

CDBG COMMUNITY FACILITY REHABILITATION LOAN PROGRAM

1. Eligible Applicants

Any not-for-profit corporation that has the capacity to undertake and complete their building rehabilitation which will be used by elderly and/or low and moderate income persons, and that has not previously defaulted under any program administered by the Department of Redevelopment. The corporation must be a 501 (c) 3 or 4 tax exempt organization and have been serving the community in their capacity for a minimum of 5 continuous years prior to the application date. The corporation shall not be eligible for loan funds under this program if any of its officers or board members are in default of any taxes or debts owed to any bank or governmental unit.

2. Eligible Purposes

CDBG Rehabilitation Funds must be used solely for the cost of the physical rehabilitation of a building for the benefit of mentally or physically disabled persons, very low and low income persons, homeless, elderly, or disadvantaged youth. Properties rehabilitated with CDBG Rehabilitation Funds must be used by eligible individuals for not less than 10 years.

3. Eligible Property

Buildings eligible for rehabilitation with CDBG funds must be located in census blocks with a median income that does not exceed 80% of the median income for the City. Buildings must be capable of meeting applicable building codes after rehabilitation.

4. Application Process

Notice of funding availability shall be advertised in the Terre Haute Tribune Star. Loans shall be allocated on a first-come, first-serve basis. Applications will be recorded according to the date and time received by the Department of Redevelopment. Reservation of funds shall be awarded by the Department of Redevelopment.

5. Loan Requirements

The loan amount shall be forgiven over ten (10) years from the date of the signing of the note and mortgage. The original amount shall be reduced to zero, prorated monthly, over a ten (10) year period or until a change in the use of the property is made which would not comply with the program requirements, at which time the remaining balance would be due. We will take a 1st, 2nd, or 3rd mortgage, whichever is appropriate.

6. Funds Available

The maximum loan for any project that a not-for-profit applicant may receive shall be \$500,000.00.

7. Application Fee

There will be no application fee for a CDBG Rehabilitation Loan.

8. Required Rehabilitation

Buildings to be rehabilitated under the CDBG Program will be inspected by the Department of Redevelopment which will prepare cost estimates, plans, and specifications for the work to be completed. Rehabilitation specifications shall be in compliance with all applicable building codes.

9. Contracting

The loan recipient shall be required to hire a general contractor to perform the work that is procured through a public bid process according to HUD regulations. Bid administration shall be performed by the Department of Redevelopment. Rehabilitation contracts shall be awarded by the loan recipient.

10. Release of Funds

Funds will be released to the loan recipient and contractor upon completion of work activity as identified in the plans and specifications and inspection of the completed work.

11. Affirmative Marketing

Loan recipients shall make a good faith effort to attract eligible individuals from all racial, ethnic, and gender groups in the service area.

Further information –

For further information contact Phil Kesner at the Department of Redevelopment, Room 301 City Hall, 812-244-2396.