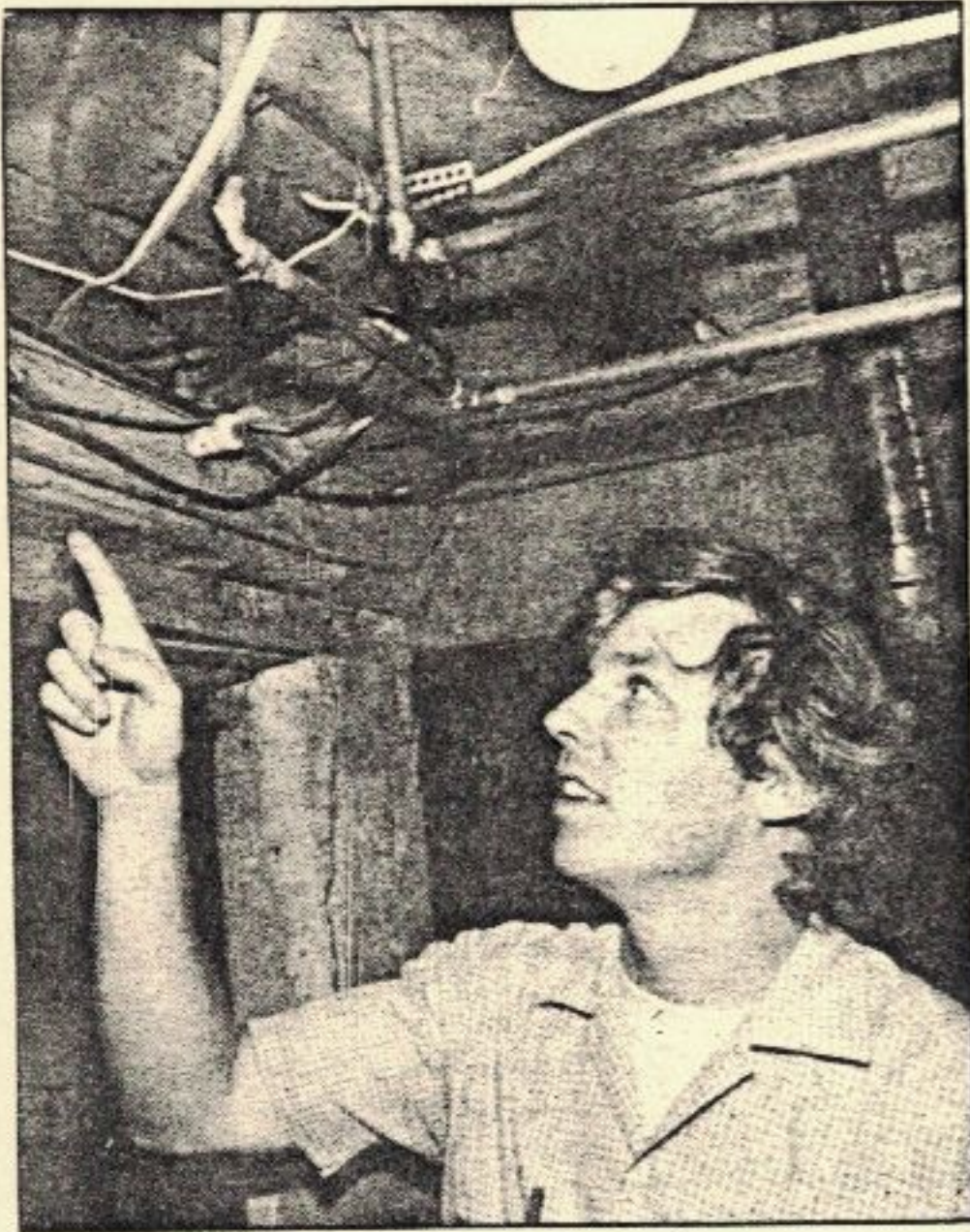


# House Beautiful



Housing Rehabilitation Specialist Jack Northrup.

## NEW LOANS FROM THE OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT

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By John Feffer

Standing on the corner of North Street and Elmwood Avenue, Jack Northrup indicates surrounding properties that could benefit from Burlington's new housing rehabilitation program.

"For every couple of dollars you put in this area," says Northrup, a Burlington minimum housing inspector and housing rehabilitation specialist, "someone down the street will be shamed into" fixing up their property.

Roughly \$525,000 in Community Development Block Grant (CDBG) money is available for the loan program. \$250,000 was available as of August 1 and the remainder when the King Street Loan Guarantee fund comes due later this year. The King Street money, though, isn't necessarily allocated to housing rehabilitation, but both Northrup and Brenda Torpy, his partner in the newly established Community and Economic Development Office (CED), expect that their request will be honored.

Now that the King Street housing programs have been completed, the first areas to receive the loans will be in the Old North End. All landlords are eligible for the loans, which go as high as \$10,000 per unit at up to 9 percent interest payable over ten years. Tenant incomes, however, must be under \$22,700 (for a family of four), which is 80 percent of the median Chittenden County resident's salary. Homeowners are also eligible for the loans if their wages fall under that figure.

\$60,000, with a possibility of \$175,000 more, is coming from a federal rehabilitation program called Section 312, which loans

money under similar terms but is payable over 20 years.

The loans come in various forms. There's an emergency loan program which will help out low income people in dire need; a painting program which will give out free paint to homeowners, tenants and landlords on Park and Pitkin Streets and which will send out paint crews next spring; and a site improvement program which will fund tree planting and fence building, among other things.

Furthermore, \$15,000 is being made available for home modifications for the handicapped. These outright grants represent a "small demonstration project" and may serve as a model for a statewide project, Torpy says.

Mark Lafayette, a landlord who owns property throughout the city, doesn't like the loan programs. "It penalizes anyone who keeps their property up." He received no funds, he says, because his "buildings were in too good condition."

"We're there to meet need—that's a given of the program," says Torpy. Northrup recognizes that many landlords may shy away from government assistance but reiterates that the federal program offers money at far better terms than banks.

One problem with upgrading properties in low income areas is the potential for gentrification. But Northrup sees these loan programs as forestalling a middle class wave pushing out lower income renters. The Section 312 program includes a rent-stabilization measure prohibiting landlords from raising rents for five years, while the CDBGs guarantee there will be no rent increases for three years. Northrup remains pessimistic though. Gentrification, he says, "is definitely going to happen. No amount of money can prevent it."