

Income Thresholds

Household Size	Maximum Income
1 person	\$54,750
2 persons	\$62,550
3 persons	\$70,350
4 persons	\$78,150
5 persons	\$84,450
6 persons	\$90,700
7 persons	\$96,950
8 persons	\$103,200

*Includes gross income from all sources of adult household members. These income limits are effective as of 04/14/2017 and are revised by HUD from time to time.

Eligible Repair Work

Properties assisted with a Housing Rehabilitation Loan must be brought into compliance with Chapter II of the Massachusetts State Sanitary Code, housing codes, and other applicable HUD requirements related to housing rehabilitation. The program has a limit of up to \$30,000 per housing unit. Priority is given to the following rehabilitation needs:

- Health and safety hazards.
- Code violations.
- Serious building maintenance deficiencies, deteriorated roofs, structural deficiencies.
- Lead based paint hazard reduction and de-leading in compliance with State and Federal regulations.

Program staff will review and assist the property owner's qualifications for other funding programs (e.g. Get the Lead Out, HEAT loans for energy conservation) to "stretch" CDBG funds, if necessary to meet a funding gap.

For information about the
CDBG Housing Rehabilitation Program,
you can contact:

City of Chelsea
Department of Planning & Development
City Hall, 500 Broadway, Room 101
Chelsea, MA 02150
617.466.4185
Bethany Rosa
Email: brosa@chelseama.gov



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City of Chelsea
Department of
Planning &
Development



**HOUSING REHABILITATION
LOAN PROGRAM**



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**CITY of CHELSEA
COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)
HOUSING REHABILITATION PROGRAM**

What is the Housing Rehabilitation Program?

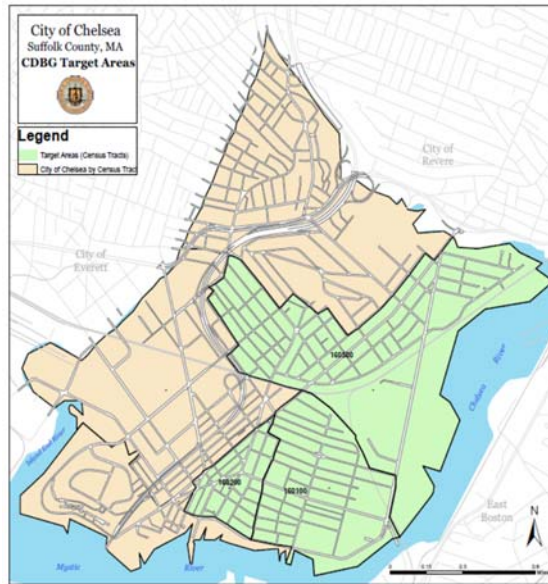
The program offers low-interest or no-interest loans to eligible property owners in order to make needed repairs to their residential properties to bring them into code compliance and eliminate violations that threaten the health and safety of building occupants.

The program primarily serves low or moderate income (LMI) owner-occupants of **one to four-family properties** in the CDBG Target Areas (Census Tracts 1601, 1602, and 1605) encompassing the Shurtleff-Bellingham and Addison-Orange neighborhoods.

Deferred payment loans may be provided to owners who meet income eligibility and application requirements. LMI persons must occupy structures with one unit. If the structure contains more than one unit, at least 51% must be LMI occupied. In a two-unit structures must have at least one unit occupied by a LMI household.

Rental units in owner-occupied properties may be brought up to code and repairs made, with the understanding that the owner shall rent those units to low- and moderate-income households at affordable rent levels for the term of 15 years.

Deferred payment loans are recaptured if there is a sale, transfer of ownership, or refinancing of the rehabilitated property within 15 years of the date of the loan. Deferred payment loans to owner-occupants may be forgiven according to a schedule of 20% every three years if ownership and residency is maintained. Investor-owner loans are not forgivable under any circumstances.



Target Area Neighborhoods (in green)

Purpose of the Program

- Provide direct financial assistance to low and moderate-income households allowing them to obtain better housing conditions than they would otherwise be able to afford.
- Eliminate code violations that threaten the health and safety of building occupants.
- Preserve and enhance the quality of the City's housing stock so that additional low-cost, good quality housing units are available to all residents.
- Improve the overall quality of life for building residents as well as residents in the surrounding neighborhoods.



Loans and Restrictions

- **Owner-occupants** may receive a 0% interest, 15 year, deferred payment loan to rehabilitate their primary residence through the CDBG Housing Rehabilitation Program.
- **Investor-owners** may receive a 3% interest, 15 year, deferred payment loan to rehabilitate their property through the CDBG Housing Rehabilitation Program only when 100% of the tenant households in the property are eligible LMI households.

All loans are subject to the income and other eligibility requirements, the availability of funds and the terms of a Promissory Note, Mortgage, Loan Agreement, and (when applicable) an Affordable Housing Restriction and/or Rental Agreement which requires that rents of rental units remain affordable for 15 years from the date of the loan.

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