

Rental Improvement Loan Program

Purpose

Currently approximately 13% of the city's single-family houses are rentals. Many are neglected and others have been cited for code-violations. The purpose of the Rental Improvement Loan Program is to provide low-interest loans to rental property owners in the City of Northglenn so they can improve their properties and in turn maintain the value and appearance of the neighborhood.

Description

The Rental Improvement Loan Program is a pilot program that started approximately 6 months ago. It is a cooperative effort of Adams County Office of Community Development (OCD) and 1stBank of Adams County. It is designed to assist rental property owners in improving their properties. The areas that can be served with this money are areas that meet CDBG income levels (80% or less of the AMI). It provides low interest rate loans for improvements to a variety of rental properties, including single family detached homes, duplexes, condominiums, townhomes and multi-family properties.

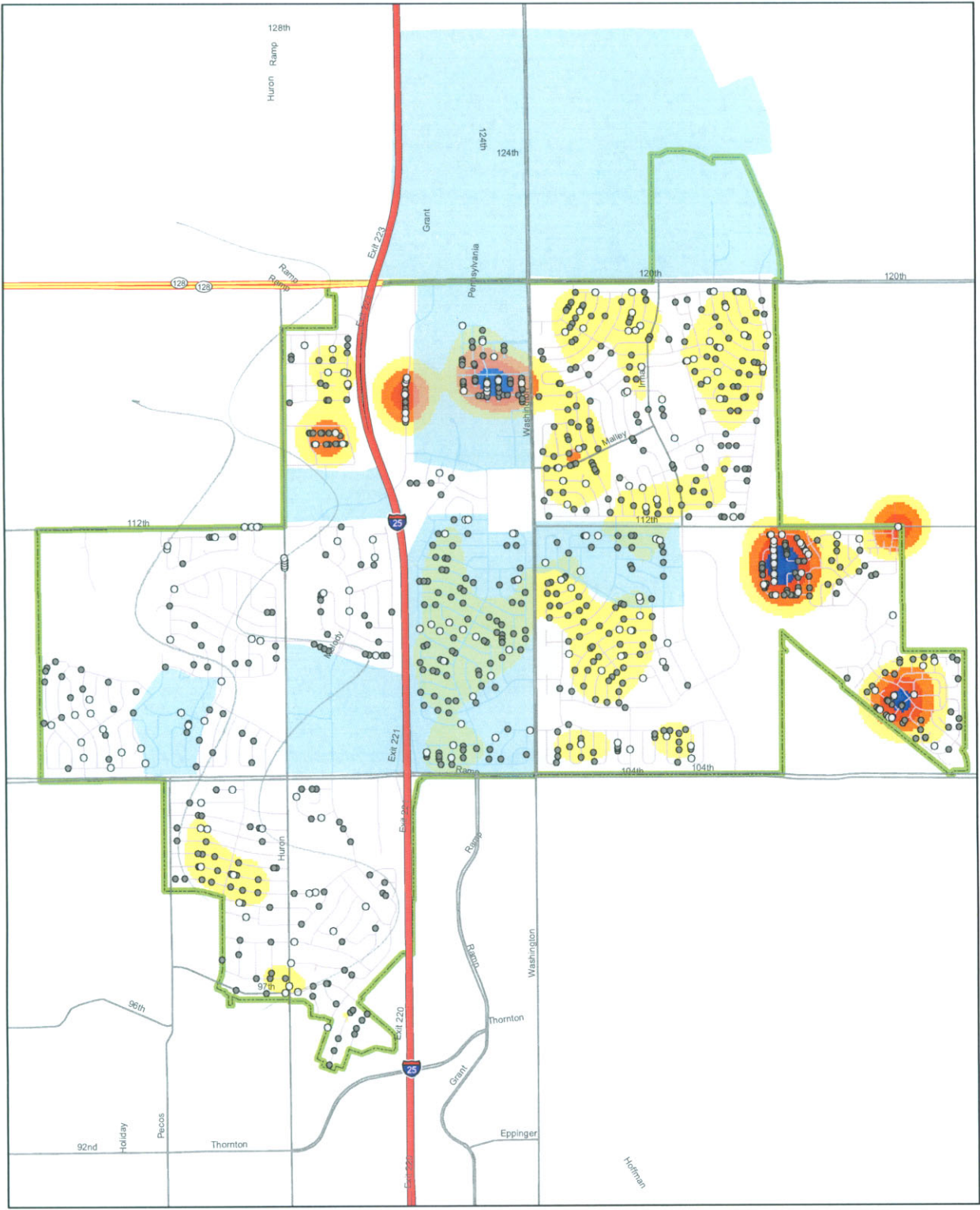
The program was originally targeted for three areas in unincorporated Adams County. 1stBank and OCD sent out 492 mailers to addresses in those areas and received 12 requests back for more information. However, there have been no applications submitted and no loan originations to date. Both the bank and the County are disappointed at the lack of interest for this program. 1stBank and OCD have contracted for this program through 2008 for up to \$3 million each year.

Inquiries have been made to OCD to see if they would expand the program into areas other than unincorporated parts of the County. OCD staff welcomed our interest. They want some success stories. OCD has met since then with 1stBank and received their approval to expand the program into the City of Northglenn. Northglenn is a perfect fit for the program because of our "Clean Sweep" program, multiple CDGB eligible areas and because of our large number of single-family rentals. There are also several multi-family rental communities in Northglenn that need some upgrading and could benefit from this program.

Our only responsibility will be to provide program information to the rental property owners, and our only expense will be for mailing program information to the rental property owners. All questions, applications and submittals are handled at the OCD office.

Although all permits will need to be pulled and city code will be required to be met, staff has discussed the idea of waiving the permit fees. Fee waivers might provide more interest and motivation for participation in the program. This is something that Council might want to consider for approval.

Several cities currently have similar programs in place (e.g. Arvada, Denver).



City of Northglenn Rental Housing Location and Density with CDBG Block Groups depicted



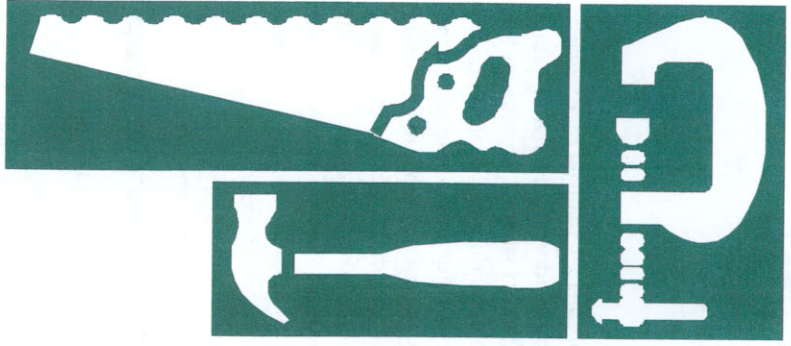
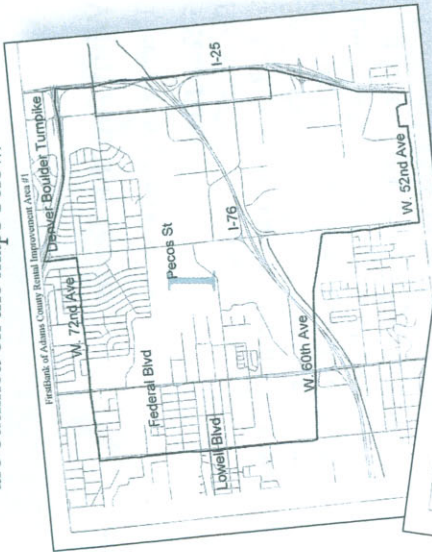
Legend

- Assumed Rental Units (215)
- Known Rental Units (728)
- City Boundary
- Major Roads**
- Road Classification**
- Limited Access
- Highways
- Secondary Roads
- CDBG Block Groups**

Density	
Rental units per acre	
0 - 0.3	0.31 - 0.61
0.62 - 0.91	0.92 - 1.2
1.3 - 1.5	

Adams County Rental Improvement Loan Program

What Are the Target Areas?
The three areas targeted for this program are outlined on the maps below.



Community Development
12200 Pecos Street, 2nd Floor
Westminster, CO 80234



What is the Adams County Rental Improvement Loan Program?

The Rental Improvement Loan Program (RILP) is a cooperative effort of Adams County Community Development and **1STBANK** of Adams County. It is designed to assist rental property owners in improving their properties. It provides low interest rate loans for improvements to a variety of rental properties, including single family detached homes, duplexes, condominiums, townhomes and multi-family properties.

What are the Main Features of a RILP Loan?

- * Low interest rates
- * No appraisal fee
- * No closing costs
- * No document fees
- * No loan origination fees
- * Up to \$50,000 per property
- * 5-year or 10-year term
- * No rent limitations
- * No income restrictions

How Can Loans Be Used?

Loans are primarily available for improvements that will bring eligible properties up to the property rehabilitation standards and/or appropriate residential housing codes. Eligible improvements may include roof repair or replacement, foundation work, interior improvement, plumbing or electrical work. RILP borrowers are responsible for contracting for and otherwise completing the home improvements. Adams County Community Development staff can provide technical assistance to ensure that the work is properly completed.

Loans are available for work on rental properties in the target areas specified in this brochure.

Loans generally must be used for property rehabilitation or improvements, including curb appeal improvements. At least 50% of the total loan amount must be used to improve the exterior of the subject property. (This limitation does not apply to condominiums and townhomes.) Loans may not be used to "cash-out" equity from a property or to refinance an existing loan. **1STBANK** may limit the number of loans to any one borrower.

How Does the Application Process Work?

Applications are available directly from **1STBANK** of Adams County located at 3990 East 104th Avenue in Thornton, or from Adams County Community Development located at 12200 N. Pecos Street, 2nd Floor, in Westminster. After obtaining an application, Community Development staff will be available to provide assistance in preparing the initial work write-up and cost estimate. The borrower will receive 50% of the loan amount at the time of loan closing, and 50% after the work has been completed. The final 50% loan disbursement will be made upon final inspection by an Adams County Housing Rehabilitation Specialist.

Adams County Community Development
303.453.8500
12200 Pecos Street, 2nd floor
Westminster, Colorado 80234
"Building Stronger Communities"



ADAMS COUNTY
COLORADO

What Are the Terms?

There are two choices of loan terms:

5-Year Term

Payment Example: Monthly payment of \$202.76 based on a \$10,000 loan for 5 years fixed at the current Wall Street Journal Prime Rate of 8.0% Annual Percentage Rate (APR). (The Wall Street Journal Prime Rate is current as of June 1, 2006 and is subject to change.) Maximum loan-to-value of 85% on single family homes or duplexes; 70% on condos/townhomes.

10-Year Term

Payment Example: Monthly payment of \$121.33 based on a \$10,000 loan for 10 years fixed for the first 5 years at the current Wall Street Journal Prime Rate of 8.0% APR. (The Wall Street Journal Prime Rate is current as of June 1, 2006 and is subject to change.) After year 5, the rate will be adjusted and fixed to reflect the current Wall Street Journal Prime Rate. Maximum loan-to-value of 80% on single family homes or duplexes; 70% on condos/townhomes.

1STBANK of Adams County

303.452.3000

3990 E. 104th Avenue

Thornton, Colorado 80233

Member FDIC

Each Depositor Insured to \$100,000

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