

# RENTAL ACQUISITION PROGRAM



Redding Redevelopment Agency  
777 Cypress Avenue  
Redding, CA 96001

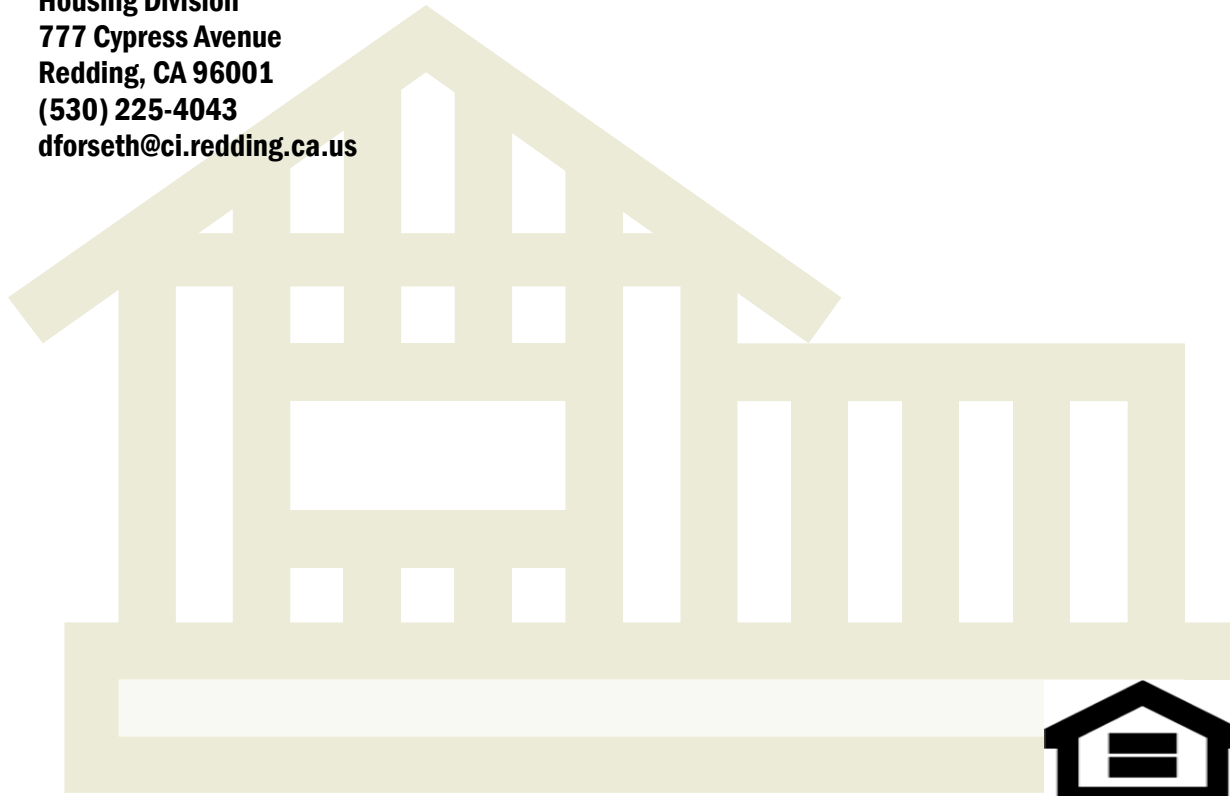
**The creation of new affordable housing benefits our community.**

**If you are interested in more information or would like to apply, please contact Dave Forseth.**

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## Rental Acquisition Program

The Rental Acquisition Program (RAP) offers a source of permanent financing for the acquisition of newly-constructed residential units. Structured as a fully forgivable loan with a deferred payment feature, RAP financing allows investors to enter the rental market with substantially lower debt service on acquired properties in return for long-term affordability covenants being recorded against the property. With a newly-enlarged pool of potential end product buyers, the RAP acts as an incentive to builders to undertake increased levels of multi-family construction utilizing private construction financing alone.



**Affordable Housing**

### ELIGIBLE PROPERTY

Eligible property must be located within the City Limits of the City of Redding, be designated for residential development under the General Plan, and either be owned currently by the prospective applicant or be available for purchase at no more than current market value. Eligible property must be improved with five or more residential rental units which have been constructed within the past 12 months.

### AFFORDABILITY COVENANT

The RAP Loan will be for up to 20% of the property value and will be secured by a promissory note and deed of trust recorded on the property. At loan funding, an



**Forgivable Loan**

will be recorded on the property. All units will be required to be rented at a rental rate determined to be affordable to lower-income households for a period of 55 years.



The RAP Loan is a deferred-payment loan, no payments are required. The Loan accrues 3% simple annual interest. At the end of the term of the loan and the termination of the Affordability Period, if no default has occurred, the entire amount of the loan, including any accrued interest, shall be forgiven.

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