

Housing Rehabilitation Loan Program



Purpose: To rehabilitate owner-occupied or investor-owned 1-4 unit properties to improve the health, safety, and livability of the property.

Eligible Activities:

Improvements that are of a necessary and permanent nature not of a luxury nature including but not limited to: structural, energy, lead-hazard control, accessibility, repair of major housing building systems, non-living space limited to demolition, structural, attached garage roof, and weather-related improvements.

Ineligible Activities:

New construction, paving, fencing, or appliances, Any work started prior to approval of the funding from the City.

Property Eligibility:

Properties located in Lewiston. The property may be owner-occupied or investor-owned 1-4 unit properties.

Applicant Eligibility:

Applicants with sufficient equity to complete the scope of work are not eligible for this program. The applicant must have proof of ownership of the building; must be current on all City assessments in good standing with code enforcement; and qualify under the City's underwriting guidelines for a loan. The property owner may not be elected or appointed to office in the City of Lewiston.

- a. **Owner-occupied properties:** The owner's income must be at or below 80% of Median Family Income (MFI) for a single-family one-unit property. For an owner-occupied duplex, at least one of the units must qualify with a low-moderate income resident; and for owner-occupied multi-family properties of 3+ units 51% of the rental units in the property must be occupied by low-moderate income residents.
- b. **Investor-owned properties:** At least 51% of the rental units in the property must be occupied by low-moderate income residents

Affordability Requirements: **Rents:** Initially and after the weatherization is complete, rents must be kept affordable for a one year. Rents are considered affordable when they are at or below the HUD established Fair Market Rents as adjusted by a utility allowance for tenant paid utilities.

Terms of Loan: The length of the term may be shorter if the owner has adequate income and cash flow in the property.

- **Owner Occupied:** 1% interest may be up to 20 years.
- **Investor Owned:** 2% (principal address in L-A) or 3% (out of town investor) additional match as needed to complete the project for a term up to 20 years.
- The maximum loan amount is \$40,000
- There are three tiers of rehabilitation: Minor Rehabilitation (\$7,500/unit up to maximum funding limit); Moderate Rehabilitation (\$10,000/unit up to maximum funding limit); Substantial Rehabilitation (\$25,000 /unit up to maximum funding limit)
- Owner applicants whose income is less than 50% of MFI will not be required to provide an owner match. All other applicants will be required to provide a 10% match.

For more information:

Jayne Jochem

Phone: 207-513-3126 x3233

jjochem@lewistonmaine.gov