

City of El Dorado CDBG Housing Rehabilitation Application Landlord Pre-Application – Initial Commitment

In January 2017 the State of Kansas will be awarding Community Development Block Grants to cities in Kansas that are in need of housing rehabilitation. The City of El Dorado has determined that if awarded the grant, they are planning to allocate funds to Landlords who rent to low-to-moderate income families. Of this award money, each home may be able to receive up to a maximum of \$25,000 per rehabilitation. In addition to this the Landlord must commit 25% of the final cost of rehabilitation. [Example: if a home is in need of \$20,000 worth of repairs, the Landlord would be required to commit 25% of that final price (\$5,000) and the grant would assume 75% of the rehabilitation costs (\$15,000)]. Additionally the grant will cover all incidental costs such as inspections, lead paint testing, radon testing, etc.

This pre-application is asking for a commitment from the Landlord that he or she would be willing commit a number of houses in need of rehabilitation and can and will commit 25% of the repair cost. This pre-application is not a binding contract. Actual applications will be solicited from interested Landlords when a grant is awarded. This is only to judge commitment and willingness to participate.

Landlord/ Owner's Name _____

Address _____ Telephone (____) _____
Street, City, State/Zip

HOMES FOR REHABILITATION (List the address of the households in need or rehabilitation.)

No.	Address
1	
2	
3	
4	
5	

This grant is to be awarded to Landlords who rent to low-to-moderate (LMI) income families and must continue to be rented at current or Fair Market Rates (whichever is less) for a period of 3 years to qualifying low-to-moderate households. Additionally a soft mortgage will be applied for that same 3 year period which will amortize off 1/36 per month. In the event the unit is sold either the new owner will need to agree to these same terms or any un-amortized portion will be owed.

2016 LMI Income Guidelines	
1 person household	\$36,550
2 person household	\$41,750
3 person household	\$46,950
4 person household	\$52,150
5 person household	\$56,350
6 person household	\$60,500
7 person household	\$64,700
8 person household	\$68,850

2016 Fair Market Rates (by unit bedrooms)	
Efficiency	\$458
One-bedroom	\$557
Two-bedrooms	\$742
Three-bedrooms	\$1,012
Four-bedrooms	\$1,144

This grant will allow the City of El Dorado to rehabilitate 10-12 homes. Besides 1st come/first served individual rehabilitations will be prioritized by need. Other criteria could include elderly, handicapped, school age children in the home, level of income, approved local match from Landlord, etc.

Date

Signature of Landlord

WHAT LANDORDS SHOULD AND SHOULD NOT EXPECT:

- For three years following the completion date of the rehabilitation:
 - The Landlord will be required to provide income verification from their low-to-moderate income (LMI) tenants. Tenants need not be recertified once qualified.
 - The Landlord is required to continue to rent to LMI tenants at current or Fair Market Rates, whichever is less.
 - An annual inspection of the rental property by the City of El Dorado building inspector. The Landlord must agree to correct any health, safety or code violations identified as a result of said inspection.
 - A soft mortgage (lien) will be filed on the real estate.
 - There will be no monthly interest or repayment on the lien. The lien will be forgiven at the rate of 1/36th per month.
 - In the event the unit is sold within three year period, the new owner must agree to the original grant terms or pay un-amortized portion at closing of the sale.
 - The Landlord shall keep all other mortgages, property taxes and structure insurance current on said property.
- Completing this application does not guarantee that you will receive assistance.
- Even if your project is income-eligible, it may still be denied assistance after initial program housing inspection. The CDBG program is unable to serve some homes needing extensive repairs because of program regulations regarding cost-effectiveness.
- Any housing repair assistance received will be determined by the project inspector. You do not get to decide which items are repaired and/or how they are repaired.
- The work on your home will be bid out to eligible contractors. You will not get to choose who does the work on your home.
- Rehabilitation work is inconvenient. There will be workers around the home. Your tenants and their pets may be disrupted by the construction work.
- Your tenant will be requested to move possessions out of the way of the contractor as the contractor may deem necessary.
- This is not a remodeling program. The goal of this program is intended to make the home safer. There is a limited selection when it comes to paint color or other choices, if these repairs are even eligible.
- You tenant may need to relocate from the home at certain times while work is underway (usually only a day or so). If relocation is necessary, the City's CDBG program will provide lodging, of the program's choice, to the tenant at no cost to you.

Return completed applications by **August 22, 2016**

Mail:

City of El Dorado Engineering Department

220 E. 1st Street

El Dorado, KS 67042

CALL (321-9100) if you have questions regarding this Pre-Application

Email: amanda@eldoks.com

In Person:

City of El Dorado Engineering Department

216 N. Vine Street

El Dorado, KS 67042