

TOWN OF HOPKINTON
AFFORDABLE HOUSING RENTAL REHABILITATION PROGRAM REGULATIONS
(Effective October 6, 2015)

Intent: The purpose of this program is to promote Rental Rehabilitation for existing residential structures by providing limited financial resources to eligible families and to by deed restriction ensure such homes remain affordable for the Town of Hopkinton.

1. **BORROWER ELIGIBILITY**
 - (a) The Grantee must be owner of the rental property. The Grantee may also be a non-profit entity that rents to low and moderate-income tenants.
 - (b) A Grantee may be eligible to receive funds through this rehabilitation program subject to approval by the Town and in accordance with State of Rhode Island CBDG requirements specific to selecting and maintaining qualified income-based tenants. The Grantee will also be required to place a deed restriction on the property receiving benefit to ensure such property will remain affordable for a 30 year term.
 - (c) Multi-family owner occupied property. All units utilizing funding, except the owner's unit must contain low to moderate income households. All rental units for non-owner occupied properties utilizing funding must contain low to moderate income households.

2. **STRUCTURE ELIGIBILITY**
 - (a) The structure must be brought into compliance with the of State of Rhode Island minimum housing code as determined by the Town of Hopkinton's Building Official with a potable water supply that passes the State of Rhode Island Dept. of Health standards regarding water quality and quantity. It must be demonstrated that all code violations, waste water and potable water issues will be corrected with the completion of the rehabilitation work. Upon completion of the rehabilitation, the structure will contain not more than four (4) dwelling units.
 - (b) The structure may be a mixed-use building. Eligible improvements shall be restricted to the residential portion of the common area.

3. **ELIGIBLE IMPROVEMENTS**
 - (a) Correction of the Minimum Housing Code violations.
 - (b) Heating, electrical, and plumbing systems.
 - (c) Chimneys and flue work.
 - (d) Insulation and energy conservation.
 - (e) Repair or replace ceilings, walls, floors, roofs, exterior siding, doors, windows, and steps.
 - (f) Interior and exterior painting.
 - (g) Plumbing fixtures, electrical fixtures, kitchen cabinets, and domestic hot water heaters.
 - (h) Landscaping, fencing, off-street parking, walks, and rubbish removal.
 - (i) Septic systems.
 - (k) Water Systems.

4. ELIGIBILITY INCOME LIMIT
 - (a) The rental occupants of each unit shall have a total household income less than 80% of the HUD established median income level for the Hopkinton area to be determined by the monitoring agency.

5. ADDITIONAL REQUIREMENTS
 - (a) At the completion of the rehabilitation, all rental units receiving funding except an owner occupied unit must be occupied by low to moderate income households.
 - (b) At the completion of the rehabilitation, the rents in the multi-family structures shall be at or below current HUD established Fair Market Rent Levels for the Town of Hopkinton and must remain at or below this annually adjusted level for the term of the 30 year deed restriction, as mentioned in Section 1(b)

6. FORGIVABLE LOAN/GRANT TERMS
 - (a) **DEED RESTRICTIONS.** 30 Year rental affordability deed restrictions are required from the property owner in accordance with RI GL 45.53.
 - (b) **AFFORDABILITY MONITORING.** Property owners must maintain affordability of rental units and provide yearly tenant income verification for a 30 year period. This information must be verified by a monitoring agent certified by Rhode Island Housing on a yearly basis in order to remain compliant with the affordability restrictions.
 - (c) **TERMS.** Loan/Grant funds are forgiven over a 30 year period at a rate of 3.33% per year of the original loan/grant principal.
 - (d) **DEFAULT.** If affordability is not maintained, the yearly monitoring procedures are not followed, or the property is not in compliance with the State of Rhode Island minimum housing code the loan/grant will be in default and any balance due will become payable immediately with a 3% annual interest rate from the date of the default.

7. APPROVAL
 - (a) Prior to program obligation and disbursement of funding the Affordable Housing Partnership, will review all loan/grant requests and submit their recommendation to the Town Manager, Finance Department and Town Council for final approval.

Adopted by Town Council on: October 5, 2015

ATTEST:


Elizabeth J. Cook-Martin
Town Clerk