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September 15, 1999

APPROVED  
BY THE CITY COUNCIL

OCT 5 1999

OFFICE OF THE  
CITY CLERK

Redevelopment Agency and City Council  
of the City of Sacramento  
Sacramento, California

Honorable Members in Session:

SUBJECT: EMERGENCY REPAIR AND RETROFIT PROGRAM MODIFICATIONS

LOCATION & COUNCIL DISTRICT - City

RECOMMENDATION

Staff recommends adoption of the attached resolutions which authorize the Executive Director or her designee to:

- a) enter into contracts with each of the selected contractors for a total dollar amount not to exceed the amount budgeted for any year;
- b) amend the Emergency Repair Program Guidelines;
- c) amend the Retrofit Program Guidelines; and
- d) amend the Rehabilitation Lending Program Guidelines.

CONTACT PERSONS

Richard Nelson, Program Operations Director, (916) 440-1333  
Carla Christian, Loan Processing Unit Manager, (916) 264-1524

FOR COUNCIL MEETING OF – October 5, 1999

SUMMARY

This report requests authorization to enter into a contract with selected contractors, amendment of the Emergency Repair Program Guidelines, amendment of the Retrofit Program guidelines, and amendment of the Rehabilitation Lending Program Guidelines.

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency and City Council  
Of the City of Sacramento  
September 28, 1999  
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### COMMISSION ACTION

At its meeting September 15, 1999, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Amundson, Burns, Castello, Cespedes, Dobbins, Harland, Hoag,  
Holloway, Newsome, Simon

NOES: None

ABSENT: Rotz

### BACKGROUND

The Emergency Repair Program is a grant program funded with Community Development Block Grant (CDBG) monies. The Program assists very low-income homeowners (50 percent of median income or below) by rapidly correcting emergency health, safety, and code deficiencies which require immediate attention. The Program has been in existence since 1984. In 1998, 144 projects were completed totaling \$139,100.88. Year-to-date, \$104,111.88 has been funded on 95 projects. With the proposed changes and a marketing strategy, staff expects much higher production for the Program.

The repair work is completed by licensed and insured contractors under contract with the Agency. The emergency repair work is assigned to the contractors on a rotating basis. Previously, only licensed General Contractors were eligible to participate in the program, however, due to changes in California Contracting law, staff recommends expanding the program to include licensed trade contractors, i.e., General Contractors, roofing contractors, plumbing contractors, electrical contractors, and heating and air conditioning contractors. The contract between the Agency and the eligible contractor will be developed and approved by Agency Council. This staff report requests authority of the Executive Director to enter into these contracts for an amount not to exceed the Program's annual budget.

Typical repairs performed by the contractors include: the repair or replacement of heating and air systems, elimination of electrical hazards, repair of broken or inoperable plumbing components or collapsed sewer lines, correcting roof leaks, replacement of broken doors and windows, and other repairs. The addition of new air conditioning systems has not been an eligible repair item in the Program, however staff recommends including this type of improvement because it is vital to many elderly and disabled members of our community. The amended Program Guidelines attached (attachment I) provides a listing of eligible repair activities.

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Since 1984, the Program grant amount of \$2,000 has never been increased. Staff determined that an increase in grant funds to \$3,500 is necessary to compensate for the years of inflation and the increase of costs for materials and supplies. Please see the Emergency Repair Program Fact Sheet (attachment II).

### Solicitation for Contractor Participants

A pool of qualified contractors with established bid prices has been established through request for proposals and bids. Continuation of this process at staff level is requested. Authority is requested to similarly solicit new contractor participation in the Emergency Repair Program and for the Executive Director to convene a selection committee to review the responses and for the Executive Director to award contracts based upon such suggestions and limited to budgeted amounts.

### Retrofit Program

The Handicapped/Disabled Retrofit Program has been operating since 1983. The purpose of the program is to provide assistance to disabled residents to increase their accessibility to their homes or rental units. Repairs such as installing grab bars, wheelchair ramps, bathroom modifications, are typically performed under this program which has a dollar limit of \$5,000. Originally the program was offered as a grant to both owner occupants of single family residences and residents of rental units, both single family and multifamily. In 1994, the program was changed to a loan program for owner occupants, due in part to the scarcity of rehabilitation funding and recognizing that owners may have equity in their property to support a loan. The program continued as a grant to renters.

However, offering the Retrofit assistance as a loan to owners has had the effect of reducing the overall amount of assistance available by covering such costs as title reports, credit reports, loan fees, and appraisal reports. This has decreased the amount of assistance, thus the amount of repairs, by \$400-\$700. There is also more processing time involved in a loan as opposed to a grant.

Because the Agency is committed to increasing the accessibility of residences for the disabled members of our community, staff recommends adoption of Retrofit Program Guidelines attachment III which extend the grant to owners as well as renters.

### Rehabilitation Program Guidelines

The Rehabilitation Program Guidelines were adopted in June 1999. Because of the proposed changes, the Guidelines need to be updated and re-adopted (attachment IV). In addition to the proposed changes, the Guidelines attached reflect a minor change to the Flexible Property Improvement Loan, and any other acquisition rehabilitation loan made in conjunction with the



## **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

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Home Works! Program by eliminating interest charges for the first five years, as required by Freddie Mac's Home Works Program.

### **FINANCIAL CONSIDERATIONS**

There is no new funding requested in this report. Adequate carryover funding exists in the Programs.

### **POLICY CONSIDERATIONS**

Contracting Authority requested in this staff report is consistent with prior contracting authority. There have been minor technical changes made to the RFP process which were allowed per the authorization of the previous staff report.

Increasing the Emergency Repair Grant to \$3,500.00 is a new policy designed to bring the program current with repair costs.

Modifying the Retrofit Program to become a grant is consistent with the existing program offered to renters.

The Rehabilitation Guidelines are modified to reflect the above changes.

### **ENVIRONMENTAL REVIEW**

The proposed action does not constitute a project under CEQA per Guidelines Section 15378 (b) (3), nor a federal undertaking under NEPA.



**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

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**M/WBE CONSIDERATIONS**

M/WBE businesses were solicited through ads in newspapers such as *Sacramento Bee*, *El Hispano*, *Builders Exchange*, *The Observer*.

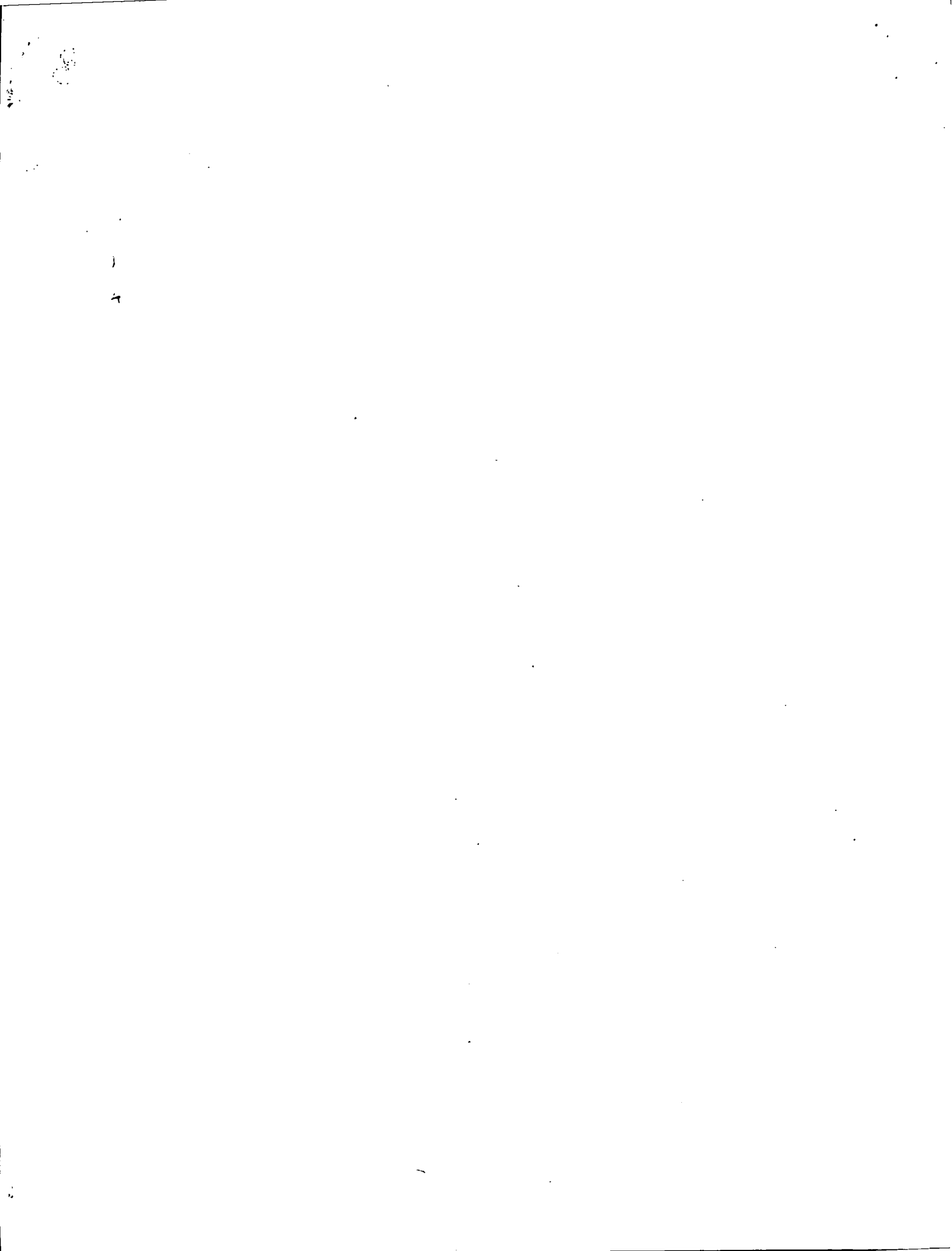
Respectfully submitted,

  
ANNE M. MOORE  
Executive Director

Transmittal approved,



*for*  
ROBERT P. THOMAS  
City Manager





**RESOLUTION NO. 99-031**

**ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO**

**ON DATE OF \_\_\_\_\_**

**EMERGENCY REPAIR PROGRAM: EXECUTION OF CONTRACTS, AND AMENDMENT  
OF PROGRAM GUIDELINES; RETROFIT PROGRAM:  
AMENDMENT OF PROGRAM GUIDELINES; REHABILITATION LENDING PROGRAM:  
AMENDMENT OF PROGRAM GUIDELINES.**

**BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF  
SACRAMENTO:**

Section 1. The Executive Director is authorized to solicit proposals and bids from contractors for the Emergency Repair Program, and to enter into annual contracts with the lowest responsive, responsible and otherwise qualifying contractors for an aggregate contract amounts not to exceed the amount budgeted for each such programs in such year.

Section 2. The new "Emergency Repair Program Guidelines" attached to this resolution are approved and adopted, replacing in full the Emergency Repair Program Guidelines.

Section 3. The new "Retrofit Program Guidelines" attached to this resolution are approved and adopted, replacing in full the existing Retrofit Program Guidelines.

Section 4. The new "Rehabilitation Lending Program Guidelines for Small Projects (1-10 units)" attached to this resolution are approved and adopted, replacing in full the existing Rehabilitation Lending Program Guidelines for Small Projects (1-10 units).

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

RESOLUTION NO. 99-031

OCT 5 1999

OFFICE OF THE  
CITY CLERK

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ON DATE OF \_\_\_\_\_

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CHAIR

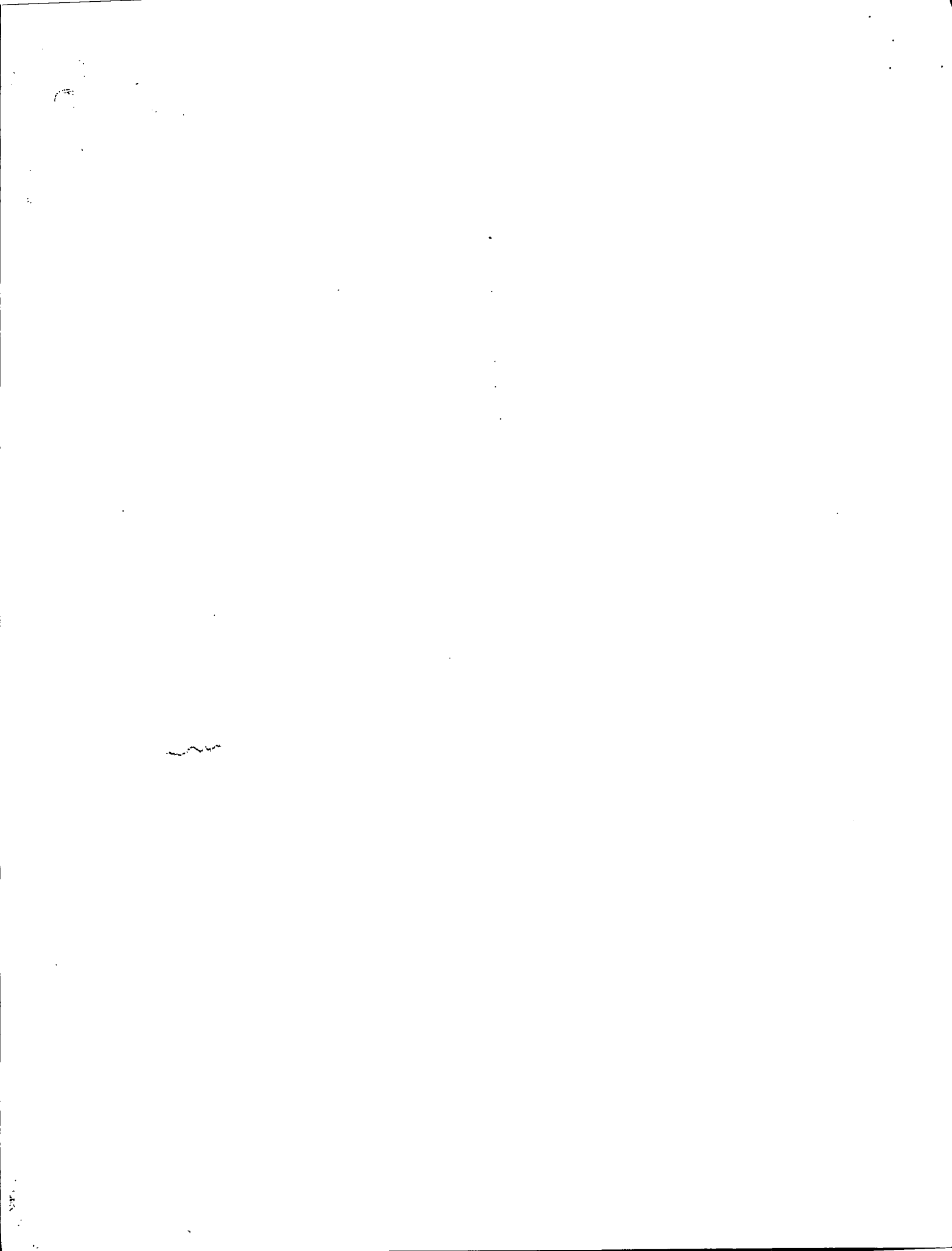
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SECRETARY

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DATE ADOPTED: \_\_\_\_\_



**RESOLUTION NO. 99-554**

**ADOPTED BY THE SACRAMENTO CITY COUNCIL**

**ON DATE OF \_\_\_\_\_**

**EMERGENCY REPAIR PROGRAM: EXECUTION OF CONTRACTS, AND AMENDMENT OF PROGRAM GUIDELINES; RETROFIT PROGRAM: AMENDMENT OF PROGRAM GUIDELINES; REHABILITATION LENDING PROGRAM: AMENDMENT OF PROGRAM GUIDELINES.**

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\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

APPROVED  
BY THE CITY COUNCIL

OCT 5 1999

OFFICE OF THE  
CITY CLERK

RESOLUTION NO. 99-55A

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**EMERGENCY REPAIR PROGRAM: EXECUTION OF CONTRACTS, AND AMENDMENT  
OF PROGRAM GUIDELINES; RETROFIT PROGRAM:  
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**Emergency Repair Program Definitions  
1999  
Sacramento City/County**

**Emergency Repair Definition**

Take a corrective action to resolve an immediate safety or health hazard, dangerous or hazardous building, fire or health code violation

The Agency shall make the final determination of an eligible Emergency Repair.

An Emergency repair is not limited too and may include the following:

**Roofing**

1. Temporary patching or replacement of roof coverings to stop leaks within habital areas.
2. Temporary or permanent repairs to hazardous structural framing.
3. Temporary patching or replacement of roof coatings and or coverings on mobile homes.

**Exterior Entry Doors**

1. Replacement / repair of doors that are cracked, broken, missing, or holes penetrating through.
2. Replacement / repair of defective hardware, jambs, stops, and trim required for proper operation of door.
3. Replacement / repair of defective lock and deadbolt sets.

**Security Doors**

1. Repair existing security door (s).
2. Install new security door (s) when repair / replacement of a listed Exterior Entry Door is being performed.

**Exterior Windows**

1. Replacement of broken glass in habital areas.
2. Repair / replacement of deteriorated sashes in order to secure glass.
3. Replacement of complete window unit when beyond repair.

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**Access to Property, Structure**

1. Repair / replacement of existing steps, handrails, guardrails, ramps if deteriorated.
2. Repair existing walkways, driveways if deteriorated to the point of creating a tripping hazard. Cost of repair shall be incidental to the overall cost of the work.
3. Installation of new handrails and or accessibility ramps as needed. **\$500.00** Maximum allowance.
  - Additional improvements may be available through other Agency Programs.

**Exterior Sewer Drain Lines and Water Supply Lines**

1. Repair of any or all broken/deteriorated lines, connection, or valves within property lines
2. Replacement of partial and or complete line (s) if deteriorated beyond repair. If the deteriorated condition reported by the applicant is not visible, the condition must be determined by a written report from a sewer roter service paid for by the applicant.
3. Repair / replacement of existing deteriorated septic tanks, leach lines or dry wells. If septic tank is required to be abandoned, installation of new sewer lines, payment of connections fee's, permits costs is authorized
4. Install additional dry wells if required to meet permanent housing needs.
5. Repair or replacement of existing deteriorated water wells, casings, tanks, lines, pumps, and controls.

**Water Heaters**

1. Repair / replacement of heaters that are not working or not working at it's rated capacity.
2. Replacement due to tanks leaking.
3. Replacement of deteriorated or below code venting systems.
4. Replacement of defective thermo-coupler, control valve, gas and water connections/valves, P & T valve, drain line.
5. Replacement of complete heater if repair parts are not available locally.

**Heating Systems      Cooling Systems**

1. Repair of non-working systems: venting, cracked heat exchangers, thermostats, thermo-couplers, control valves, gas/electrical connections, compressors, etc.
2. Replacement of non-working systems if not feasible to repair.
3. Upgrading to a central HVAC system when an existing heating or cooling system:
  - a. Is beyond its life expectancy.
  - b. Repair costs will be excessive.
  - c. Replacement is required.
4. Non working floor furnaces:
  - a. Will not be repaired or replaced in kind.

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DATE ADOPTED: \_\_\_\_\_

- b. May be removed.
  - c. Repair of floor where removed limited to plywood insert.
  - d. Installation of a new approved type of heating system is approved.
5. Cooling Systems New
- a. New wall / roof mounted cooling units may be installed -- refrigerated or evaporative.
  - b. Air Conditioning may be installed to an existing Central heating system.
    - 1. Existing Central heating System may be replaced if system life expectancy is minimal.

### Plumbing Interior

1. Replacement / repair of broken water lines and connectors concealed within walls, ceilings and floors.
2. Replacement / repair of broken sewer drain lines, connectors, clean-outs and vent piping, concealed within walls, ceilings and floors.
3. Replacement of complete toilet if broken and or leaking through the china. Replacement shall include seat and lid, angle stop and supply line, new wax seal, new bolts, and caps.
4. The following listed plumbing items may be repaired only in conjunction with any other Program eligible repair item. Repair and or replacement of:
  - Leaking faucets in kitchens, bathrooms and laundry rooms.
  - Leaking supply lines and angle stops in kitchens, bathrooms and laundry rooms.
  - Leaking sink drain lines in kitchens, bathrooms and laundry rooms.
  - Tub / shower faucets leaking or can not be shut off.
  - Toilet flush problems. Not to include sewer roofer type services.
  - Toilet seal with floor (bolts, wax ring).

### Electrical

1. Main service panel:
  - a. Replacement of main service, if not repairable.
  - b. Replacement of missing dead face panel, exterior cover panel, knockout covers and inspection covers.
  - c. Securing main service to structure.
  - d. Replacement of broken, non-working, or missing breakers or connections.
  - e. Replacement of any damaged wiring or connections.
  - f. Point of attachment and service rises per local codes and SMUD regulations.
  - g. Upgrade size of main service panel to meet additional heating and or cooling system loads.
2. Replacement of wiring that is severely damaged, burned, insulation deteriorated or bare wires exposed.
3. Replacement of hazardous pigtails:
  - Attached to stationary appliances.
  - Mobile Home sub panel to Mobile Home Park pedestal.
4. Cap off/disconnect all exposed connections, wiring, and/or below code installations.

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5. Install additional circuits, breakers and receptacles:
  - To meet additional heating and or cooling system needs.
  - Installation of doctor approved medical equipment i.e. Oxygen breathing systems, medical beds.
6. The following listed electrical items may be repaired only in conjunction with any other Program eligible repair item.
  - a. Replacement / repair of existing non-working, defective receptacles, switches, exterior light fixtures.

### **Gas Lines            Natural Gas, CNG, Propane.**

1. Repair or replacement of leaking or broken supply lines, connectors, and valves.

### **Floors**

1. Replacement / repair of deteriorated sub-flooring and underlayment where a hazardous or a potential hazardous condition exist.
  - Finish flooring to repaired areas kitchens, bathrooms laundry area's. (Required by Building Codes)
  - Bathroom—full floor.
  - Kitchen, laundry area's--- patch only

### Miscellaneous

1. Smoke detectors:
  - **At the close of construction all structures receiving ERP assistance will comply with Current Fire and Building Codes relating to working smoke detectors.**
    - New battery operated detectors will be installed as directed by current codes.
    - Replacement of batteries in existing detectors.
    - Replacement of existing defective detectors.
2. Trash and debris visible from the street may be removed. Cost of removal shall be incidental to the overall cost of the work.
3. Interior sheetrock damage resulting from roof / water line / sewer line leaks
  - Replacement of damaged and or fallen sheetrock associated with the leak(s).
  - Taping of replacement sheetrock only.
  - No texturing
  - Painting of repaired area's only, match existing color as close as possible
4. Correction Notices Issued by any Governmental Agency
  - Make all listed corrections to structure and entry areas.

09/07/99

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DATE ADOPTED: \_\_\_\_\_



# Fact Sheet

1013-7<sup>th</sup> STREET • Suite 200 • SACRAMENTO, CA 95814 (916) 264-1500

## EMERGENCY REPAIR PROGRAM PROGRAM GUIDELINES

<b>Emergency Repair Program:</b>	The ERP is a program designed to provide grants for emergency/health and safety repairs to single family and mobile home owners in the City and County of Sacramento.												
<b>Maximum Amount:</b>	\$3,500												
<b>Interest Rate:</b>	Not applicable												
<b>Term:</b>	Not applicable												
<b>Max CLTV:</b>	None												
<b>Repayment:</b>	None												
<b>Use of Funds:</b>	Funds may only be used to finance repairs outlined in the Emergency Repair Program Definitions, such as unsafe electrical systems, broken windows, doors or locks, water heaters, roofs, etc.												
<b>Eligible Applicants:</b>	<p>Owners of single family homes or mobile homes in the City and County of Sacramento who:</p> <p>have lived in their homes for longer than six months are defined as Very Low-Income—households with incomes less than or equal to fifty percent (50%) of the area median income adjusted for household size. Current maximum incomes are as follows:</p> <table> <tbody> <tr> <td>1-person</td> <td>\$18,150</td> </tr> <tr> <td>2-person</td> <td>\$20,750</td> </tr> <tr> <td>3-person</td> <td>\$23,350</td> </tr> <tr> <td>4-person</td> <td>\$25,950</td> </tr> <tr> <td>5-person</td> <td>\$28,050</td> </tr> <tr> <td>6-person</td> <td>\$30,100</td> </tr> </tbody> </table>	1-person	\$18,150	2-person	\$20,750	3-person	\$23,350	4-person	\$25,950	5-person	\$28,050	6-person	\$30,100
1-person	\$18,150												
2-person	\$20,750												
3-person	\$23,350												
4-person	\$25,950												
5-person	\$28,050												
6-person	\$30,100												
<b>Eligible Properties:</b>	Single family homes and mobile homes in the City and County of Sacramento.												
<b>Application Procedure:</b>	Call SHRA at (916)264-1500. After determining qualifications for the program, a construction technician will call you to schedule an appointment to inspect the property and schedule the work.												
<b>Governing Regulations:</b>	CDBG Program Regulations (24 CFR Part 570)												

revised 8/26/99  
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### FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_



# Fact Sheet

1013-7<sup>th</sup> STREET • Suite 200 • SACRAMENTO, CA 95814 (916) 264-1500

## Handicapped/Disabled Program PROGRAM GUIDELINES

<b>Retrofit Program</b>	The Retrofit Program is designed to provide grants for home accessibility improvements to handicapped or disabled residents in the City and County of Sacramento.
<b>Maximum Grant:</b>	\$5,000
<b>Interest Rate:</b>	N/A
<b>Use of Funds:</b>	Funds may only be used to finance accessibility improvements such as: wheel chair ramps; bathroom and kitchen modifications; structural changes for home access such as wider doorways; and hardware such as grab bars, mechanical tub lifts, high-rise toilets, etc.
<b>Funding Sources:</b>	Sacramento Housing and Redevelopment Agency- Community Development Block Grant (CDBG)
<b>Eligibility:</b>	To qualify for assistance through this program, applicants must verify disability, own and occupy the home, occupy a rental dwelling or mobile home, and have an income that is at or below 80% of the median for the City and County of Sacramento.

Current maximum incomes are as follows:

1-person	\$29,050
2-person	\$33,200
3-person	\$37,350
4-person	\$41,500
5-person	\$44,850
6-person	\$48,150
7-person	\$51,500
8-person	\$54,800

\* Median Family Income for the Sacramento Metropolitan Statistical Area (MSA) - \$51,900

Source: HUD Income Eligibility Limit by County for 1999

<b>Contact:</b>	Loan Processing Division 1013-7 <sup>th</sup> Street, Suite 200 (street address) P.O. Box 1834 (mailing address) Sacramento, CA 95814 (916) 264-1500
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Revised 8/26/99  
f:\loanprocessing\retrofit fact sheet

Equal Housing Opportunity

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**FOR CITY CLERK USE ONLY**

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**REHABILITATION LENDING PROGRAM GUIDELINES FOR SMALL PROJECTS**  
(1-10 units)

The Agency's rehabilitation lending objectives are, in brief, to leverage the use of Agency funds while achieving the public policy goals of:

- Improving the housing stock;
- Maintaining and increasing homeownership;
- Providing incentives to redevelop and invest in distressed neighborhoods; and
- Providing decent, safe and sanitary housing for Sacramento residents.

Therefore, it is expected that Agency funds will be leveraged with private sources of finances when possible while meeting general underwriting objectives.

Proposed assistance will vary dependent on two factors: 1) the population being served and 2) the location of the housing.

General terms of financing are discussed below:

**Maximum Loan Amounts:**

Homeowner: \$35,000 (single family dwelling), \$50,000 (Fainted Ladies)

Rental (1-10): \$15,000 per unit up to \$150,000

\$25,000 per unit up to \$250,000 (Fainted Ladies)

**Interest Rate:** 4 percent per annum. Interest will not be charged during the first five years of the loan in the following instances: Senior Loan Program, the Flexible Property Improvement Loan if the payments are to be deferred for the first five years. Any other acquisition rehabilitation loan made in conjunction with the Home Works! Program.

**Deferred Payments:** Loan payments may be deferred in the following instances:

- Up to 18 months for construction period
- Up to 5 years for ownership projects if existing housing expense/income ratio is at least 35 percent or if used in combination with Sacramento Home Works! loan program.
- Up to 15 years for low-income senior owner-occupied loans, may be extended if necessary
- Up to 5 years for rental projects if needed to assist with cash flow

**Interest Forgiveness:**

Construction period interest (18 month maximum)

**Grants:**

\$2,500 exterior beautification grants in redevelopment and target areas in combination with rehabilitation loan

\$3,500 Emergency Repair Grant for very low income home owners

\$5,000 Retrofit Grant for disabled applicants (owners and renters)

\$10,000 Single family boarded and vacant incentive fee (\$15,000 in redevelopment areas)

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**Subsidy Grants**

\$3,000 subsidy for interest rate buydown on Title 1 for low-income home owners.

\$5,000 subsidy for interest rate buydown on Title 1 in target areas

**Construction Guarantee Reserve**

In the case of the Sacramento Home Works! program, a construction reserve is established by the Agency to guarantee the completion of the construction. If the construction costs exceed the original budget, the loan may be increased to pay the shortfall subject to maximum loan amounts and CLTV allowable under the guidelines. If this does not cover the construction costs, additional funds may be granted to the borrower for project completion.

**Loan Term:** 20 years or less

**Refinance:**

For owner-occupied projects, up to \$5,000 of the available loan funds may be used to refinance an existing property lien if the overall housing costs are reduced and the housing is made more affordable, or if existing lien jeopardizes the Agency's lien position. Does not include income or property tax liens.

**Agency Loan to Value:**

Owner occupant: Up to 95%

Rental: Up to 50%\*

\* Redevelopment and target areas rehabilitation loans may exceed this amount if needed for project feasibility. Justification for exceeding 50% limit must be provided at loan approval, such as the property is an identified problem property, or is historical in nature.

**Combined Loan to Value**

Consistent with Agency Underwriting Guidelines

**Loan Position:**

1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> position

**Target Areas**

Avondale/Glen Elder, Ben Ali, Central City, East Del Paso Heights, Franklin Villa, Meadowview, Southside Park, Parker Homes, Rancho Cordova, Delta area, Strawberry Manor, South Sacramento, Young Heights, Gardenland/Norlato, Colonial Heights, and North Highlands.

**Redevelopment Areas:**

Alkali Flat, Auburn Boulevard, Del Paso Heights, Franklin Boulevard, North Sacramento, Oak Park, Walnut Grove, Stockton Boulevard, Sacramento Army Depot, and Mather AFB. Agency can add or delete from list of target or redevelopment areas subject to approval by the Agency's Loan Committee.

**Funding Sources**

CDBG, HOME, tax increment, MRB, and other funding sources as allocated by the Agency

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***Affordability and Income Eligibility***

Eligibility is determined by funding source.

**EXAMPLES OF ASSISTANCE**

**Level 1 - General Population (Non target area)**

The general population is defined as people earning over 80% of the median income and living outside Agency target areas. Agency assistance will be limited to Title 1 home improvement funds receiving a reduced market interest rate of 9.75% (rate varies, market rate is 12-14%). Sacramento Home Work! Program for owner-occupied projects.

**Level 2: Target Areas**

For designated target areas (listed above) Agency assistance may be combined with private financing to achieve greater affordability or incentives to invest in property. Higher income limits may be allowed in redevelopment areas and may include beautification grants in combination with rehabilitation loans.

Example: Higher combined loan to value of 95%. Sacramento HomeWorks! in combination with Agency assistance in the form of deferred payment loans and/or reduced interest rates for non-owner occupied properties. Other incentives may include exterior beautification grants for owner-occupied properties.

**Level 3: Special population needs**

These incentives will be available to special populations (very low, low, senior and disabled) and in targeted areas.

Example: Senior Rehabilitation program offers deferred payments of 15 years, Flexible Improvement Program includes a five year deferred payment option. Agency financing in combination with Freddie Mac programs or as a stand-alone product.

**Level 4: Investor Rehabilitation Loan Program ( Fainted Ladies)**

Combination of private financing and Agency assistance in the form of reduced interest rate, deferred payments up to five years but not to exceed 50% of total funding.

Example: Title I, Freddie Mac Home Works, or Agency financing. Loans can be utilized separately or in varying combinations as appropriate for project feasibility.

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For Fainted Ladies loans and mixed-use (residential portion) projects in redevelopment and target areas, the 50 percent Agency assistance requirement may be waived for project feasibility.

The above examples illustrate a few but certainly not all the ways the Agency can tailor its loan funds to fit borrowers' needs. Please see Exhibit 1 for charts of the Freddie Mac, Agency loan programs, and Title 1 programs.

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