



**SUMMARY  
RENTAL REHABILITATION PROGRAM  
CITY OF MADISON, WISCONSIN**



The Department of Planning & Community & Economic Development is administering a loan program to assist investors to upgrade their non owner-occupied rental properties.

The current interest rate for the Rental Rehabilitation loan is 3%. The loan is to be repaid in monthly installments which include principle and interest. The maximum term of the loan is 15 years.

**Requirements for Participation**

Certain minimum requirements must be met before a property can be rehabilitated through the program. Here are the basic prerequisites for participation:

- The property must be a non owner-occupied, residential rental property containing no more than sixteen dwelling units.
- The property must be located within the City of Madison.
- The property after rehabilitation must meet the local Minimum Housing and Energy Codes.
- If the construction work involves disturbing existing lead-based paint or asbestos, accepted industry abatement standards must be followed.
- The maximum loan amount shall be \$25,000 for a single unit and \$3,000 per additional unit up to a maximum of \$46,000.
- The rents after rehabilitation for the first year cannot exceed the HUD fair market rents for Dane County (see attached chart).
- Borrowers must assist and actively cooperate with the City in obtaining compliance of contractors and subcontractors with the Equal Employment Opportunity and Affirmative Action Ordinances.
- Borrowers must agree to not refuse to lease or otherwise make unavailable units in the property solely because an applicant for a unit is a direct recipient of a federal, state, or local government housing subsidy.
- Loan applications will not be funded that involve permanent displacement of existing lower-income tenants.
- Total debt secured by the property, including the new City loan, cannot exceed 100% of the after rehabilitation value of the property.

The amount of the application fee to be charged by the City is \$200 and must be paid at the time of application. The required loan processing fee is 1% of the loan amount. Also, the applicant will be responsible for covering the cost of an appraisal for a property containing two or more units. The loan processing fee and appraisal fee are eligible costs which can be included in the loan.

### **RENT LIMITS**

	Efficiency	1 BR	2 BR	3 BR	4 BR
Fair Market Rents*	\$861	\$1,015	\$1,186	\$1,635	\$1,972

\* The rents have been adjusted effective 7/1/2020 by HUD.

For assistance or more detailed information on program requirements, please call Terri Goldbin 266-4223 or 266-6520.

[www.cityofmadison.com/homeloans](http://www.cityofmadison.com/homeloans)

