



RENTAL IMPROVEMENT LOAN PROGRAM CITY OF GREAT FALLS

I. PURPOSE

The objective of this program is to stabilize and improve the city's rental housing stock by providing financial assistance to landlords for rehabilitating their residential property.

II. PUBLIC INFORMATION

All information submitted with, and in support of this application becomes public information.

III. PROGRAM ELIGABILITY GUIDELINES

1. Rents for units being rehabilitated must be affordable to lower income tenants. Section 8.
2. Completed units must meet current City codes.
3. Tenant's rent cannot increase for Two years (except for significant taxes and insurance increases).
4. Landlord cannot displace any existing tenants.
5. All water, sewer and tax bills must be current on all properties owned by the applicant
6. Each project may "trigger" zoning and/or parking requirements.
7. \$ 30,000.00 is the maximum loan per unit or \$100,000 per project.
8. This program requires a monthly payment back to the City at 0% interest.
9. The rental unit must remain a residential housing unit the term of the loan.
10. The rental unit must be within the City limits.
11. Mobile homes are not eligible.
12. The rental must be rehabilitated to alleviate any life safety code deficiency identified by the rehab specialist.
13. If program funds become limited, projects will be selected by the loan committee on a "needs" basis.
14. An ownership report (acceptable to the City) must be obtained before any construction begins.
15. The loan should be securable by the City with not less than a second position mortgage.
16. If you are purchasing the property on a contract for deed, the contract holder must sign the City's mortgage and thereby assume responsibility for the loan if you default at any time.
17. The loan committee will ensure the City does not loan over the property's value after rehabilitation.
18. The full loan amount is due and payable to the City upon any transfer of title from the loan recipient(s).

IV. APPLICATION SUBMITTALS

1. Return the completed application to the City of Great Falls, Community Development Department, Civic Center, room 112, P.O. Box 5021 Great Falls, MT 59403
2. Copy of current month utility paid by owner. (gas, electric, garbage and water / sewer)
3. Copy of contract for deed, if applicable.
4. Copy of the owners application for lease and lease agreement.
5. Copies of any professional inspection of the property. (appraisals, market analysis, eng. study)
6. If you have contacted the contractors, include copies of written bids.
7. Read and fill out the lead-based paint and lead hazard disclosure form.

V. STEPS IN THE REHABILITATION PROCESS

- Step 1. Loan Application: The Rehabilitation Specialist will explain the application, receive your signed application, collect general financial information, copies of the utility bills, and history information of property.
- Step 2. Eligibility Analysis: Your eligibility is reviewed for program financing and HUD guidelines; property taxes and utility bills must be current and the ownership report must be acceptable to the City.
- Step 3. Initial Inspection: On the initial inspection, the Rehab Specialist will conduct a Housing Quality Inspection of the entire property. Life safety and code violations will be brought to the owners attention and include in the work write-up. At this time, you must inform the Rehab Specialist about additional improvements you may wish to make to your property.
- Step 4. Initial Work Write-up: This is the process in which the Rehab Specialist prepares a set of specifications which sets forth the work to be done and materials to be used together with a cost estimate. The owner and Rehab Specialist will review the work write-up in order to make sure that it accurately details the work to be undertaken and that you, as homeowner, have a thorough understanding of the rehabilitation work.
- Step 5. Submission of Proposed Rehabilitation for Review: After your acceptance of the work write-up, the Rehab Specialist will submit the proposal to the Housing Board for review.
- Step 6. Loan Approval: When the loan has been reviewed, the Rehab Specialist will notify you if funds have been reserved for your loan or reasons for denial.
- Step 7. Loan Closing: All necessary documents (mortgage, note, etc.) are presented for your signature.
- Step 8. Final Work Write-up: Due to possible changes in review, a final work write-up will be completed.
- Step 9. Bid Process: The property owner can solicit bids from any contractor licensed to work in Great Falls. A notice of specifications is mailed to contractors. The lowest bid becomes the acceptable bid if there are no observable irregularities. However, Housing Rehab Services and/or you, as borrower, reserve the right to accept or reject any or all bids. You, as property owner, will act as general contractor. No payment will be made for the labor or service of the owner or any member of his/her immediate family.
- Step 10. Preconstruction Conference: All subcontractors are made known to the owner and rehab specialist. The parties signing into contract shall negotiate starting and completion dates.
- Step 11. Award Contracts Notice to Processed: All necessary documents are presented for Rehab Specialist, owner and contractors signature. All permits are submitted for building review.
- Step 12. Project Monitoring and Payout Inspections: The Rehab Specialist will do timely inspections and monitoring of the project. All change orders will be in writing and submitted to Rehab Specialist to review before work can continue.
- Step 13. Final Inspection: Inspection by city staff will be conducted and, if needed homeowner will prepare a punch list, receive lien waivers, and have all parties sign final approval.

RENTAL IMPROVEMENT LOAN

CONTACT AGENCY: City of Great Falls -
Community Development Department
P. O. Box 5021
Great Falls, Montana 59401
Phone : 455-8404 E-Mail :bhaman@greatfallsmt.net

INSTRUCTIONS: Please complete all sections of this owner proposal form. If you need assistance in completing the form, Feel free to contact the agency listed above.

OWNERSHIP DATA

A. List the name(s), address(s), and telephone number(s) of all owners of the proposed property:

Name _____ SS# _____

Mailing Address _____

E-Mail Address _____

Phone _____

Contact Person _____

B. Address of the proposed property _____

C. Legal Description _____

D. Physical Construction of Property:

Wood Frame _____ Brick/Masonry _____

Reinforced Concrete _____ Other _____

E. Number of Units:

Before Rehab _____ After Rehab _____

F. Property Information Check one (1) _____ Fully paid for and applicant hold title
(2) _____ Mortgage (FHA, VA, Conventional)
(3) _____ Contract for Deed

Mortgage holder _____

Age the structure was Built _____

Date of purchase _____ Total Cost _____

Amount of loan _____ Down Payment _____

How many years was this mortgage for? _____

Monthly payment amount _____ Interest rate _____

Taxes _____ Insurance _____

Management _____ Utilities _____

Balance due _____ Your estimated equity _____

G. For the units listed on line "E", furnish the following information for the tenants or list as Vacant..

Street Address or Number of Unit : _____
Unit Rent \$ _____
Number of bedroom # _____
Name of Family Current : _____
Telephone of Family : _____
Number of Children in Family Under 6 ... # _____

Street Address or Number of Unit : _____
Unit Rent \$ _____
Number of bedroom # _____
Name of Family Current : _____
Telephone of Family : _____
Number of Children in Family Under 6 ... # _____

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Unit Rent \$ _____
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Street Address or Number of Unit : _____
Unit Rent \$ _____
Number of bedroom # _____
Name of Family Current : _____
Telephone of Family : _____
Number of Children in Family Under 6 ... # _____

Add additional information on separate sheet.

CERTIFICATION

DATE: _____

INVESTOR/OWNER: _____

PROPERTY TO BE REHABILITATED: _____

The Borrower certifies that all information in this application, and all information furnished in support of this application, is given for the express purpose of obtaining a loan through the City of Great Falls and is true and complete to the best of the Borrower's knowledge and belief. Verification may be obtained from any source named herein. It is the Borrower's understanding that provided the financing is available, it is the Borrower's intent to rehabilitate the aforementioned property according to the terms and conditions of the Rental Program. The Borrower hereby requests an initial survey inspection pursuant to the Section 8 Housing Quality Standards adopted by the City of Great Falls to determine the condition of the property.

As Borrower and Investor/Owner of the above rental property, I hereby certify that I will adhere to the following conditions as set forth by the Department of Housing and Urban Development for the Rehabilitation Program.

- (a) I shall not refuse to rent to tenants holding Section 8 Existing Certificates except for good cause, such as tenants who previously failed to pay their rents, maintain their apartments or otherwise were in violation of the terms and conditions of the tenancy.
- (b) Providing I am renting to Section 8 Existing tenants, I shall comply with Section 8 Existing Housing Quality Standards relating to maintenance, operation and inspection. I understand that failure to maintain the building in decent, safe and sanitary conditions will make me subject to sanctions including reduction, suspension and termination of payments applicable to the Section 8 Existing Housing Program.
- (c) I am aware that the property must be rented at current market rates, defined as the rents I can reasonably expect to achieve for the unit in the given location, time and circumstance.
- (d) I agree to adhere to all requirements as set forth therein. I understand that if temporary relocation is required while the rehabilitation work is in progress, the tenant shall be reimbursed for all reasonable out-of-pocket expenses by the Investor/Owner, to include any increased monthly housing costs (rent and estimated utility costs), incurred in connection with the move.

Borrower's Signature

Date