

City of Tucson FY 2018 Comprehensive Residential Rehabilitation Programs

Whole House Rehabilitation Program

Project Requirements

Property eligibility:

- Owner-occupied permanent site-built home **built before 1997**, within Tucson city limits.
- Maximum assessed value = \$182,000.
- Maximum home size = 1,800 square feet.
- Mortgage (if any) and tax payments must be current, and **property must be insured**.
- Has not received benefits under CDBG-funded rehab program in the **last 10 years**.¹

Household eligibility:

- Household income ≤ 80% of Area Median Income (AMI) (24 CFR Part 5 Income Determination completed by COT).

Project selection:

- Date and Time complete application submitted to HCD.
- Household income ≤ 50% of AMI (1 preference point); Household income ≤ 30% of AMI (1 additional preference point).
- Household with one or more persons over 62 (1 preference point).
- House built before 1987 (1 preference point); House built before 1978 (1 additional preference point).
- Located within City of Tucson CDBG Target Area (1 preference point).
- First FY2018 Whole House Rehabilitation Program project in each Ward (6 preference points).

CDBG funding and Conditions:

- Target of \$25,000 per home as called for in the Whole House Rehabilitation Report.
- The rehabilitation project must be comprehensive and address all items identified in the Whole House Rehabilitation Report, partial rehabilitation projects will not be funded under the Program.
- Rehabilitation projects requiring in excess of \$40,000 of CDBG funding will not be funded under the Whole House Residential Rehabilitation Program.

Terms:

The full amount billed to the project, including overhead, shall be included in the loan.

- Household income ≤ 50% of AMI: \$250 loan document fee, \$18 monthly service fee. 97.5% of the loan is deferred, 2.5% of the loan is amortized.²
- Household income > 50% of AMI and home equity ≤ 30%: \$250 loan document fee, \$18 monthly service fee. 75% of the loan is deferred, 25% of the loan is amortized.³
- Household income > 50% of AMI and home equity > 30%: \$250 loan document fee, \$18 monthly service fee. 50% of the loan is deferred, 50% of the loan is amortized.⁴
- **CDBG funding plus existing mortgage may not exceed 120% of assessed value.**
- **Total household debt payments may not exceed 45% of household income.**

Reference Notes:

¹ - Other than for lead hazard or accessibility upgrades/repairs.

² - A project with a \$40,000 CDBG budget would have a \$39,000 deferred loan that is forgiven after ten years, and a \$1,000 ten-year, two percent interest amortized loan with a monthly homeowner payment of roughly \$30 inclusive of \$18 monthly servicing fees.

³ - A project with a \$40,000 CDBG budget would have a \$30,000 deferred loan that is forgiven after ten years, and a \$10,000 ten-year, two percent interest amortized loan with a monthly homeowner payment of roughly \$110 inclusive of \$18 monthly servicing fees.

⁴ - A project with a \$40,000 CDBG budget would have a \$20,000 deferred loan that is forgiven after ten years, and a \$20,000 ten-year, two percent interest amortized loan with a monthly homeowner payment of roughly \$203 inclusive of \$18 monthly servicing fees.