



"Tireless advocates of downtown businesses, it's who we are, it's what we do."

Opportunity is knocking at your door!

Yes, I am interested in participating

I would like more information

Property owner's name

Property Address

Phone number

Fill in the information above and mail in this brochure or contact D.B.I. locally at (434) 292-3041 or send an e-mail to:

manager@downtownblackstone.org

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Downtown Blackstone, Incorporated
P.O. Box 417
Blackstone, VA 23824



**DOWNTOWN
HOUSING
PROGRAM
SUMMARY & HIGHLIGHTS**

"Transforming unused upper level building space into living quarters..."



...a win-win situation made possible by the visionary Town of Blackstone!"

The Blackstone Downtown Housing Program Highlights

The Town of Blackstone has designed this program to provide safe, sanitary, and affordable rental housing in Downtown Blackstone. The program will provide both financial and technical assistance to owners of downtown properties who agree to rent apartment units at rates affordable to low and moderate-income (LMI) persons for a stipulated time period.

The Blackstone Downtown Housing Program will be implemented by a Housing Rehabilitation Board which will approve all contractors, applications, bids, and contract awards and advise Town Council on necessary revisions during the course of implementation.

PROJECT BOUNDARIES

The eligible area is centered in Blackstone's downtown core, Main Street and Broad Street.

APPLICANT ELIGIBILITY

An applicant's eligibility shall be determined on the basis of ownership of property; the household income of the existing tenant, if any; and the capability of the property to be rehabilitated or adaptively reused.

The tenant's adjusted gross income, AGI, for the previous year cannot exceed 80% of the area median income by family size as updated annually by the U.S. Department of Housing and Urban Development, HUD (see chart below).

Number in Household	Maximum income
1	\$28,350
2	\$32,400
3	\$36,450
4	\$40,500
5	\$43,750
6	\$47,000
7	\$50,200
8	\$53,450

TERMS

PROPERTY ELIGIBILITY: Only investor owned properties are eligible for assistance under this housing program. Properties "Suitable for Rehabilitation" are those that can be improved to HUD Section 8 Housing Quality Standards within the allowable \$25,000 per unit in financial assistance available under this program. The unit must have a life expectancy of 15 years or more after rehabilitation. The Housing Rehabilitation Specialist or Architect will make a determination whether a unit is suitable or unsuitable for rehabilitation.

VACANT UNITS: An existing vacant unit that was previously inhabited may be rehabilitated provided the owner agrees to rent to an LMI household within 3 months after a certificate of occupancy is received.

ADAPTIVE REUSE: Structures in the project area not originally intended for use as apartments may be fully or partially converted to residential use under this program. In such cases, CDBG investment is limited to a total of \$25,000 per unit, plus eligible exceptions.

RENT CONTROLS: A participating property owner may not charge a tenant for rent and utilities in excess of 35% of the tenant's AGI. Property owners will also be prohibited from unduly raising their rents for a 5-10 year period after rehabilitation, with the length of the compliance term to depend upon the level of the owner's initial investment. The investor-owner will be required to sign an agreement with the Town specifying he will abide by these rent controls during the loan term.

OTHER REQUIREMENTS: Investors-owners are required to maintain sufficient insurance coverage to replace or repair rehabilitated units should there be fire or other disaster. The Housing Program Administrator must be notified immediately when a unit becomes vacant.

(This section continues on the next panel)*

OTHER REQUIREMENTS (cont'd):

Rental Properties must be rented within 3 months of vacancy or the loan will be due and payable. Extensions may be granted under conditions set by the Project Manager.

Loan payments are deferred during periods of vacancy, but resume as soon as the unit is occupied and the first month's rent is received.

FINANCIAL ASSISTANCE: All property owners of existing apartments assisted under this program will be offered a forgivable loan with owner equity participation which will consist of up to 90% of the total rehabilitation cost, as required to bring the units up to the DHCD Standards. If the income of the tenant is held constant, the owner will realize a forgiveness of the loan over the compliance period. No interest (0%) will be charged over the loan term (from 5 to 10 years).

Property owners assisted for adaptive reuse will be required to invest a minimum of 10% to a maximum of 50% owner equity. The remainder of the construction costs will consist of a loan for up to 90% of the total cost to bring the unit up to DHCD standard.

If a property owner has invested in improvements that contribute to the building's functionality for apartment use, this investment can be counted toward the 10% minimum provided it was made after March 1, 2006 and is properly documented. For each additional 10% the owner invests above the minimum required, the loan term will be reduced by one year, down to a minimum of 5 years.

A lien will be placed on the property for the full amount of the CDBG participation in the rehabilitation cost. The property owner will be contractually required to rent to a qualified LMI tenant at rents not exceeding 35% of the tenant's household income.