



Rental Rehabilitation Program

Basic Program Criteria

Who is Eligible for Rental Rehabilitation Program?

1. City of Galveston Residents with existing pre-storm rental properties
2. Individual rental property owners – No LLC or corporation
3. Low Moderate Income (LMI) property is first priority
(See Attachment)
4. Primary residence must be within Galveston city limits
5. Applicant must have been Galveston resident at time of the storm
6. Damaged residence must have been Rental property owned by applicant prior to the storm

What is the Rental Rehabilitation Program?

1. Single Family (SFR) and Multi-Family Rental Units
2. Maximum of 4 total rental units (Example: 4 SFR, or 2 Duplex, 2 SFR 1 Duplex, Ect.)
3. \$35,000 per unit for Single and Multi-Family Rental Properties

FMR – Who must occupy units after rehabilitation?

1. Purpose of the Rental Rehab program is to provide AFFORDABLE rental units to Galveston residents
2. Must rent 51% of units in multi-family structures to LMI (See Attached)
3. Must rent all Single Family Residences to LMI
4. Fair Market Rents established by HUD (See Attached)
5. Must remain affordable rental units for compliance period (3 years)
6. 1 year leases required
7. Must provide written notice of termination of lease/refusal to re-lease

Gap/Cash Matching

1. If applicant is Non-LMI must provide cash match
2. Cash match equivalent to program rehabilitation contribution (See Attached)
3. Landlord gap/cash match secured in escrow prior to start of construction
4. All gap/cash match monies will need to be secured in escrow within 90 days following conditional grant award

Accessibility

1. Accessibility requirements are currently not mandated for 1-4 unit rental properties



Elevation

1. Where damage exceeds 50% of property's pre-storm assessed value, property will require elevation to meet local building code

Reconstruction

1. Initial round of funding will be dedicated to rehabilitation
2. Reconstruction option may be available in second round of funding

Building Standards

1. Properties will be required to meet current local building code
2. Will contain some green build standards

Insurance

1. Properties rehabilitated will be required to maintain Flood, Hazard, and Wind insurance for compliance period (3 Years)

URA (Relocation)

1. Priority will be given to units vacant since the storm
2. If units have been occupied since the storm, landlord will be responsible for any costs associated with relocating those tenants unless unit verified vacant for 90 days prior to application date



Who is Low-Moderate Income

HUD Family Income Limits for: 2009		<i>Income Area</i>						
Effective February 13, 2009		Galveston, TX, MSA						
Number of persons in the household	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Maximum gross annual income for Low and Moderate designation	35,750	40,850	45,950	51,050	55,150	59,200	63,300	67,400

What are HUD Fair Market Rents?

Unit Size:	Efficiency	1BR	2BR	3BR	4+BR
FINAL FY 2009 FMR	\$642	\$714	\$866	\$1,154	\$1,451

Cash Matching:

Example: Rental Property Rehabilitation Cost: \$16,000

Non Low-Moderate Income Owner Award Amount:	\$8,000
Non Low-Moderate Income Owner Cash Match Amount:	\$8,000
Low-Moderate Income Owner Award Amount:	\$16,000
Low-Moderate Income Owner Cash Match Amount:	\$0,000

LMI / NON LMI Rental Unit Occupancy

<u>Structure Type</u>	<u>SFR</u>	<u>Duplex</u>	<u>Triplex</u>	<u>Four-Plex</u>
LMI Units	1	1	2	3
Non LMI Units		1	1	1