



Department of Neighborhood Improvement

Housing & Community Development Division

PO Box 490 – Mail Station 22 – Gainesville, FL 32602-0490

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RENTAL REHABILITATION PROGRAM

Program Synopsis

The Rental Rehabilitation Program is offered by the City of Gainesville, Department of Neighborhood Improvement, Housing and Community Development Division to investors/owners of rental property within the City limits of Gainesville. The City provides this funding to assist such property owners to rehabilitate rental housing for low and moderate income families. Funding for this program is directly to the City from the Department of Housing and Urban Development.

The Rental Rehabilitation Program is designed to accomplish three principal goals:

1. *To correct housing code violations in rental housing units.*
2. *To provide rehabilitated rental housing units which will be available and affordable to existing' and future low and moderate income tenants.*
3. *To support other housing rehabilitation and economic development activities primarily in targeted neighborhoods.*

The City will provide assistance, in the form of a Cost Reduction Grant, for up to fifty percent (50%) of the eligible rehabilitation costs, to a maximum dollar amount per unit for rehabilitation/construction purposes. This amount is based on the existing number of bedrooms in each unit. In addition, each unit shall have living and dining areas and at least one kitchen and bathroom. The remaining habitable rooms may be determined to be bedrooms. Funding per unit has been established at the following levels:

0 <i>Bedroom (Efficiency)</i>	<i>\$ 6,000</i>
1 <i>Bedroom</i>	<i>\$ 7,500</i>
2 <i>Bedrooms</i>	<i>\$ 8,500</i>
3 <i>or more Bedrooms</i>	<i>\$ 9,500</i>

for rehabilitation/construction purposes. The investor/owner must provide matching funds for the remaining fifty percent (50%) or more of the total eligible project costs. This one time project subsidy is granted to investor/owners to reduce renovation costs to a level supportable by market rents. Handicap, access assistance, energy efficiency improvements assistance are also provided as grants to eligible investor/owners with supplemental Community Development Block Grant (CDBG) funds, for specified items and cases.

To qualify for participation in the City's Rental Rehabilitation Program the applicant must first meet with a Financial Assistance Coordinator and Rehabilitation Specialist. Both the Investor/Owner and the Project must meet the following requirements:

A Investor Qualifications:

- 1. The investor shall be credit-worthy as determined by prevailing banking standards by the Housing and Community Development Division staff.*
- 2. The investor shall have valid legal title of ownership of the property to be rehabilitated.*
- 3. The investor shall agree to set a rent no more than U.S. HUD HOME Program rents established for this area.*
- 4. Investor/owner shall commit the matching funds and the balance of the total eligible project costs, prior to closing.*

B Rental Unit Qualifications (Projects)

- 1. The property must be used for primarily (51% or greater of the gross floor area) rental uses. Owner occupied residential duplexes are also eligible.*
- 2. Before rehabilitation, the project must have one or more substandard conditions and/or fail to meet Section 8 Housing Quality Standards for Existing Housing.*
- 3. Rental Rehabilitation projects shall be located within the City of Gainesville.*
- 4. The rental housing unit which is to be rehabilitated with Rental Rehabilitation Program funds shall be occupied by a tenant or prospective tenant whose household income does not exceed HUD low income limits to be monitored for a period of ten (10) years.*
- 5. Total rehabilitation costs of a project selected for the Rental Rehabilitation Program shall not be less than \$600.00.*

The Rehabilitation/Construction Specialist will review for feasibility and completeness or if requested, prepare work write ups (cost estimates.) During the course of the construction the Rehabilitation/Construction Specialist shall make such site inspections as are necessary to insure specification compliance and quality workmanship. On-going inspections to facilitate the proper draw release procedures will also be conducted. These inspections shall also include inspections from the City of Gainesville's Building Division and other inspections, as necessary. These inspections shall consist of but not be limited to: building, gas, plumbing, electrical and housing code inspections.

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The investor/owner may select his/her own state certified contractor. The contractor must then be formally approved by the Housing and Community Development Division.

Upon the closing of the bank loan or the securing of other private funds and the execution of the rehabilitation contract, the City will establish a City Treasury Account for the amount of the total HOME entitlement and investor funds for the project. This account will be maintained wherein facilities can accommodate the requirements of the program. Normally, if the size of the Treasury Account is significant (greater than \$2,500), the Department of Community Improvement will consider two draw requests for the project contractor. The first request (50%) may be dispersed when 60% of the rehabilitation work is completed. The final request will be honored only upon full completion of the project. • The matching Rental Rehabilitation dollars are relayed to Gainesville" via electronic transfer once the work has been inspected and certified" to have the proper percentage completed. Payments will only be made for completed quality work.

Each Rental Rehabilitation Grant shall be secured by a cost reduction grant which carries an automatic ten percent (10%) yearly reduction. This security shall be in the form of a ten (10) year lien which contains a satisfaction and release agreement, The lien contains allowances for assumption, assignment, or subordination as long as the investor/owner will make assurances that the provision of the lien remain enforceable and are adequately secured by the project.

The City operates on the principal that sound management, positive cash flow and property value appreciated are the factors necessary to produce a positive return on the project investment. The City of Gainesville will assure that all participants shall be in compliance, as applicable, with the Federal Program requirements and laws cited in the HUD Program Description, available from the Housing and Community Development Manager. Information regarding these laws and regulations" shall be made available to program participants, upon request.

For further information, contact:

City of Gainesville
Department of Community Improvement, Housing & Community
Development Division P.O.Box 490 Station 22
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EXHIBIT 3-8 LEAD HAZARD REDUCTION METHODS

[24 CFR 35.1330 AND 35.1325]

Paint Stabilization. This lead hazard reduction method reduces exposure to lead-based paint by addressing deteriorated paint on exterior and interior surfaces through repairs, safe paint removal, and repainting or abatement.

Interim Controls. Interim controls temporarily reduce exposure to lead-based paint hazards through repairs, painting, maintenance, special cleaning, occupant protection measures, clearance, and education programs. Interim control methods require safe practices and include:

- > Paint stabilization. All deteriorated paint on exterior and interior surfaces must be stabilized through repairs, safe paint removal, and repainting.
- ^ Treatment for friction and impact surfaces. If lead-based paint is found and exceeds acceptable levels or is presumed, the conditions creating friction or impact with surfaces with lead-based paint such as those that rub, bind, or crush must be corrected. Examples of this work include rehangng binding doors, installing door stops, or reworking windows.
- > Treatment for chewable surfaces. If a child under age six has chewed surfaces known to contain lead-based paint or if lead-based paint is presumed, these surfaces must be enclosed or coated so they are impenetrable.
- > Lead-contaminated dust control. All horizontal surfaces that are rough, pitted, or porous such as bare floors, stairs, window sills, and window troughs must be covered with a smooth, cleanable covering or coating such as metal coil stock, plastic, polyurethane, or linoleum. Carpeting must be vacuumed or rugs must be removed and vacuumed on both sides. Vacuuming must be done using HEPA vacuums.
- > Lead-contaminated soil control. If soil is lead-contaminated, interim controls that may be used include impermanent surface coverings such as gravel, bark, and sod as well as land use controls such as fencing, landscaping, and warning signs.

Standard Treatments [24 CFR 35.12Q(a) and 35.1335]. In some cases, standard treatments may be conducted in lieu of interim controls on all applicable surfaces, including soil, to control lead-based paint hazards that may be present. All standard treatment methods must follow the same safe work practice and clearance requirements that apply to interim control activities. These methods include:

- > Paint Stabilization. All deteriorated paint on exterior and interior surfaces must be stabilized through repairs, safe paint removal, and repainting or abatement
- > Smooth and Cleanable Horizontal Surfaces. All horizontal surfaces that are rough, pitted, or porous such as bare floors, stairs, window sills, and window troughs must be covered with a smooth, cleanable covering or coating such as metal coil stock, plastic, polyurethane, or linoleum.
- > Correcting Dust-Generating Conditions. All conditions that generate lead-contaminated dust such as

those that rub, bind, or crush surfaces with lead-based paint must be corrected.' Examples include rehanging doors, installing door stops, or reworking windows.

- > Bare Residential Soil. Soil is addressed using interim control methods including impermanent surface coverings such as gravel, bark, and sod as well as land use controls such as fencing, landscaping, and warning signs.

Abatement. Abatement permanently removes lead-based paint and lead-based paint hazards by removing lead-based paint and its dust, or permanently encapsulating or enclosing the lead-based paint, replacing components with lead-based paint, and removing or permanently covering lead-contaminated soil. Encapsulation and enclosure require ongoing maintenance to check their effectiveness

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Lead based paint (LBP) testing and remediation methods shall be discussed with the Rehabilitation Specialist prior to securing a detailed proposal for the work from a properly certified contractor. If the property to be rehabilitated was constructed before 1978 and a LBP test provided by the City indicates that there is LBP on components of the property to be rehabilitated, the contractor selected for the project by the investor/owner shall be trained and certified by the US EPA Lead-Based Paint Renovation, Repair and Painting Program.