

RESOLUTION NO. 99-011

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF OCT 05 1999

**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).

Valerie G. Burrows
SECRETARY

James R. Yee
CHAIR

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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 roofer 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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- 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 rooter 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.

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Fact Sheet

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

EMERGENCY REPAIR PROGRAM PROGRAM GUIDELINES

Emergency Repair Program:	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.												
Maximum Amount:	\$3,500												
Interest Rate:	Not applicable												
Term:	Not applicable												
Max CLTV:	None												
Repayment:	None												
Use of Funds:	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.												
Eligible Applicants:	<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 border="0" style="margin-left: 40px;"> <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> </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
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5-person	\$28,050												
6-person	\$30,100												
Eligible Properties:	Single family homes and mobile homes in the City and County of Sacramento.												
Application Procedure:	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.												
Governing Regulations:	CDBG Program Regulations (24 CFR Part 570)												

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Handicapped/Disabled Program PROGRAM GUIDELINES

Retrofit Program	The Retrofit Program is designed to provide grants for home accessibility improvements to handicapped or disabled residents in the City and County of Sacramento.
Maximum Grant:	\$5,000
Interest Rate:	N/A
Use of Funds:	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.
Funding Sources:	Sacramento Housing and Redevelopment Agency- Community Development Block Grant (CDBG)
Eligibility:	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

Contact:	Loan Processing Division 1013-7 th Street, Suite 200 (street address) P.O. Box 1834 (mailing address) Sacramento, CA 95814 (916) 264-1500
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Equal Housing Opportunity

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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:

1st, 2nd or 3rd 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/Norlto, 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 I for charts of the Freddie Mac, Agency loan programs, and Title I programs.

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