529-6321  
[www.duluthhousing.com](http://www.duluthhousing.com)

ITEMS NEEDED BEFORE INSPECTION CAN BE SCHEDULED

Completed Application  
Copy of current city inspection  
Copy of rental license  
Proof of ownership (deed or title)/Current Mortgage Statement (if applicable)  
Copy of current insurance on property (declaration page)  
Energy Audit (free) please call MN Power or Northern Energetics (525-3078) to schedule.  
\$300.00 processing fee  
Tenant information (I will compile a packet for the tenants to complete)

We are now required to do background checks on any landlords. I have enclosed the General Consent Form for you to complete.