INTRODUCTION & PROGRAM OVERVIEW

Charlotte has many older rental homes, and over time, property owners may struggle to keep up with major repairs. When repairs are delayed, tenants can be left in unsafe or unhealthy conditions, and affordable properties may eventually be sold, demolished, or converted to higher-cost housing.

The Rental Housing Preservation Program, or RHPP, is a pilot program designed to help small and mid-sized rental property owners complete needed repairs. The City has made $2 million available for investment through this pilot. In exchange for receiving assistance, participating owners must agree to maintain safe and livable housing, keep rents affordable, and preserve the property as rental housing for many years.

Because funding is limited, the application process will be competitive, and not every eligible applicant or property will be selected. Applications will be evaluated based on the program's priorities, the condition and readiness of the property, the proposed repairs, available funding, and other criteria described in this guide.

This program guide provides an overview of the RHPP, including who the program is intended to serve, eligible repairs, application requirements, and the selection process. It does not replace the official program agreement, loan documents, deed restrictions, or other legal documents that selected applicants will be required to sign.

This guide answers key questions, helps property owners determine whether the program is a good fit, and supports the preparation of a complete and competitive application.

IS THE PROGRAM RIGHT FOR YOU?

RHPP is built for small and mid-sized landlords. It is meant for those who:

- Own a small number of older rental properties, such as a single-family rental, duplex, triplex, quadraplex, or small apartment building (comprised of 24 units or less) built prior to 1976.
- Want to make needed repairs but do not have easy access to affordable financing for the work.
- Are at risk of losing property to disrepair, rising costs, or the temptation to sell or demolish it.

In short, if you own an older Charlotte rental home that needs work, and you want to keep renting it out responsibly, this program is designed with you in mind.

OWNER REQUIREMENTS

You may qualify as an owner if all of the following are true:

- You own the property and can provide a deed or other accepted proof of ownership *(if applicable)*
- You own **fewer than one hundred (100) rental units** total, across all cities and counties.
- You have **owned** this property for **at least two (2) years**. *Exceptions may apply if you inherited the property ,received it from a family member or recieve a waiver.*

- You are current on property taxes and do not have major unresolved debts, liens, or judgements tied to the property.
- You can cover your share of the repair costs, or you qualify for a reduced or waived share.
- You agree to follow the program's affordability period, repair, and preservation rules .

PROPERTY REQUIREMENTS

Your property may qualify if all of the following are true:

- It is located within Chalotte city limits.
- It is at least 50 years old (built prior to 1976).
- It is a rental home, not owner-occupied.
- It is a single-family rental, duplex, triplex, quadraplex, or small-apartment building.
- The repairs it needs can realistically be completed within the program's timeline and budget, without tearing the building down.
- It is free of title, ownership, or legal issues that would prevent the City from recording the required paperwork.

UNIT REQUIREMENTS

Each unit you apply for must:

- Be a residential rental unit within an **eligible property** (refer to 'Property Requirements').
- Be occupied now, or intended for continued rental use after repairs.
- Fall within the 5-unit cap per owner (see below), unless the City approves an exception.
- Be able to meet basic housing code and safety standards once repairs are complete.

PROGRAM FUNDING

One of the goals of RHPP is to make major property repairs more financially achievable while ensuring public funds are invested responsibly. Below is an overview of how program funding works. If more applications are received than funding available, preference will be given to nonprofit organizations, low-income residents and/or projects located in high priority areas. Applications will close August 28th.

HOW MUCH FUNDING CAN I RECEIVE?

The City may fund **up to 75% of approved eligible rehabilitation costs**, with property owners responsible for the remaining 25% share unless they qualify for a reduced or waived match.

To accommodate different project needs, **the City offers two payment options**:

1. **OWNER REIMBURSEMENT:**

   The property owner pays for the approved rehabilitation work and is reimbursed by the City for up to 75% of eligible costs after required inspections and documentation have been completed.

2. **DIRECT CONTRACTOR PAYMENT:**

   The property owner first contributes their required share of eligible project costs. The City then pays its approved portion directly to the contractor through progress payments as construction milestones are completed and approved.

As a general planning guide, the City will typically invest **up to $50,000 per assisted unit**.

This amount is **not guaranteed** and is **not a fixed, maximum, award**. Final funding is determined individually based on factors such as:

- The property's condition
- The approved scope of work
- Cost reasonableness
- Number of assisted units
- Available program funding
- Overall public benefit

The payment option and final approved investment for your project will be determined before construction begins and outlined in your Program Agreement.

PAYMENT REQUIREMENTS

Whether funding is provided through reimbursement or direct contractor payments, City funds are only released for approved eligible work that meets program requirements.

Before payment can be issued, the following requirements must be met:

- Approved work has been completed, or the applicable construction milestone has been reached.
- Required inspections have been completed and approved.
- Required permits have been obtained and closed, as applicable.
- All required documentation has been submitted and approved.

Program staff will explain the payment process, documentation requirements, and applicable payment schedule before construction begins.

CAN MY REQUIRED MATCH BE REDUCED?

Possibly. The City recognizes that some small property owners may not have the financial resources to provide the full, required, match.

In **limited circumstances**, the City may approve a reduced or waived owner contribution when doing so is necessary to make the preservation project feasible and the public benefit justifies the additional investment.

Match reductions are reviewed case by case and are never automatic.

ELIGIBLE REPAIRS

RHPP is designed to preserve existing rental housing by funding repairs that improve safety, habitability, and the long-term condition of the property. Eligible repairs are determined on a project-by-project basis and must be approved by the City before work begins.

ELIGIBLE COSTS

Program funds may be used for repairs and improvements that preserve the property, address health and safety concerns, improve habitability, extend the useful life of the building, or support long-term preservation goals.

Examples of eligible costs include:

- Health and safety repairs, including electrical, plumbing, heating, and cooling systems.
- Roof, foundation, and structural repairs.
- Repairs to windows, doors, porches, and other original features of the home.
- Weatherization and energy-efficiency improvements, such as insulation and high-efficiency HVAC systems.
- Accessibility and safety improvements, such as handrails and bathroom safety features.
- Required lead-safe testing, hazard control, and related environmental compliance work.

INELIGIBLE COSTS

The program does not cover costs that fall outside its preservation goals. Examples include:

- Luxury upgrades that are not necessary for safety, code compliance, or rehabilitation.
- Cosmetic improvements that were not part of an approved rehabilitation scope.
- Work completed before receiving the City's Notice to Proceed.
- Unapproved change orders.
- Demolition or new construction, except for limited removal of unsafe components approved by the City as part of an eligible rehabilitation project.

PROGRAM COMMITMENTS

In exchange for receiving City funding, property owners agree to preserve affordable rental housing for the benefit of current and future residents. These commitments help ensure that public funds continue to provide long-term value to both tenants and the community.

If your project is approved, you will agree to the following requirements:

KEEP RENTS AFFORDABLE

Assisted units must remain affordable for **15 years**.

When a unit is first rented under the program, it must be leased to a household that meets the program's income requirements. Rent must remain within the program's established limits throughout the affordability period.

Annual rent increases are limited to the lesser of 3% or the applicable Cost of Living Adjustment (COLA).

In no case may rent exceed the maximum amount allowed under the program.

PRESERVE THE PROPERTY

RHPP is designed to preserve existing rental housing—not replace it.

Property owners agree to maintain the assisted structure and preserve it for future use. The assisted structure may not be demolished for 50 years unless the City provides prior written approval under limited circumstances outlined in the program documents.

USE WRITTEN LEASES

All assisted rental units must be rented using a lease that complies with the program requirements. Lease terms may not conflict with the affordability requirements established through RHPP.

COMPLETE APPROVED REPAIRS

Program funds may only be used for the repairs approved by the City.

Any significant changes to the approved scope of work must receive written City approval before the work is completed. Owners are also responsible for obtaining any required permits and ensuring work complies with applicable building codes.

SIGN REQUIRED PROGRAM DOCUMENTS

Before construction begins, approved property owners will sign several legal documents that outline the terms of participation.

These documents protect both the property owner and the City's investment by documenting the approved project, affordability requirements, and long-term preservation commitments. Some of these documents will be recorded with the county and will remain with the property for the required programming term.

APPLICATION PROCESS

Once you're ready to apply, the City will work with you through each step of the process. While every project is unique, the process generally follows the steps below on page 6 and 7.

STEP 1: SUBMIT YOUR APPLICATION

Complete and submit the RHPP application along with any required supporting documentation. Program staff will review your submission to determine whether your property appears to meet the basic eligibility requirements.

STEP 2: ELIGIBILITY REVIEW

The City will review your application to verify owner, property, and unit eligibility. This review may include confirming ownership, reviewing tax and code enforcement records, and requesting additional information if needed.

Submitting an application does not guarantee funding.

STEP 3: PROPERTY INSPECTION

If your project moves forward, the City will schedule an inspection of your property to better understand its condition and identify eligible rehabilitation needs.

The inspection helps determine what repairs are necessary and whether the project is a good fit for the program

STEP 4: SCOPE OF WORK & COST REVIEW

Using the inspection results, the City will work with you to develop or review a proposed scope of work and evaluate the estimated project costs.

This step helps determine which repairs are eligible for funding and the amount of assistance that may be available.

STEP 5: CONDITIONAL REVIEW

If your project is selected, you'll receive a Conditional Approval Letter outlining:

→ The approved scope of work
→ Your estimated funding award
→ Any required owner contribution
→ Program requirements that must be completed before construction begins

A Conditional Approval Letter does **NOT** authorize construction to begin.

STEP 6: COMPLETE PROGRAM DOCUMENTS

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Before any work begins, you'll sign the required program agreements and legal documents.

Once all required documents have been completed and any applicable recording requirements have been satisfied, the City will issue a Notice to Proceed.

Do **NOT** begin construction before receiving your ***Notice to Proceed***. Work that begins before written authorization may not be considered eligible costs.

STEP 7: CONSTRUCTION BEGINS

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After receiving your Notice to Proceed, construction may begin.

Property owners are responsible for selecting and managing their contractor. Throughout construction, the City may conduct inspections to verify that work is progressing according to the approved scope.

STEP 8: PROJECT COMPLETION & PAYMENT

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The City will inspect completed work throughout the project, as needed, to verify that construction is progressing according to the approved scope of work.

Depending on your selected payment option, approved funds may be disbursed through contractor draw payments during construction or reimbursed to the property owner after eligible work has been completed and approved.

Once the project is complete, the City will perform a final inspection and review all required documentation before issuing any remaining eligible payment.

STEP 9: ONGOING COMPLIANCE

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Following project completion, property owners will continue participating in the program by meeting the affordability and preservation requirements outlined in their Program Agreement.

This includes maintaining affordable rents, preserving the property, and providing any required compliance documentation throughout the program term.

CHOOSING & WORKING WITH A CONTRACTOR

As the property owner, you are responsible for selecting and hiring a qualified contractor to complete your rehabilitation project.

Contractors should have the experience, licensing, and insurance necessary to perform the approved work. The City may review contractor qualifications and documentation to ensure they meet program requirements.

Choosing a qualified contractor can help your project stay on schedule and avoid unnecessary delays.

CONTRACTOR REQUIREMENTS

Contractors participating in RHPP must:

- Hold all required licenses for the work being performed.
- Obtain all required permits and inspections (unless otherwise agreed with homeowner).
- Maintain required insurance.
- Follow all applicable building codes and safety requirements.
- Comply with lead-safe work practices when required.
- Provide invoices, lien waivers, warranties, and other required documentation, as applicable.

NOTICE TO PROCEED

Before construction can begin, the City must issue a **Notice to Proceed**.

The Notice to Proceed is the City's written authorization allowing work to begin. It is issued only after all required program documents have been completed, and any other pre-construction requirements have been satisfied.

Do not begin construction before receiving your Notice to Proceed. Work started before receiving written authorization may not be eligible for program funding.

CONSTRUCTION TIMELINE

Once a Notice to Proceed has been issued, construction is generally expected to:

- Begin within 60 days
- Reach substantial completion within approximately 4 months.

Extensions may be considered for circumstances beyond your control, such as permitting delays, weather, material shortages, or other approved reasons.

AFTER PROJECT COMPLETION

Completing your rehabilitation project is an important milestone, but your participation in RHPP continues beyond construction. After your project is complete, the City will continue to monitor the program requirements associated with your property throughout the affordability and preservation periods.

ANNUAL MONITORING

To help ensure the program continues to provide long-term public benefit, property owners are required to submit certain documentation throughout the affordability period. This may include:

- Annual rent rolls
- Documentation requested to verify compliance with rent restrictions
- Other records required under your Program Agreement

The City may also conduct periodic reviews or inspections, as needed, to confirm continued compliance with program requirements.

SELLING OR TRANSFERRING YOUR PROPERTY

If you plan to sell or transfer ownership of a property receiving RHPP assistance, you must notify the City in writing before the transfer takes place.

Because the program requirements are recorded against the property, the new owner must agree to assume the remaining program obligations, including affordability and preservation requirements, before the transfer can be completed.

Contact program staff as early as possible if you are considering selling your property so they can guide you through the process.

IF ISSUES ARISE

The City's goal is to work with property owners to successfully complete and maintain their projects. If questions or compliance concerns arise, program staff will generally work with you to resolve the issue whenever possible.

However, failure to comply with the terms of your Program Agreement may result in corrective action, suspension of future payments, repayment of program funds, or other remedies described in the program documents.

For more information, contact:

Jessika McNeill
Housing Project Manager
(980) 467-4315
Jessika.mcneill@charlottenc.gov