



City of Salinas

Community Development * Housing Services Program
200 Lincoln Avenue * Salinas, California 93901
(831) 758-7334 * Fax (831) 758-7234

SUBJECT: **LOW INTEREST HOUSING REHABILITATION LOAN PROGRAM**

Enclosed you will find application materials for the City's Low Interest Housing Rehabilitation Loan Program. Loan funds are limited and applications are processed in the order they are received, as funds are available. A completed application may be held over to the next funding cycle.

Loans are only available to qualifying low-income households with eligible properties or to owners of rental properties (limit 7 units) that agree to rent to low income household at affordable rents for the term of the loan. Property improvements funded by these loans must be located within the Salinas City limits.

To be considered for a Low Interest Housing Rehabilitation Loan the following information must be submitted:

- Rehabilitation Loan Application – completed and signed.
- Household Composition Form.
- Mortgage Verification Form – in lieu of this form you can provide a copy of the Promissory Note and current mortgage statement.
- Request for Verification of Employment Form - signed by applicant and a copy of the most recent pay stub.
- Verification of Benefits Form – if benefits are automatically deposited in a bank account you can provide two most current bank statements in lieu of this form. For households receiving Social Security and/or Supplemental Security Income (SSI) benefits and **are not** automatically deposited in a bank account, you may call the Social Security Administration (SSA) at 1-800-772-1213 or visit the web site www.socialsecurity.gov (see SSA letter) to request a “benefit verification letter”.
- Request for Verification of Deposit Form – you can substitute your two most current checking and savings bank statements in lieu of this form (when applicable).
- Credit Report Request Form – signed by applicants.
- Fair Lending Notice – signed and dated.
- Applicant's Statement – signed and dated.
- Statement of Information – completed and signed.
- Signed copies of last two years income tax returns with W-2 form (if self-employed, submit last two years tax returns and personal financial statement).
- Copy of current fire hazard insurance policy.
- Verification of Paid Property Taxes.
- “Protect Your Family from Lead in Your Home” pamphlet receipt acknowledgement – completed and signed.
- “City of Salinas Housing Services Program Guidelines” receipt acknowledgement – completed and signed.

For income properties include the following additional information: **(For Rentals ONLY)**

- Beneficiary Income Report Forms (completed and signed by each tenant)
- Copy of rental agreements (if applicable, include Housing Authority Section 8 Agreements)
- Current rent roll (include name and telephone no. Of each tenant household member)
- Tenants to signed General Information Notice regarding tenants rights

Note: The City of Salinas will serve as the lead agency in enforcing tenants rights under the Uniform Relocation Act of 1970.

Applications are processed on a first come first serve basis. Please make sure your application and backup documentation is complete **before** submitting.

Should you have any questions regarding this matter or require assistance to complete the application, please call us at 758-7334.

Sincerely,

Vivian McCormick
Community Improvement Assistant



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REHABILITATION LOAN APPLICATION

Address of Property: _____ Salinas, CA 939____

Type of Structure: _____ Single Family _____ Duplex _____ # of Bedrooms
_____ Other _____

Date purchased _____ (specify) Purchase Price \$ _____

PERSONAL DATA

Applicant Name: _____ Co-applicant: _____

Address: _____
Number/Street/City/Zip _____ Home Phone # _____

Date of Birth: _____ Date of Birth: _____

Social Security # _____ Social Security # _____

Persons in household: _____ Ages: _____ / _____ / _____ / _____ / _____ / _____ / _____ / _____

Demographic Information (for statistical purposes only): Please check only one box

Supplemental Information: Please answer each question.

Hispanic Yes No

Female Head of Household Yes No

EMPLOYMENT DATA

Applicant Employer: _____ Co-applicant Employer _____

Address: _____ Address: _____

Telephone # _____ Telephone # _____

Other household members' employment (if any):

Name / Social Security # _____ Employer/Address _____

Name / Social Security # _____ Employer/Address _____

Name / Social Security # _____ Employer/Address _____

FINANCIAL INFORMATION

1st Mortgage Holder _____ Loan # _____
 Address/City/Zip _____
 Date Opened _____ Approximate Balance _____

Hazard Insurance _____
 (Name & address of insurance company)

2nd Mortgage Holder _____ Loan # _____
 Address/City/Zip _____
 Date Opened _____ Approximate Balance \$ _____

BANK ACCOUNTS

Bank Name/ Checking Account # _____
 Address/City/Zip _____

Bank Name/ Savings Account # _____
 Address/City/Zip _____

HOUSEHOLD INCOME

	<u>Applicant</u>	<u>Co-Applicant</u>
Employment:		
Pension:		
Social Sec.:		
Other:		

EXPENSES

	<u>Monthly Payment</u>	<u>Balance</u>
Mortgage Payment:		
Property Tax:		
Property Insurance:		
Second Mortgage (if any):		

NECESSARY REPAIRS

Please list any and all repairs you would like to have considered for rehabilitation.

RENTAL INFORMATION – COMPLETE ONLY IF FOR RENTALS

Unit # _____ Bedrooms _____ Rent \$ _____ Utilities paid by tenant \$ _____

Tenant name/address/phone #: _____

Unit # _____ Bedrooms _____ Rent \$ _____ Utilities paid by tenant \$ _____

Tenant name/address/phone #: _____

READ BEFORE YOU SIGN

All of the information provided on these pages is true and correct. I understand that Housing Services Program may confirm any information I have provided and that financial assistance may be denied if this information is false. I further understand that Housing Services Program will keep this form whether or not I receive financial assistance.

Signature: _____ Date: _____

Signature: _____ Date: _____

CLIENT/BENEFICIARY ETHNICITY AND RACE FORM

PLEASE COMPLETE BOTH SECTIONS

Ethnicity: (select *only one*)

Hispanic or Latino. A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term "Spanish origin" can be used in addition to "Hispanic or Latino."

Not Hispanic or Latino. A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Race: (select *one or more*)

American Indian or Alaska Native. A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

Asian. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black or African American. A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or African American."

Native Hawaiian or Other Pacific Islander. A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White. A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.



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MORTGAGE VERIFICATION FORM

Name And Address Of Mortgagee:

Date: _____

Loan: _____

Mortgagor: _____

Property Address: _____

This office has received an application for a residential rehabilitation loan from the above borrower who states that you are the holder of a lien on the above property.

Please complete all the items listed below and return this form in the envelope provided. All information is kept confidential.

Borrower's Signature

Date

HSP Staff Member

1. Date of Loan: _____

5. Fully Amortized: () Yes () No

2. Current Balance: _____

6. Adjustable Rate Mortgage:
() Yes () No Monthly / 3/6 Months/ Yrly
Next Rate Adjustment Date: _____

3. Original Loan Amount: _____

7. Balloon Payment? () Yes () No
Amount: _____
Due: _____

4. Payment: _____

Principal/Interest: _____
(Or Interest Only Payment)

8. Are Payments Current? () Yes () No
If Not, Amount In Arrears: _____
Period: _____

Taxes: _____

Insurance: _____

9. Remarks: _____

Mortgage Insurance: _____

Total Monthly Payment: _____

Maturity Date: _____

Signature

Title

Date



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REQUEST FOR VERIFICATION OF EMPLOYMENT FORM

INSTRUCTIONS: LENDER – Complete Items 1 through 6. Have applicant complete Item 7. Forward directly to employer named in Item 1.
 EMPLOYER – Please complete either Part II or Part III as applicable. Sign and return to lender named in Item 2.

PART I - REQUEST

1. TO (Name and address of employer)		2. FROM (Name and address of lender) City of Salinas Housing and Community Development Services 200 Lincoln Avenue Salinas, CA 93901	
3. SIGNATURE OF LENDER Vivian McCormick		4. TITLE Community Improvement Assistant	5. DATE
I have applied for a mortgage loan and have stated that I am now or was formerly applied by you. My signature below authorizes verification of this information.			
6. NAME AND ADDRESS OF APPLICANT (Include employee or badge number.)		7. SIGNATURE OF APPLICANT	

PART II - VERIFICATION OF PRESENT EMPLOYMENT

EMPLOYMENT DATA		PAY DATA				
8. APPLICANT'S DATE OF EMPLOYMENT	11. CURRENT BASE PAY (Enter amount and pay period) <input type="checkbox"/> ANNUAL <input type="checkbox"/> HOURLY* <input type="checkbox"/> MONTHLY <input type="checkbox"/> OTHER* <input type="checkbox"/> WEEKLY \$ _____ *(Complete Item 13)	11A. EARNINGS		11B. FOR MILITARY PERSONNEL		
9. PRESENT POSITION		TYPE	YEAR TO DATE	PAST YEAR	PREVIOUS YEAR	PAY GRADE
10. PROBABILITY OF CONTINUED EMPLOYMENT					TYPE	MONTHLY
12. IF OVERTIME OR BONUS IS APPLICABLE, IS ITS CONTINUANCE LIKELY? OVERTIME <input type="checkbox"/> YES <input type="checkbox"/> NO BONUS <input type="checkbox"/> YES <input type="checkbox"/> NO	BASE PAY	\$ _____	\$ _____	\$ _____	BASE PAY	\$ _____
	OVERTIME	\$ _____	\$ _____	\$ _____	RATIONS	\$ _____
	COMMISSIONS	\$ _____	\$ _____	\$ _____	FLIGHT OR HAZARD	\$ _____
	BONUS	\$ _____	\$ _____	\$ _____	CLOTHING	\$ _____
12A. PROBABILITY OF ANNUAL PAY INCREASE? _____ % <input type="checkbox"/> YES <input type="checkbox"/> NO					QUARTERS	\$ _____
					PRO PAY	\$ _____
					OVERSEAS OR COMBAT	\$ _____
13. REMARKS (If paid hourly, please indicate average hours worked each week during current and past year.)		13A. SEASONAL WORK SCHEDULE				
13A. DOES APPLICANT PARTICIPATE IN: PENSION PLAN <input type="checkbox"/> YES <input type="checkbox"/> NO STOCK OPTION <input type="checkbox"/> YES <input type="checkbox"/> NO PROFIT SHARING <input type="checkbox"/> YES <input type="checkbox"/> NO Company Contribution _____% _____% _____% Employee Contribution _____% _____% _____% WHEN IS EMPLOYEE VESTED? _____ VESTED INTEREST \$ _____						

PART III - VERIFICATION OF PREVIOUS EMPLOYMENT

14. DATES OF EMPLOYMENT	15. SALARY/WAGE AT TERMINATION PER <input type="checkbox"/> YEAR <input type="checkbox"/> MONTH <input type="checkbox"/> WEEK			
	BASE	OVERTIME	COMMISSIONS	BONUS
16. REASON FOR LEAVING	17. POSITION HELD			

18. SIGNATURE OF EMPLOYER	19. TITLE	20. DATE
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The confidentiality of the information you have furnished will be preserved except where disclosure of this information is required by applicable law. The form is to be transmitted directly to the lender and is not to be transmitted through the applicant or any other party.



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VERIFICATION OF BENEFITS FORM

The applicant identified below has applied for a Federal Grant or loan for property rehabilitation under the Housing and Community Development Act of 1974 (HOME or CDBG programs). The applicant has authorized the City of Salinas in writing to obtain verification of information provided by him or her on the application. Your verification of benefits and age is for the confidential use of this agency and the U.S. Department of Housing and Urban Development. Please furnish the information requested below and return this form to:

CITY OF SALINAS
Housing & Community Development
200 Lincoln Avenue
Salinas, CA 93901

Part – I Applicant

NAME and ADDRESS OF APPLICANT: _____

Number under which benefits are received: _____ DOB: _____

My signature below authorized verification of the above information and to supply the City of Salinas with the information requested below.

Applicant Signature: _____ Date: _____

Signature of Lender Title Date

Part – II Verification of Benefits (TO BE COMPLETED BY AGENCY)

AGENCY NAME & ADDRESS: _____

NAME OF PERSON COMPLETING FORM: _____

(Print)

Telephone No.: _____

Average Amount of Monthly Benefits: \$ _____ per: _____
(source: _____)

Week
BiWkly
Month

Additional Compensation (If Any): \$ _____ per _____

Week
BiWkly
Month

REMARKS:

Signature of Official Title Date



Social Security Administration
24 East Alvin Dr.
Salinas, CA 93906
Phone: 831 443-9195
FAX: 831 443-8799
Office Hours: 9am – 4pm Mon-Fri

Important Information about Requests for Verification of Income from the Social Security Administration

Beginning November 20, 2006, this office will **no longer** furnish verification of Social Security and Supplemental Security Income (SSI) benefits to use to process certifications/recertifications for housing assistance programs administered by the US Department of Housing and Urban Development (HUD).

What to Do for New Applications for Housing Assistance

For **new** applications for public housing or Section 8 housing assistance, the program administrator needs to request an SSA award letter, Cost of Living Adjustment notice, SSA-1099 or other SSA document for benefit information for the tenant.

Where these documents cannot be provided, tell the housing assistance applicant to call SSA at 1-800-772-1213 between 7:00 AM and 7:00 PM on business days to request a benefit verification letter. The request for a benefit verification letter can also be done at the SSA Internet Website at WWW.socialsecurity.GOV (Click on What you can do Online & then click on Request a Proof of Income Letter).

What to Do for Re-certification Application for Housing Assistance

HUD has a computer-based system called the Enterprise Income Verification System (EIV). EIV replaced the Tenant Assessment Subsystem formerly used to verify public housing and Section 8 tenant incomes. For tenant recertification, HUD program administrators can use the EIV system to verify the tenant's income from SSA benefits or the Supplemental Security Income program. (Non-HUD rental organizations, such as Department of Agriculture and Tax Credit Properties, do not participate in HUD's rental assistance programs and do not have access to the EIV system.)

Public Housing Agencies, private owners and management agents administering HUD rental assistance programs may obtain registration information about HUD's EIV system by calling the numbers below or by logging on the following websites:

For Public Housing Agencies: 1-800-366-6827

- <http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>
- <http://www.hud.gov/offices/pih/programs/ph/rhiip/uiv.cfm>

For Multifamily Housing Users: 1-800-767-7588

- <http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivhome.cfm>



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REQUEST FOR VERIFICATION OF DEPOSIT FORM

INSTRUCTIONS: LENDER Complete 1 thru 8. Have applicant(s) complete Item 9. Forward directly to Depository named in Item 1. DEPOSITORY Place complete Items 10 thru 15 and return DIRECTLY to lender named in Item 2.			
PART 1 - REQUEST			
1. TO (Name and address of depository)		2. FROM (Name and address of lender) CITY OF SALINAS HOUSING SERVICES PROGRAM 200 LINCOLN AVENUE SALINAS, CA 93901	
3. SIGNATURE OF LENDER <i>Vivian McCormick</i>	4. TITLE Community Improvement Assistant	5. DATE	6. LENDERS NUMBER (Optional)
7. INFORMATION TO BE VERIFIED			
TYPE OF ACCOUNT	ACCOUNT IN NAME OF	ACCOUNT NUMBER	BALANCE
			\$
			\$
			\$
			\$
TO DEPOSITORY: I have applied for a mortgage loan and stated in my financial statement that the balance on deposit with you is as shown above. You are authorized to verify this information and to supply the lender identified above with the information requested in items 10 thru 12. Your response is solely a matter of courtesy for which no responsibility is attached to your institution or any of your officers			
8. NAME AND ADDRESS OF APPLICANT (S)		9. SIGNATURE OF APPLICANT (S)	

TO BE COMPLETED BY DEPOSITORY

PART II - VERIFICATION OF DEPOSITORY						
10. DEPOSIT ACCOUNTS OF APPLICANT (S)						
TYPE OF ACCOUNT	ACCOUNT NUMBER	CURRENT BALANCE	AVERAGE BALANCE FOR PREVIOUS TWO MONTHS	DATE OPENED		
		\$	\$			
		\$	\$			
		\$	\$			
		\$	\$			
11. LOANS OUTSTANDING TO APPLICANT (S)						
LOAN NUMBER	DATE OF LOAN	ORIGINAL AMOUNT	CURRENT BALANCE	INSTALLMENTS (Monthly/Quarterly)	SECURED BY	NUMBER OF LATE PYMTS
		\$	\$	\$ per		
		\$	\$	\$ per		
		\$	\$	\$ per		
12. ADDITIONAL INFORMATION WHICH MAY BE OF ASSISTANCE IN DETERMINATION OF CREDIT WORTHINESS: <i>(Please include information on loans paid-in-full as in item above)</i>						
13. SIGNATURE OF DEPOSITORY		14. TITLE			15. DATE	

The confidentiality of the information you have furnished will be preserved except where disclosure of this information is required by applicable law. The form is to be transmitted directly to the lender and is not to be transmitted through the applicant of any party.

CREDIT REPORT REQUEST FORM

Report for: City of Salinas Housing Services

Contact Person: Vivian McCormick

Address: 200 Lincoln Avenue, Salinas, CA 93901

Phone: 831-758-7334

Fax: 831-758-7234

Fax Back

E-Mail Back

Individual Report

Joint Report

PRINT ONLY

Applicant Name: _____ DOB: _____

Address: _____
City State Zip

Former Address: _____

Social Security Number: _____ County _____

Employer: _____

Co-Applicant Name: _____

Address: _____

Social Security Number: _____ County _____

Employer: _____

I authorize Salinas Housing Services to obtain a copy of my credit and /or conviction, eviction report.

Applicant's Signature Date

Co-Applicant's Signature Date



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FAIR LENDING NOTICE

To: all applicants for financial assistance for the purchase, construction, rehabilitation, improvement or refinancing of one-to-four family residences.

It is unlawful, under the housing financial discrimination act of 1977, for a public agency to consider any of the following in determining whether or not, or under what terms and conditions, to provide or arrange for financial assistance:

1. Neighborhood characteristics (such as the average age of the homes or the income level in the neighborhood), except to a limited extent necessary to avoid an unsafe and unsound business practice,
2. Race, sex, color, religion, marital status, national origin or ancestry,

It is also unlawful to consider, in appraising a residence, the racial, ethnic, or religious composition of a particular neighborhood or whether or not such composition is undergoing change or is expected to undergo change.

If you wish to file a complaint, or if you have questions about your rights, contact:

Office of Fair Lending
Business & Transportation Agency
1120 N Street
Sacramento, CA 95814

Or call collect: (916) 322-5828

If you file a complaint, the law requires that you receive a decision within thirty (30) days.

I hereby acknowledge receipt of a copy of this notice:

Signature of Applicant

Date

Signed Copy to Client



City of Salinas

Community Development * Housing Services Program
200 Lincoln Avenue * Salinas, California 93901
(831) 758-7334 * Fax (831) 758-7234

APPLICANT'S STATEMENT

1. The Housing Services Program is authorized to receive information on my credit history, property information, employment, benefits that I have supplied in my loan application. If there is more than one applicant, then this paragraph and those that follow apply to each. I acknowledge having been informed of the different loans available from this program and have received a copy of the Housing Services Program guidelines at the time of application. I also understand that the loan program I may qualify for will be based on the Loan Underwriting Standards and that the loan program will not be known until all of my household financial information has been submitted and approved.
2. The information furnished on the loan application is necessary to see if I am eligible for Housing Services Program benefits. I understand that my monthly income, expenses, and credit history will be reviewed to see if I meet Housing Services loan guidelines.
3. I hereby acknowledge that the California State Department of Housing and Community Development and the U.S. Department of Housing and Urban Development have a right of access to financial records held by the Housing Services Program without further notice to me or my authorization, but that these records will not be released to another government agency or department without my consent, except as required or permitted by law. This statement is in keeping with the Right To Financial Privacy Act of 1978.
4. If I do not live in the dwelling for which I received financial assistance, I understand that I will be required to make my units available to tenants in possession of Section 8 Certificates of that I will be required to keep rents below a certain level determined by the Housing Services Program for a period no to exceed ten (10) years. The determination of which rent mitigation measure will be applied to my property is the decision of the Housing Services Program. Housing Services staff will calculate rents for current tenants who do not receive Section 8 assistance.
5. I understand that if I apply for a loan from the Housing Services Program I will be required to pay certain charges incurred in connection with the granting of credit. These charges may include, but are not limited to: **The costs of a property appraisal, plans and working drawings, recording of documents, and title insurance or title reports. At my request, these amounts may be financed over the life of the loan. Should I withdraw my application, be denied financial assistance, or not obtain a loan for any reason, I am responsible for reimbursing the City for fees incurred on my behalf.**
6. I understand that if I receive a loan, the Housing Services Program is authorized to photograph the interior and exterior of my property before rehabilitation, during rehabilitation and upon the completion of rehabilitation. I understand that these pictures will be available to the Department of Housing and Urban Development and the City of Salinas for public review and for promotional purposes.

Signature(s): _____ Date: _____

**STATEMENT OF INFORMATION
CONFIDENTIAL INFORMATION FOR YOUR PROTECTION**

Completion of this statement expedites your application for title insurance, as it assists in establishing identity, eliminating matters affecting persons with similar names and avoiding the use of fraudulent or forged documents. Complete all blanks (please print) or indicate "none" or "N/A". If more space is needed for any item(s), use the reverse side of the form. Each party (and spouse/domestic partner, if applicable) to the transaction should personally sign this form.

ESCROW: 3-MP

ORDER NUMBER: 2027233

NAME AND PERSONAL INFORMATION

First Name _____ Middle/Maiden name _____ Last Name _____ Date of Birth _____
(If none, indicate)

Home Phone _____ Business Phone _____ Birthplace _____

Social Security No. _____ Driver's License No. _____

List any other name you have used or been known by _____

State of residence _____ I have lived continuously in the U.S.A. since _____

Are you currently married? _____ If yes, complete the following information:

Date and place of marriage _____

Spouse: _____ Date of Birth _____
First Name Middle/Maiden name Last Name
(If none, indicate)

Are you currently a registered domestic partner? _____

Domestic Partner: _____ Date of Birth _____
First Name Middle/Maiden name Last Name
(If none, indicate)

Home Phone _____ Business Phone _____ Birthplace _____

Social Security No. _____ Driver's License No. _____

List any other names you have used or been known by _____

State of residence _____ I have lived continuously in the U.S.A. since _____

RESIDENCES (LAST 10 YEARS)

Number & Street _____ City _____ From (date) to (date) _____

Number & Street _____ City _____ From (date) to (date) _____

Number & Street _____ City _____ From (date) to (date) _____

OCCUPATIONS/BUSINESSES (LAST 10 YEARS)

Firm or Business name _____ Address _____ From (date) to (date) _____

Firm or Business name _____ Address _____ From (date) to (date) _____

Firm or Business name _____ Address _____ From (date) to (date) _____

SPOUSE'S/DOMESTIC PARTNER'S OCCUPATIONS/BUSINESSES (LAST 10 YEARS)

Firm or Business name _____ Address _____ From (date) to (date) _____

Firm or Business name _____ Address _____ From (date) to (date) _____

Firm or Business name _____ Address _____ From (date) to (date) _____

PRIOR MARRIAGE(S)

Any prior marriages for either spouse? _____ If yes, complete the following:

Prior spouse's name: _____ Prior Spouse of Husband _____

Marriage terminated by: Death _____ Divorce _____ Date of termination _____

Prior spouse's name: _____ Prior Spouse of Husband _____ Wife _____

Marriage terminated by: Death _____ Divorce _____ Date of termination _____

PRIOR DOMESTIC PARTNERSHIP(S)

Any prior domestic partnerships for either person? _____ If yes, complete the following:

Prior partner's name: _____ Prior Partner: _____

Partnership terminated by: Death _____ Dissolution _____ Nullification _____ Termination _____ Date of termination _____

Prior partner's name: _____ Prior Partner: _____

Partnership terminated by: Death _____ Dissolution _____ Nullification _____ Termination _____ Date of termination _____
(if more space is required, use reverse side of form)

INFORMATION ABOUT THE PROPERTY

Buyer intends to reside on the property in this transaction: Yes _____ No _____

Street Address of Property in this transaction: 60212 Birdies Lane, Landers, CA 92285

The land is unimproved _____; or improved with a structure of the following type: A Single or 1-4 Family _____ Condo Unit _____ Other _____

Improvements, remodeling or repairs to this property have been made within the past six months: Yes _____ No _____

If yes, have all costs for labor and materials arising in connection therewith been paid in full? Yes _____ No _____

Any current loans on property? _____ If yes, complete the following:

Lender _____ Loan Amount _____ Loan Date _____

Lender _____ Loan Amount _____ Loan Date _____

The undersigned declare, under penalty of perjury, that the foregoing is true and correct.

Executed on _____, _____ at _____

Signature _____ Signature _____
(Note: If applicable, both spouses/domestic partners must sign.)

THANK YOU.

CITY OF SALINAS

**HOUSING SERVICES GUIDELINES RECEIPT
ACKNOWLEDGEMENT**

**I have received a copy of the Housing Services Program
guidelines.**

Print Owner Name

Signature

Date

CIUDAD DE SALINAS

GUIA DEL PROGRAMA DE VIVIENDA

**Yo he recibido una copia de la guía del Programa de
Vivienda.**

Nombre del Dueño

Firma

Fecha



City of Salinas

Housing Services Program

Guidelines

Community Development
200 Lincoln Avenue
Salinas, CA 93901
(831) 758-7334 Phone
(831) 758-7264 Fax

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THE HOUSING SERVICES PROGRAM

In May 1977, the City Council approved the establishment of a housing services function as part of the City's regular operating program. Housing Services Program financing is provided for in the City's Community Development Block Grant application. In 1992, additional financing from the Home Investment Partnerships Program (HOME) was incorporated into the Housing Services program budget. Generally, the goal of the Housing Services Program is to preserve the City's existing housing stock and encourage and facilitate the improvement of housing conditions through a combination of information and financial/technical assistance.

The program was first adopted by the City Council on December 19, 1977, and has since been modified from time to time in response to changing needs of the community and the availability of federal and state funding programs. In keeping with the need and the sources of funding, assistance is focused upon housing units serving lower income residents. Currently, program components are available City-wide.

These guidelines serve as the basis for program operation unless and until modified. The City reserves the right to select which funding source, or sources, shall be employed on a case by case basis.

-Cont-

A. CDBG LOW INTEREST HOUSING REHABILITATION LOANS

A.1 Description

The City of Salinas is able to substantially reduce the cost of housing rehabilitation financing for qualified low income property-owners through the use of the federal Community Development Block Grant and HOME Investment Partnership Programs. Federal funds are used for home improvement loans in order to facilitate the improvement of substandard housing.

In addition to below-market rate loans, several other services are provided to qualified participants. Program staff assists the applicants in the preparation of loan application forms, including a detailed list of items needing repair (Work Write-up). Staff then helps the homeowner select a qualified contractor, provides rehabilitation contract documents, and works to ensure that all repairs are performed satisfactorily. The features and procedures of this component are described on the following pages.

City staff time and available financial resources are necessarily limited. Therefore, applications are processed as funds permit. Loans are granted only on the condition that minimum Housing Code standards are met.

The Planning Manager, or his/her designee, is charged with approving loan applications following Housing Services staff review and recommendation. The basic criteria for loan decisions is set forth in the Loan Underwriting Standards of Housing Services, as approved by the City Council. In reviewing loan applications, the goal of the Housing Services Program; the improvement of housing conditions throughout the City must be balanced against prudent lending practices.

A.2 A Summary of Low Interest Loan Procedures

1. Upon request, Housing Services Program staff meet with the property owner to explain the program and preliminarily determine eligibility.
2. Upon determination of preliminary eligibility, staff will review title information.
3. The project site is then inspected and a Work Write-up prepared by staff detailing necessary repairs and estimated costs thereof. The property owner reviews and approves the Write-up.
4. The Work Write-up is then submitted with the project proposal to the Housing Services Supervisor for preliminary determination of program suitability. The Housing Services Supervisor will decide either that the project, as proposed, is: eligible for City financing; ineligible for City financing; or possibly eligible

depending upon the submission of additional information or modification of the proposal.

- a. Should the Housing Services Supervisor find the proposed project ineligible, the property owner will be notified in writing of the reasons for this finding.
 - b. Should the Housing Services Supervisor find the proposed project eligible, the City will proceed to prepare the detailed Work Write-Up with estimated repair costs. Working with the property owner, staff will then obtain bids from licensed contractors through competitive bidding. If owner selects to go with the Owner Participation Agreement (OPA), the owner shall submit their bid on a approved City form. Following the owner's acceptance of the bid, staff will complete the preparation of the loan application including an exterior valuation of the site.
 - c. Should the Housing Services Supervisor request additional information or a modification to the project, staff will resubmit the amended project proposal for consideration of program eligibility.
5. The completed loan application is assembled, and then reviewed by the Housing Services Supervisor for loan pre-approval.
- a. Applicants not receiving pre-approval are notified in writing. Appeals shall be directed to the Planning Manager.
 - b. Applicants failing to receive Planning Manager approval are notified in writing. Appeals are directed to the Deputy City Manager.
 - c. Approved applications are returned to staff for preparation of appropriate documents which will then be submitted to the Planning Manager for final approval.
6. Loan decisions will be based upon the requirements of the Housing Services Guidelines, the Housing Services Underwriting Standards, and the rules and regulations pertaining to the federal Community Development Block Grant and HOME Programs. When the preceding authorities fail to address particular situations, staff shall be guided by department policy. Whenever denied, staff will advise applicants in writing within fourteen (14) days. Appeals must be submitted, in writing, within twenty-one (21) days of the date written notification of denial is mailed or personally delivered.
7. Following final approval, the applicant will execute the appropriate loan documents. The rehabilitation contract will then be executed.

8. While repair work is in progress, Housing Services staff monitors the work by performing periodic inspections.
9. Following completion of the work, a final accounting of expenses is prepared and final payment to the contractor is authorized based upon presentation of a completed building permit, appropriate lien releases and warranties.

A.3 Loan Eligibility

In order to receive a Low Interest Housing Rehabilitation Loan, an applicant must:

1. Qualify as a low income household;
2. Demonstrate ownership of residential real property of no more than seven (7) units located within the City of Salinas. (Larger properties can receive financing provided the property owner and contractor agree to abide by all applicable federal labor standards, including "Davis-Bacon" requirements); Priority will be given to single family dwellings. Properties containing eight (8) or more units will be considered as funds permit.
3. Meet the City's "Loan Underwriting Standards for Housing Services", incorporated by reference herein;
4. Agree to use the loan proceeds only for items noted on the City provided Work Write-up; and
5. Apply for a loan on forms provided by the City and comply with all conditions and regulations noted thereon.
6. Meet the disposable asset limits: should a household have assets over \$50,000, which are not used to supplement their annual income, the household must first "spend down" the assets before they can participate in the program. If the costs of the repairs are greater than the disposable assets, then the low interest loan program can be used in conjunction with the disposable assets. These monies will need to be deposited with the City which will then be disbursed first as the contractor(s) request partial payments.

A.4 Conditions

The following conditions shall apply to loans provided under this component:

1. The City rehabilitation financing may be combined with other public financing, or used in tandem with private loans. When such dual financing is provided,

the City lien may be subordinated to the lien of the private lender.

2. The maximum loan term is fifteen (15) years, unless the specific situation necessitates a longer term in order to be financially feasible, in which case the term can be extended up to twenty (20) years. The Planning Manager reserves the right to determine the term.
3. The maximum loan amount is **\$72,000** per unit. However, if a room addition is required to alleviate an overcrowding situation, then a maximum of **\$90,000** per unit may be approved. Loan amounts are determined on an aggregate basis, per parcel. The Planning Manager, upon written documentation of extra work required (damaged foundations, single wall construction, termite/rot damage, etc.) may increase the loan limits by an amount not to exceed \$20,000; this shall be done on a case by case basis.
4. At least 80% of loan proceeds must be used for Housing Code related items (see A.6.1); the balance of the proceeds may be used for general property improvements as specified in the Work Write-up. Upon completion, properties must meet the minimum standards of the City Housing Code.
5. The City reserves the right to adjust interest rates at any time prior to execution of loan documents or to cease to provide housing rehabilitation financing.
6. As a condition of eligibility, 51% of the tenants of an investor-owned property (CDBG funded) must have annual incomes which do not exceed 80% of the median County income (as determined by Housing Services Program).

Investor owners of eligible rental property must agree to participate in the federal Section Eight rent subsidy program administered by the Housing Authority of the County of Monterey for fifteen (15) years following completion of rehabilitation (Should the Section Eight program be discontinued or should HUD fail to make timely adjustments to Section Eight Fair Market Rents, the City may base rent levels or rent increases upon other reasonable indices). Should any tenant not qualify for Section Eight assistance or revisions to the program reduce or eliminate the availability of the Section Eight Assistance, the owner shall be required to enter into a rent stabilization agreement with the City. Landlords are not to evict lower income tenants solely for the purpose of replacing them with Section Eight qualified tenants. If loan was funded with HOME monies, the rents allowed to be charged will be determined by calculations using the rent controls of the Home program.

Rent stabilization agreements shall establish the maximum allowable rent which is determined to be affordable to low income households according to a schedule developed by the City. This agreement will remain in effect for

fifteen (15) years unless the property is sold or transferred and the loan repaid in full. The rent stabilization agreement is recorded as a restrictive covenant.

Violation of the agreement may result in immediate cancellation of the loan and demand for immediate payment of the balance. The purpose of these requirements is to minimize involuntary displacement of tenants whose units are rehabilitated through the Housing Services Program.

7. Only licensed building contractors may perform housing rehabilitation work under this component, except in the case of a property owner able to perform his or her own work. In the latter case, the property owner's competence to perform such work must be demonstrated to the satisfaction of the City.

A.5 Interest Rates

Housing Rehabilitation Loans are made directly to property owners by the City. The interest rate is determined according to the type of tenure and the income of the borrower. The three classes of loans are as follows:

Class A: Loans made to owner-occupants whose incomes are no greater than eighty percent (80%) of the County median income for the same size household. These loans bear an interest rate of five percent (5%). Properties which are owner-occupied and which have rental units will be considered for Class A loans provided the owner's income and 51% of the tenant's household incomes are no greater than 80% of the median at the time of application. Units not owner-occupied will be treated as investor-owned.

Class B: Loans to investor-owners on properties where at least fifty-one percent (51%) of the units are occupied by tenants with incomes no greater than eighty percent (80%) of the County median income for the same size household. These loans bear an interest rate of six percent (6%). Units that are vacant are counted within the fifty-one percent (51%) required to be occupied for lower income, as they will be occupied by lower income households following rehabilitation.

Class C: Loans to investor-owners of properties located in the Salinas Redevelopment Agency's Economic Incentive Zone. Owners shall agree to make residential units affordable to lower income tenants with incomes no greater than eighty percent (80%) of the County median income for the same size household. Owners shall rent these units per the requirements of the Department of Housing and Urban Development's HOME PROGRAM Rent Limits. These loans bear an interest rate of three percent (3%) amortized over 20 years.

A.6 Eligible Repair Items

Housing Loans will be made for the purpose of accomplishing housing rehabilitation as specified on the City-approved Work Write-up. The Work Write-up will be developed according to the following criteria:

1. Housing Code Related Items (At least 80% of loan proceeds must be used for repairs in this category.)
 - a. The requirements of the Housing Code;
 - b. Correction of incipient violations of the Housing Code;
 - c. Items included in the Property Rehabilitation Standards and in HUD's Housing Quality Standards (HQS), not noted above;
 - d. Approved energy conservation improvements;
 - e. Approved facilities to serve disabled persons (see A.7.12 under Program Requirements);
 - f. Additions to owner-occupied units to relieve overcrowding;
 - g. Related fees and expenses, e.g. building permits, limited architectural costs, credit reports, and valid relocation expenses.
2. Eligible General Improvements
 - a. Substantial reconstruction, remodeling or refinishing of residential and accessory spaces;
 - b. Materials and fixtures beyond the requirements of A.6.1. above, as deemed appropriate by Housing Services Program staff;
 - c. Landscaping costs for work exceeding the requirements of the Property Rehabilitation Standards;
 - d. Additions to existing structures may be authorized by the Planning Manager when such additions substantially improve the livability of the dwelling;
 - e. Items recommended, but not required, by the Property Rehabilitation Standards.
3. Ineligible Items

- a. Acquisition of land;
- b. Substantial additions to the existing structure and construction of new structures, except to comply with Housing Code requirements or when accepted under Item 2.d above as an eligible general improvement;
- c. Appliances or equipment not permanently affixed to the subject structure, e.g. portable heaters, and area rugs, provided, however, that refrigerator and stoves are eligible as "Housing Code-related items";
- d. Luxury items, e.g. bathhouses, spas, kennels, swimming pools or tennis courts; and
- e. Other items, as deemed inappropriate by the Housing Services Supervisor under the criteria set forth herein.

A.7 Program Requirements

1. Property Rehabilitation Standards (PRS)

Housing rehabilitation work accomplished under terms of this program shall be done according to specifications described in the City of Salinas' Property Rehabilitation Standards. A copy of this publication is available for review at the program office.

2. **Lead Safe Housing Regulation (CDBG & HOME)**

Borrowers receiving federal monies for housing rehabilitation loans, housing accessibility assistance grants or any housing related project (except as excluded in the regulation) must meet the requirements of HUD's Lead Safe Housing Regulation which became effective on September 15, 2000.

The regulation stipulates that the amount of federal dollars used in a project will determine the extent of repair work to be done on lead-base paint....below is a brief summary of the regulations (Refer to Title 24 of the Code of Federal Regulations as part 35 –24CFR 35 for full details; copy available at Housing Services Program office):

Rehabilitation projects receiving \$5,000 or less require paint testing, repair areas disturbed during rehabilitation and clearance of work site; projects receiving between \$5,000 to \$25,000 require paint testing, risk assessment,

treatment of lead-base paint using interim controls and clearance of unit; projects where \$25,000 or more is used requires identification and abatement of lead-base paint hazards. All contractors proposing to bid on these rehabilitation projects must be trained/certified to work in the treatment/abatement of lead-base paint. The City will make grants available for the repair of LBP related work as funds permit. These grants will be available to program applicants who have been approved by the City to receive a low interest housing rehabilitation loan. The grant may not exceed **\$11,000** City wide and **\$14,000** in the Alisal Revitalization Area ; If the costs are projected to exceed the amount of the grant, the home-owner will be responsible for the balance. The balance of LBP funds may come from the loan proceeds if sufficient funds are available, if not, the home-owner must come in with their own funds to cover LBP repairs which shall be deposited into their City escrow account. Only one grant per property will be allowed.

3. Award of Bids

Bids will be publicly opened and the contract for rehabilitation work normally awarded to the lowest responsible bidder acceptable to the property owner. Determination of the low bid will include consideration of base bid prices, alternatives and any other modifying factors. Should the number of bids submitted be insufficient to guarantee a fair price to the property owner, additional bids may be solicited or negotiated. The City and property owner reserve the right to reject any bid, to waive any informalities, and to negotiate with any bidder.

4. Contract

The contract referred to in these guidelines and this program is a standard form legal agreement provided by the City and is between the property owner and the licensed contractor. While partially administered by the City, the City is not a party to the contract.

5. Certificate of Insurance

Prior to issuance of a Notice to Proceed (discussed below), general contractors performing work must present a certificate of liability insurance in an amount and form acceptable to the City. The certificate shall specify that the insurance shall not be canceled except upon written notice to City. Notices to Proceed will not be issued until such documentation is provided.

6. Notice to Proceed

The Notice to Proceed will be issued when the following documents have been completed or executed:

- a. Loan documents;
- b. Contracts for rehabilitation work;
- c. Certificate(s) of Insurance.

7. Monitoring of Work

Housing rehabilitation work will be monitored by Housing Services Program staff for compliance with the specifications set forth in the Work Write-up. Work not performed according to specifications will not be accepted.

8. Disbursement of Funds

Loan proceeds will not normally be disbursed until rehabilitation work has been completed to the satisfaction of the property owner, program staff and the City Building Inspection Division.

Progress payments may be made to contractors upon written authorization of the property owner and the Housing Services Program staff. However, no more than between 80% to 90 % of the total amount of the proceeds of the loan will be disbursed prior to completion of the subject housing rehabilitation work.

9. Notice of Completion

A Notice of Completion will be filed with the County Recorder's Office upon satisfactory completion of all housing rehabilitation work. At the request of the property owner, and with the approval of Housing Services, this step may be waived. Satisfactory completion of work is determined during the final inspection.

10. Loan Repayments

Borrowers will be informed when and where monthly payments are due at the time they sign the loan documents. The City may, in its sole discretion, transfer or sell the note, or change the location where payments are to be made.

11. Plans and Working Drawings

Building plans, drawings or other design and engineering services may be reimbursed for reasonable costs from loan proceeds, provided sufficient funds are available.

12. Landscaping

An overall objective of the program is the exterior improvement of neighborhood properties. To that end, a minimum level of landscaping will be required, said level to be determined by Housing Services staff.

13. Modification for Access by Disabled

Home modifications directed to the removal of material or architectural barriers which restrict the access and mobility of household members who are either disabled or senior citizens may qualify under the category of Housing Code Related Items A.6.1. The following are examples of eligible items: ramps, railings, grab bars, ball bearing drawers, personal hygiene hardware (such as built-in shower seats), and appropriate floor coverings. Structural or mechanical alterations may also be eligible including: widening of doors and halls, installation or remodeling of tub/shower, cabinet alterations, rewiring to lower switches and raise outlets, replacement of door and window hardware, alteration of plumbing fixtures and installation of sliding doors.

B. HOME (OWNER-OCCUPIED) LOW INTEREST HOUSING REHABILITATION LOANS

B.I Description

The "National Affordable Housing Act of 1990" (24 CFR 92) created a new program to increase decent, affordable housing, the Home Investment Partnerships Program (HOME). CDBG projects and HOME projects are funded in order to facilitate the improvement of substandard housing. However, HOME funded projects have additional regulations. They include:

1. The value of the property after rehabilitation is limited by HOME regulations.
2. Maximum fund expenditure under HOME regulations is determined by reference to HUD 221(d)(3) limits. (24 CFR 92.250)
3. This component is designed to create a pool of loan funds that will revolve over time. All interest earned, all principal repaid, and other funds received from loan applicants and recipients (in excess of City costs) will be deposited in a separate account maintained by the City's Finance Department. This revolving loan fund will be used to make additional housing rehabilitation loans pursuant to these Guidelines and the requirements of the federal government pertaining to recycled HOME funds.

B.2 Summary of Procedures

Procedures A.2, 1-9 will be utilized.

B.3 Loan Eligibility

In order to receive a Home low-interest rehabilitation loan, an applicant must:

1. Qualify as a low income household;
2. Demonstrate ownership of residential real property located within the City;
3. Meet the City's "Loan Underwriting Standards for Housing Services" incorporated by reference herein;
4. Agree to use HOME loan proceeds only for items noted in the City-provided work write-up.
5. Apply on forms provided by the City, execute the required loan documents, and comply with all conditions and regulations noted therein.
6. Meet the disposable asset limits: should a household have assets over \$50,000, which are not used to supplement their annual income, the household must first "spend down" the assets before they can participate in the program. If the costs of the repairs are greater than the disposable assets, then the low interest loan program can be used in conjunction with the disposable assets. These monies will need to be deposited with the City which will then be disbursed first as the contractor(s) request partial payments.

B.4 Conditions

The following conditions must be met to participate in the City's HOME low-interest rehabilitation loan program.

1. The maximum loan is **\$72,000** per unit. However, if a room addition is required to alleviate an overcrowding situation, then **\$90,000** per unit may be approved. The minimum loan amount is \$2,000. The Planning Manager, upon written documentation of extra work required (damaged foundations, single wall construction, termite/rot damage, etc.) may increase the loan limits by an amount not to exceed \$20,000; this shall be done on a case by case basis.
2. After rehabilitation value is limited by HOME regulations;

3. The maximum loan is fifteen (15) years, unless the specific situation necessitates a longer term in order to be financially feasible, in which case the term can be extended up to twenty (20) years. The Planning Manager reserves the right to determine the term.
4. After rehabilitation, the property must meet at minimum the current Uniform Housing Code.
5. The City reserves the right to adjust interest rates at any time prior to execution of loan documents or to cease to provide housing rehabilitation financing.
6. If the property is owner-occupied with rental units, the rental units may be assisted with HOME funds and will adhere to the program's rental requirements calculations as published by HUD's HOME Program Rents.
7. Only licensed building contractors may perform housing rehabilitation work under this component, except in the case of a property owner able to perform his or her own work. In the latter case, the property owner's competence to perform such work must be demonstrated to the satisfaction of the City.
8. Owner-occupied mobile homes on permanent foundations may be assisted with HOME funds.
9. If, after receiving a low interest loan, the owner intends to move from the unit, the owner must enter into a Rent Stabilization Agreement with the City. This Agreement will establish the rents to be made affordable to low-income households. The Agreement will be recorded against the property and remain in effect for a minimum of Twenty (20) years unless the property is sold and the loan is repaid in full. If HOME funds are used and the borrower intends to transfer title or rent the unit, the controlled rents allowed shall be in accordance with the requirements of the HOME program as published by HUD. If the borrower does not meet the HOME program rent requirements, the loan shall be due and payable upon such failure to meet the requirements.

B.5 Interest Rates

1. HOME low-interest rehabilitation loans are made directly to property owners by the City. The interest rate is either three (3) or five percent (5%); as with other City loan programs, this rate is subject to change.

2. HOME low-interest residential rehabilitation loans for the Downtown Housing Program are made directly to property owners of properties located in the Salinas Redevelopment Agency's Economic Incentive Zone (EIZ). The interest rate is currently 3%.

B.6 Eligible Repair Items

For loans that exceed \$25,000 (substantial rehabilitation) the provisions of Section A.6 will be followed.

Loans that are less than \$25,000 must meet, at a minimum, Housing Quality Standards (HQS) as set forth by HUD.

B.7 Program Requirements

Section A.7, 1. through 12. to be followed except where rental units exist.

C. DEFERRED PAYMENT REHABILITATION LOANS (CDBG and HOME)

C.1 Description

On occasion, lower income homeowners are unable to afford necessary home repairs or improvements. This component was designed to enable such households to borrow funds when they cannot reasonably be obtained elsewhere. The loans are repaid in a lump sum when the borrower's income permits or, at City's option, they may be replaced by fully amortized loans. Every effort will be made to combine other Housing Services assistance with deferred loans so as to reserve these limited funds only for those in the greatest need.

Deferred payment loans are written for five year terms. Simple interest accrues at an annual rate of 3%. The borrowers' financial situation is reviewed every five years to determine continued need for deferred loan assistance. Renewal may be granted provided the City determines the need is justified. Change in title due to the death of a borrowing spouse will not trigger repayment.

Deferred payment loans may not be assumed. Monthly payments will not be accepted; under certain circumstances, larger lump sum repayments may be accepted.

In order to receive a Deferred Payment Rehabilitation Loan, an applicant must:

1. Qualify as low income;

2. Demonstrate ownership of residential real property of no more than four units, and occupy one of the units as his/her principal residence;
3. Meet the City's Loan Underwriting Standards for Housing Services, incorporated by reference herein.
4. Agree to use the loan proceeds only for eligible items.
5. Apply for a loan on forms provided by the City and comply with all conditions and regulations noted therein; and
6. Apply, in good faith, for all of the various Housing Services financial assistance programs which are available to reduce the amount of the deferred loan requested.
7. Meet the disposable asset limits: should a household have assets over \$50,000, which are not used to supplement their annual income, the household must first "spend down" the assets before they can participate in the program. If the costs of the repairs are greater than the disposable assets, then the low interest loan program can be used in conjunction with the disposable assets. These monies will need to be deposited with the City which will then be disbursed first as the contractor(s) request partial payments.

C.3 Summary of the Deferred Loan Procedures

1. Housing Services project proposal is completed by applicant.
2. Staff determination that applicant cannot qualify for sufficient funds to bring property up to City Property Rehabilitation Standards unless a deferred loan is granted. The intent of the deferred payment loan program is to supplement other financing to the extent available.
3. The following documentation is obtained by Housing Services staff (in a sequence designed to conserve City funds and expedite processing):
 - a. Verifications of employment and deposit(written),
 - b. Credit report (written),
 - c. Assessed value as determined by Tax Assessor,
 - d. Preliminary title information, and
 - e. Work write-up and cost estimate.

4. Housing Rehabilitation Supervisor reviews the file; if feasible, the application packet is completed with the following:
 - a. Valuation report (including three comparables),
 - b. Bids from licensed contractors, or property owner if acting as own general contractor, and
 - c. Executed Deferred Loan Application.

Staff may determine applicant ineligibility at any stage during processing and notify applicant in writing.
5. The Planning Manager, or his/her designee, reviews documents detailed above and makes determination to approve or deny the loan.
6. An applicant whose request is denied by Housing Services may appeal to the Planning Manager. Appeals must be submitted in writing within twenty-one (21) days of the date written notification of denial is mailed or delivered. The Planning Manager shall consider all pertinent information and may affirm, modify, or reverse the determination of the Housing Services Supervisor.
7. Upon receipt of loan approval, the loan transaction is completed by the City including:
 - a. Encumbering funds via Purchase Order,
 - b. Execution of construction contracts and Owner Participation Agreements, as required,
 - c. Execution of loan documents by borrower,
 - d. Review of executed non-standard documents by City Attorney,
 - e. Documents held for three business days to provide owner with right of rescission, and
 - f. Deed of Trust and Request for Notice of Sale/Default are recorded by title company and CLTA title insurance provided.
8. Recorded, original Deeds of Trust and Notices of Default, together with original Promissory Notes and Agreements, are filed with the Finance Department at City Hall.

9. Construction progress is monitored by Housing Services. Progress payments will be made via purchase order through Housing and Community Development. The Finance Department will maintain records showing date, amount, purpose and payee of all expenditures charged to loan proceeds.
10. Upon completion of rehabilitation, Housing Services prepares a Notice of Completion and records same at borrower's expense.
11. Loan proceeds remaining after payment of rehabilitation expenses will be applied against the principal. If proceeds amount to less than \$200, funds may be disbursed directly to borrower.

C.4 Conditions and Terms

1. General: The maximum loan amount is **\$72,000**. However, if a room addition is required due to overcrowding, then **\$90,000** may be approved per unit. The Planning Manager, upon written documentation of extra work required (damaged foundations, single wall construction, termite/rot damage, etc.) may increase the loan limits by an amount not to exceed \$20,000; this shall be done on a case by case basis.

The minimum loan is \$2,000. Loans bear a five year term. Simple interest is 3%, computed annually. Borrowers must maintain hazard insurance sufficient to protect the City's interest at all times. Total Loan to Value (LTV) indebtedness secured by a single-family property shall not exceed 100% of the anticipated post-rehab value; the LTV ratio for properties with two, three or four units shall not exceed 95%.

2. Loan Agreement: Only licensed building contractors may perform housing rehabilitation work under this component, except in the case of a property owner able to perform his or her own work. In the latter case, the property owner's competence to perform such work must be demonstrated to the satisfaction of the City. The City will disburse proceeds following completion of work items and acceptance of same by City and borrower. Proceeds shall be used for housing repairs and improvements approved by the City and for financing costs associated with the loan. Borrowers will be required to enter into a Loan Agreement with the City which fully details the specific conditions, as well as, complete loan documentation including a Deed of Trust and Promissory Note.
3. Occupancy: The subject property is to be owned and occupied by the applicant. Should the property cease to be the principal residence of the borrower, rents charged shall be controlled by HUD's HOME rent limits or the deferred loan will become due and payable (HOME). Repayment is not triggered if an elderly borrower temporarily resides elsewhere for medical

reasons.

When there are other units on the same parcel, all must meet Housing Quality Standards upon completion of financed work. At least 51% (CDBG) of the units on the parcel must be occupied by households with incomes not exceeding 80% of the County median. All rental units shall be subject to a rent stabilization agreement stipulating participation in the Section 8 rental assistance program. Deferred payment loans are not available for properties with five or more units or units that are not owner-occupied.

4. Repayment: Partial or full repayment is acceptable without penalty. When partial payments are received, the payment will first be used to reduce the accumulated interest; any remaining sum will be used to reduce the principal.
5. Determination of Need: Homeowners unable to qualify for sufficient financing from other City rehabilitation programs are eligible to apply for deferred payment loans. However, to the extent practical, other funding sources will be employed prior to this component.

Owner occupants who receive Supplemental Security Income (SSI) are considered financially needy and need not be denied other City financing to be eligible for a City deferred payment rehabilitation loan.

6. Extensions and Assumptions: Extensions may be granted if the borrower is paying over 35% of gross income for housing expenses or if the amortized cost of refinancing, when added to the remaining housing expenses, would result in total housing expenses exceeding 35% of gross household income. If a loan is due for review, properties will be inspected every five years by City staff to ascertain that maintenance, at a minimum to Housing Quality Standards, is being provided while the loan is outstanding. Borrowers whose properties do not meet this requirement will have an option of correcting the violations or having their loan become immediately due and payable. Additionally, a current copy of the Hazard insurance policy on the property showing the City as "Loss Payee" must be submitted before an extension may be granted.

Deferred payment rehabilitation loans may not be assumed.

C.5 Program Requirements

Unless superseded by other provisions of this component, Deferred Payment Rehabilitation Loans will comply with Program Requirements as detailed in these guidelines in paragraphs A.7.1-12.

C.6 Eligible Repair Items

Housing rehabilitation financing is provided in order to improve housing and strengthen neighborhoods. The following criteria will be employed when determining the eligibility of repair items:

1. Housing Code Related Items (At least 80% of loan proceeds must be used for repairs in this category).
 - a. The requirements of the Housing Code;
 - b. Correction of Housing Code violations;
 - c. Items included in the City Property Rehabilitation Standards and HUD's Housing Quality Standards (including stoves and refrigerators);
 - d. Additions when necessary to alleviate overcrowding in owner occupied structures or when more feasible than reconstruction of existing substandard sections;
 - e. Approved facilities to serve handicapped persons;
 - f. Related fees, e.g. building permits, limited architectural costs, credit reports, title insurance.
2. Eligible General Improvements
 - a. Substantial reconstruction, remodeling or refinishing of residential and accessory spaces;
 - b. Materials and fixtures beyond code requirements, as deemed appropriate by Housing Services Program staff;
 - c. Landscaping costs for work exceeding the requirements of the Property Rehabilitation Standards.
 - d. Items recommended, but not required, in the Property Rehabilitation Standards.
3. Ineligible Items
 - a. Acquisition of land.

- b. Substantial additions to the existing structure and construction of new structures, except to comply with Housing Code requirements or when accepted under Item 1.d above;
- c. Appliances or equipment not permanently affixed to the subject structure, e.g. portable heaters, provided however, that refrigerators and stoves are eligible under 1.c above;
- d. Luxury items, e.g. bathhouses, spas, kennels, swimming pools and tennis courts;
- e. Other items, as deemed inappropriate by the Housing Rehabilitation Supervisor under the criteria set forth herein.

C.7 Requirements for State DHCD Funds

From time to time, the City employs funds borrowed from the State Department of Housing and Community Development to fund deferred payment rehabilitation loans. Such loans will be administered in accordance with the appropriate regulations found in the California Health and Safety Code and the California Administrative Code.

C.8 Requirements for Home Deferred Payment Rehabilitation Loans

Home Deferred Payment Rehabilitation Loans will follow guidelines stipulated in Section C. Use of HOME funds will also be subject to HOME post-rehabilitation value limits.

D. LOAN SUBORDINATION

Subordination, the act of agreeing to waive priority in a claim against the property, of a City Rental Rehabilitation Program (RRP) loan or Low Interest Loan, will be allowed provided the following conditions are met to the satisfaction of the Planning Manager or designee:

- 1. After subordination, the total indebtedness evidenced by all liens senior to the City lien, when added to the value of the current City lien, shall not exceed 90% for the Rental Rehabilitation Program loan (RRP), 90% for the Low Interest Loan, or 95% the for Deferred Loan, of the value of the property.
- 2. Subordination will be allowed only once for any particular property.
- 3. The term of the loan to which the RRP or low interest loan lien is being

subordinated must equal or exceed the term remaining on the RRP loan or low interest loan at the time of subordination.

4. Subordination will not be considered if the subordinating lien evidences an interest only loan or some other loan that is not fully amortized provided, however, that subordination to a loan calling for a one time lump sum payment (i.e. balloon payment) may be allowed if the due date follows the expiration of the RRP or low interest loan.
5. After subordination, the City loan becomes due and payable upon any transfer of title, including sale or assignment (i.e. no assumption will be allowed following subordination).
6. City shall have the right to review and approve all documents supporting the proposed subordination including, but not limited to, appraisals of the property.
7. The subordination of the City loan is only allowed if the new loan does not include "cash out" to the owner for costs other than those related to obtaining the loan.

The Planning Manager or his/her designee is authorized to execute subordination agreements when the above criteria has been met. The City Manager may modify the above conditions or require additional conditions. The form of any non-standard subordination agreement or language shall be reviewed by the Legal Department.

E. REHABILITATION TECHNICAL ASSISTANCE

E.1 Description

This component of the program consists of providing Work Write-ups, cost estimates, advice on working with contractors and related items, upon request, to property owners. There is no charge for this service.

E.2 Eligibility

Low income persons owning residential real estate located within the City of Salinas are eligible to receive benefits offered under this component of the Housing Services Program.

E.3 Conditions

Persons taking advantage of this service must agree, in writing, to repair serious health and safety problems found on subject properties within a reasonable period of time. Technical services will be provided as available; property owners accomplishing rehabilitation work with City provided or subsidized financing will receive priority attention over those accomplishing work with only private resources.

F. RELOCATION ASSISTANCE

F.1 Description

All reasonable steps will be taken to avoid any displacement of tenants as a result of any HOME assisted or CDBG assisted project. However, when upgrading housing stock and eliminating the worst housing conditions, temporary relocation of tenants residing in substandard units sometimes occurs. This component provides for relocation assistance to lower income households in need of temporary relocation due to the City's housing rehabilitation efforts.

F.2. Eligibility

Temporary relocation payments may be made for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in utility/rent costs is eligible. Tenants must submit documentation of lower income status acceptable to Housing Services. The property must be approved for Housing Services Program financial assistance. The property owner must pay all temporary relocation and/or permanent displacement payments made under this component; the payment may be included in the loan at the borrowers request.

Advance notice and advisory service will be provided to each tenant who is temporarily relocated. The service will include:

- a. Date and approximate duration of the temporary relocation.
- b. The location of the suitable, decent, safe and sanitary dwelling to be made available for the temporary period.
- c. The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling in the building/complex upon completion of the project. Tenants may also be entitled to relocation assistance for certain non-anticipated circumstances arising during rehabilitation work. When necessary repairs are more extensive or take longer than planned, and result in the unit becoming uninhabitable, tenants are to notify Housing Services within forty-eight (48) hours. If the situation

continues, eligible tenants may receive relocation/displacement assistance.

F.3 Procedure

Housing Services staff will identify individuals to be temporarily relocated as soon as practicable. Tenants will be notified of potential eligibility, in writing, following formal approval of rehabilitation financing. The Housing Authority of Monterey County will be notified when permanent displacement occurs in order to facilitate tenant receipt of rental assistance through their various programs.

In order to receive relocation payments, tenants will need to submit documentation of relocation expenses acceptable to the City. Moving expenses may include, but are not limited to: charges made by moving companies, rental of trucks and moving equipment, charges made for telephone service relocation, and motor fuel used for transporting household goods to new residences. Upon Housing Services Program approval, payments will be made through the routine City claims procedure.

F.4 Conditions

1. Relocation within the same parcel of land shall not be deemed displacement as set forth herein.
2. Benefits will be determined by applicable Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) or Section 104(d) of 24 CFR 570.
3. Participating property owners shall not charge temporarily relocated tenants rent (or other fees or deposits) for units vacated through this rehabilitation process during the period that the tenant is residing elsewhere.
4. Requests for relocation payments must be made within sixty (60) days of the date specified by the City for vacation.
5. Participating property owners agree to pay all relocation payments made to eligible tenants whether the relocation occurs as a result of Housing Code violations, demolition, or landlord preference.
6. The property owner shall give temporarily relocated tenants at least thirty (30) days prior notice of the date units will be available for re-occupancy. The property owner shall hold the units for such tenants for fifteen (15) days following the expiration of the above notice before renting it to any other household.
7. Nothing within this Relocation Assistance shall be construed to contradict or supplant the laws of the State of California or the City of Salinas.

8. No tenant shall be considered displaced if the tenant has been offered a decent, safe and sanitary dwelling unit in the project at an affordable rent.

F.5 Records

Housing Services Program staff will maintain displacement and relocation payment records as required by the Federal Department of Housing and Urban Development.

F.6 Limitations

If displacement occurs, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) or Section 104(d) of 24 CFR Part 570 will be strictly followed and enforced. The following is a short list of information to be provided to tenants:

- a. How to search for suitable replacement housing;
- b. Individuals' rights under the Federal Fair Housing Law; and
- c. Opportunities to select replacement dwellings from a full range of neighborhoods within the total housing market.

G. **CITY EMPLOYEES AS RECIPIENTS**

City employees are eligible for grant or loan benefits under the Housing Services Program to the extent permitted by Federal regulations and the Grant Agreement between the City and HUD.

Before the Housing Services staff begins formal processing of an application from any City Employee, the City Attorney is to be advised of the pending application and asked to determine whether the employee is eligible or ineligible under HUD conflict of interest rules. It has already been determined that members of the City Council and Planning Commission, as well as the City Manager, Deputy City Manager, City Attorney, Development Review staff, Community Improvement Program staff, Building Inspectors and members of the Finance Office staff who exercise functions or responsibilities in respect to the program, are ineligible for program benefits.

The Housing Services staff will send a copy of the application and the names of all owners of the property in question to the City Attorney. The written determination of eligibility by the City Attorney shall be considered final and conclusive. Any City employee who applies for Housing Services Program benefits shall be advised of the requirement for determination of eligibility under HUD conflict of interest rules, and shall be advised by Housing Services staff of the City Attorney's determination.

H. HOUSING ACCESSIBILITY ASSISTANCE

H.1 Description

Through the use of CDBG funds, the City will provide assistance to households whose members include individuals with physical disabilities. The assistance is to remove material or architectural barriers which restrict access or otherwise impede mobility, and to install hardware that lessens hazards that are aggravated by a disability. Both financial and technical assistance is provided: financial assistance is limited to **\$14,000** per household and shall only be allowed once per property. The costs incurred to address the lead-base paint treatments (refer to section A.7 of these guidelines) will also be considered a grant and will be in addition to the amount of the grant for the accessibility assistance. Assistance is provided as a grant, funds need not be repaid unless fraudulently obtained.

To be eligible, the household income must be no greater than 80% of the County median. The property must be owner-occupied. Both real estate, as well as mobile homes, may be improved with these funds.

H.2 Summary of Procedures

Interested households are first advised of eligibility criteria and the application process. Potential applicants are provided forms needed to determine eligibility. Upon successful determination of preliminary eligibility, staff completes necessary title and income verifications. Next, the site is inspected and a list of repairs/modifications is prepared (with cost estimate). The applicant obtains cost estimates and submits a proposed project budget for review with the application.

The Housing Services Supervisor reviews the file and makes the grant decision. Denied applicants are provided with a written notice. Approved applicants are advised to proceed with the repairs/modifications. Housing Services staff monitors the work and processes payment upon receipt of bills or other documentation.

H.3. Eligibility

To qualify for this component, the household's income may not exceed 80% of the County median adjusted for family size (as determined by the City). One individual within the household must exhibit a disability as defined in Appendix D to these Guidelines: ELIGIBLE DISABILITY CATEGORIES.

The property must be located within the city limits. The title must be vested in the name of the qualifying applicant, or a member of his or her immediate family. Only licensed contractors may perform funded work requiring a building permit.

Applicant households must complete necessary forms, provide such information as necessary to verify eligibility, and agree to comply with both CDBG and City regulations. The eligibility decision is the responsibility of the Housing Services Supervisor. Denied applicants will be provided with a written notice of denial.

Any appeal of his or her decision shall be directed to the Planning Manager.

H.4 Repair Items

The following are examples of items eligible for funding: ramps, railings, grab bars, ball bearing drawers, personal hygiene hardware, and appropriate floor coverings. Structural or mechanical alterations can also be eligible including: installation or remodeling of tub or shower, widening of doors, cabinet alterations, rewiring to lower switches or raise outlets, replacement of door and window hardware, alteration of plumbing fixtures, and installation of sliding doors.

I. Exterior Enhancement Assistance

Description

The purpose of this grant is to assist in providing homeowners with funds to purchase necessary building materials to improve the exterior appearance of owner-occupied homes (mobile homes not included). Homeowners must match these funds on a dollar for dollar basis. Properties must be located within the designated target area known as the Alisal Homeownership and Revitalization Area (see map). Homeowners whose dwellings contain no Housing Code violations are eligible for these funds. Funds must be used for exterior improvement purposes only, emphasis will be placed on the frontage. Examples of improvements are: landscaping, driveway and walkway repair, fence repair and paint. The assistance provided does not have to be repaid as this is a grant program.

Eligibility

Reimbursements in the amount of up to \$3000 are available to low income owner-occupants whose properties contain no Housing Code violations as determined by the City. Reimbursements are available for City approved exterior improvements only and to the extent funding is available.

Only materials are eligible for reimbursement except when either of the following conditions apply:

- Owners are not able to apply the materials themselves, i.e., owner has a physical disability or a need for specialized expertise is needed. The Housing Rehabilitation Supervisor shall determine if the above situation exist and may authorize labor as an eligible expense.

- The owner is over 62 years of age and request reimbursement for labor.

Procedure

City will reimburse the property owner for pre-approved materials and work specifications upon presentation of receipts and City verification of work completed. The following procedure will be taken:

1. Contact Housing Services Program staff and complete an exterior grant application for the proposed exterior enhancements. Financial and property information shall be submitted with application.
2. Program staff determines preliminary eligibility.
3. A Housing Rehabilitation Specialist is assigned to the project and performs an initial proposal evaluations. Standard architectural designs will be applied to all projects.
4. Staff will inform applicant(s) of project approval or disapproval. If approved, applicant proceeds with approved scope of work.
5. Upon completion of the project, staff performs a final inspection and reviews reimbursement request. When approved, staff will request check for reimbursement.

APPENDIX A

LOAN UNDERWRITING STANDARDS FOR HOUSING SERVICES:

J I. LOAN PROGRAM GOALS

- A. Encourage and facilitate improvement of housing conditions through the provision of financial and technical assistance.
- B. Reduce substandard housing throughout the City.

II. LOAN PROGRAM STRATEGY

In keeping with HUD objectives, Housing Services will concentrate upon the lower income housing stock. To qualify, applicants for loans on owner-occupied properties must have incomes that do not exceed 80% of the County median (as determined by HUD). Residential rental property will only be assisted if at least 51% of the tenants are lower income (CDBG). HOME funded rental projects will be required meet the HOME Program required rental units as well as restricted rents. Rental and owner-occupied properties may be assisted with either CDBG or HOME funds.

III. UNDERWRITING CRITERIA/LOW INTEREST HOUSING REHAB LOAN
(These criteria will be employed for both CDBG & HOME funds).

- A. Ability to pay and credit evaluation.
1. Loan to value ratio may not exceed 100% in the case of owner-occupied property. Loan to value ratio may not exceed 95% in the case of rental property. For the purposes of this paragraph the "loan" figure shall include all secured loans for which the property is pledged as collateral, including the proposed City loan. The "value" figure shall be calculated using the post-rehabilitation value of the property as determined by the current market for similar properties. The lead-base paint grant amount will not be considered in the loan to value calculations.
 2. Debt to income ratio shall be computed based upon gross monthly household income. The debt/income (D/I) ratio may not exceed 45% in the case of monthly income under \$2,000. The D/I ratio may not exceed 50% with a monthly income under \$3,500. The D/I for income over \$3,500 shall not exceed 55%. Debt shall include: all installment obligations of longer than eight months (including medical/prescription bills) and loans secured by the subject property. Loans from credit unions or other nontraditional lenders shall be counted if they fall into the above category. Graduated payment loans shall be included at the required payment due from the borrower eight months from the date of the application. Credit cards (such as Visa, MasterCard, and those issued by national chain stores) will be included based upon the minimum required payment due from the borrower during the month the application is dated. The lead-base paint grant amount will not be used in the debt to income calculations to determine program eligibility. This information is to be updated within the month preceding final loan approval. If the D/I ratio is exceeded, a deferred payment loan or a combination of a low-interest loan and deferred loan may be considered.
 3. Income verifications shall be obtained in writing from current employers. Salaried or hourly workers shall provide a copy of the most current federal income tax return and two current check stubs showing year-to-date earnings. Self-employed applicants shall provide a minimum of two years income tax returns and a personal financial statement. Benefit payments, such as pension plans, shall also be verified in writing. Previous employment to be verified when present employment is less than one year. See attachment A for method of calculating income from rental property. Applicant to provide annual income/expense statement for rental property.
 4. Credit history is to be obtained via a credit report from the Salinas Credit Bureau or other City selected credit bureau as well as applicable lenders.

Generally, there shall be no more than three 30 day delinquencies within the prior eight months.

On loans secured by the property there shall be no delinquencies greater than 60 days within the last three years. On all other credit there shall be no delinquencies greater than 90 days and no more than two "60 days delinquent, now current" accounts during the last two years. Foreclosures, or foreclosure proceedings, within five years are not acceptable. There shall be no Federal or State tax liens within the last five years. A credit history with any of the following shall disqualify an application:

- a. Bankruptcy/bankruptcy proceedings within four years;
- b. Charge offs, education claims, or involuntary repossessions within three years;
- c. Either collection accounts or court judgments within the last two years that exceed \$200, each;
- d. Delinquencies of 150 days or greater within two years.

Applicants whose credit does not meet the above criteria may still qualify for a loan provided they can explain extenuating circumstances to the satisfaction of the Planning Manager. Examples of mitigating circumstances include divorce, unemployment or debilitating illness. *However, before the loan is approved, all Federal tax liens, State tax liens, property tax delinquencies and judgments must be paid in full.*

Credit report will be updated within thirty-one days of submittal of the loan package to the Planning Manager.

5. Deposit verifications are required for personal checking and savings accounts i.e., current monthly bank statements or verification of deposits.
- B. Loan security.
1. Loan security will be achieved by the execution and recordation of a deed of trust in favor of the City against the property upon which the repairs will be performed. The borrower will execute a promissory note as well. The City lien can be in either a first, a second, or third position (following non-delinquent property taxes) subject to LTV requirements. The City will be provided with a CLTA title insurance policy as part of the loan process. Subject to the determination of the City Manager, or his or her designee, the requirement for title insurance may be waived on an individual basis provided such waiver does not unduly jeopardize the probability of loan repayment.

2. Property value shall be determined by an independent appraisal acceptable to the City. The appraisal must have been performed no earlier than six months prior to the date of the application. The evaluation report shall include three recent comparable sales. Exterior appraisals may be acceptable. This independent appraisal may be waived by the program manager when existing property debt is below \$50,000, an "in-house" appraisal will then be acceptable (CDBG funds only). All HOME funded projects require an independent appraisal.
3. Loan documents shall be executed by all title holders.
4. A co-signer may execute the Promissory Note together with the applicant, subject to the approval of the Planning Manager. The presence of a co-signer will not cure deficient credit, but may be considered when the "ability to pay" is being calculated.
5. Balloon payment loans, or other loans which are not fully amortized, will be treated as follows: when the due date of the lump sum payment is after the last payment date of the proposed City loan, then the City loan may be subordinate to the loan with a balloon payment. Otherwise, the existence of such a loan will preclude City financing repairs to the same property. This condition shall not be applied to Class C loans proposed for mixed use properties.
6. Contracts of sale, "wraparound" mortgages, and other financing mechanisms where the applicant is not the sole title holder (or the sole obligee on loans secured by the subject property) are not allowed on properties that receive City rehabilitation financing.
7. After rehabilitation value on all HOME funded projects cannot exceed HUD's Section 203 (b) limits.

IV. UNDERWRITING CRITERIA /DEFERRED PAYMENT REHABILITATION LOANS

A. Ability To Pay

Deferred payment loans are made available to owner-occupants who are unable to qualify for sufficient funds via an amortized loan. Whenever possible, other Housing Services financial assistance programs will be used so as to reserve these limited funds for those most in need. Applicants receiving Supplement Security Income (SSI) are considered financially needy and are eligible to apply without being considered for an amortized Housing Services loan. Elderly (62 years or older) who are on a fixed income and qualify as very low income (50% of median income) will also be eligible

without being considered for an amortized loan. For the purpose of this section, fixed income is defined as an income from a retirement source (i.e. pension, social security, permanent disability) that will only increase through "cost of living" adjustments.

1. Loan To Value Ratio may not exceed 100 percent of the anticipated post-rehabilitation value for an owner occupied property. The ratio for property with two, three, or four units shall not exceed 95 percent. Staff will calculate the post-rehab value based upon the as-is valuation described below in IV.B.2. The lead-base paint grant amount will not be considered in the loan to value calculations.
2. Debt To Income Ratio shall be computed based upon gross monthly income. The debt/income (D/I) ratio is computed to assist with the explanation to applicants of the process for granting loan extensions. Debt shall include: all installment obligations of longer than eight months and any loans secured by the subject property. Loans from credit unions or other non-traditional lenders shall be counted if they fall into the above category. The lead-base paint grant amount will not be considered in the debt to income calculations to determine program eligibility.

When existing D/I ratios exceed 60 percent, staff shall consider conditioning loans with a requirement that third party impound accounts be established for hazard insurance and property taxes in order to protect loan security.

3. Income verifications shall be obtained in writing from current employers. Salaried or hourly workers shall provide a copy of the most current Federal income tax return. Self-employed applicants shall provide a minimum of two years income tax returns, plus a financial statement. Benefits, such as pension plans, shall also be verified in writing. Previous employment to be verified when present employment is less than eight months. See Appendix A for method of calculating income from rental property. Applicant to provide annual income/expense statement for rental property.
4. Credit history to be obtained via a credit report from the Salinas Credit Bureau or other City selected credit bureau as well as applicable lenders.

Generally, there should be no more than three delinquencies exceeding 30 days within the prior eight months. On loans secured by the property, there shall be no delinquencies greater than 60 days during the last three years.

A credit history with any one of the following shall disqualify an application:

- a. Bankruptcy/bankruptcy proceedings within four years.

- b. Charge offs, educational claims, or involuntary repossessions within three years.
- c. Either collection accounts or court judgments within the last two years that exceed \$200 each.
- d. Delinquencies of 150 days or greater within two years.

Applicants whose credit does not meet the above criteria may still qualify provided they can explain extenuating circumstances to the satisfaction of the Planning Manager. Examples of mitigating circumstances include unemployment, a divorce, or debilitating illness.

Credit report will be updated within thirty-one days of submittal of the loan package to the program manager.

- 5. Written deposit verifications are required for personal savings and checking accounts.

B. Loan Security

- 1. Loan security will be achieved by the execution and recordation of a deed of trust in favor of the City against the property upon which the repairs will be performed. The borrower will execute a promissory note as well. The City lien must be in at least fourth position (behind non-delinquent property taxes subject to above loan to value ratio requirements).
- 2. Property value will be determined by an independent appraisal acceptable to the City. The appraisal must have been performed no earlier than six months prior to the date of the application. The appraisal reports shall include three recent comparable sales. Exterior appraisals are acceptable. This independent appraisal may be waived by the Planning Manager when existing property debt is below \$50,000; an "in-house" appraisal will then be acceptable (CDBG funded projects only; all HOME funded projects require an independent appraisal).
- 3. Loan documents shall be executed by all title holders.
- 4. Balloon payment loans, or other loans which are not fully amortized will be treated as follows: when the due date of the lump sum payment is after the last payment date of the proposed City loan, then the City loan may be subordinate to the loan with the balloon payment. Otherwise, the existence of such a loan will preclude City financing repairs to the same property.

5. Contracts of sale, "wrap around" mortgages, and similar financing mechanisms where the applicant is not the sole title holder are not allowed on properties receiving City rehabilitation financing.
6. After rehabilitation value on HOME funded projects cannot exceed HUD's Section 203 (b) limits.

APPENDIX B

PROPERTY REHABILITATION STANDARDS

K. General Purpose

- A1. The goal of the Housing Services Program of the City of Salinas is the rehabilitation of structures in order to improve both the individual structures and each neighborhood as a whole. To this end these standards will serve as a guide to the alteration, rehabilitation, and repair of buildings when funding for such actions derives in whole or in part from the City of Salinas or from the United States of America through the City of Salinas. These Property Rehabilitation Standards are intended to supplement the applicable provisions of the Uniform Housing Code, Uniform Plumbing code, Uniform Mechanical Code, Uniform Fire Code, National Electrical Code, and the Zoning Ordinance of the City of Salinas as adopted and amended from time to time. Supplementary standards are needed because the above codes provide only minimum standards relating to health and safety hazards and to new construction. Often rehabilitation must go beyond these minimum standards if the end product is to be desirable as property and economically sound as a security for loans written with U. S. Department of Housing and Urban Development (HUD) funds. The Housing Quality Standards (HQS), promulgated by HUD for the Section 8 Rental Assistance Program, are incorporated herein by this reference.
- A2. The definition of terms used throughout these Property Rehabilitation Standards (PRS) shall be construed as specified in existing local codes and guidelines. In case of contradictory definitions or interpretations the Planning Manager will determine which shall apply.
- A3. These standards shall not be construed as relieving the property owner of his responsibility for compliance with local ordinances, codes, and regulations including the established requirements of Monterey County Health Officer.

B. General Criteria

Codes and Regulations.

- B1. Properties shall comply with the standards set forth in all applicable statutes, codes, and ordinances, as amended from time to time, relating to the use, maintenance, facilities, and occupancy of property, including but not limited to zoning, building, plumbing, mechanical, electrical, fire, and housing codes. Particular mention is made of the rehabilitation intent of this program. Building, plumbing, mechanical and electrical codes will be applied to new construction, but improvements which met applicable codes at the time of initial construction will not be required to be brought up to current building codes unless said improvements are determined to endanger the health, safety, or welfare of the public or the occupants. (This is in conformance with Chapter 1268 of the California Health and Safety Code, specifically Sections 17920, 17922, and 17958.)
- B2. These standards are intended to conform to minimum standards set by Federal Housing Administration mortgage insurance programs as amended from time to time.
- B3. In addition to compliance with local statutes, codes, and ordinances, all properties in the Housing Services Program devoted, in whole or in part, to residential uses shall be made to conform to the following standards as a condition of obtaining financial assistance through the City of Salinas.
- B4. All utilities necessary for normal occupancy of a dwelling unit shall be provided for each property. This may include increasing or renewing water, gas and electrical service.
- B5. Dilapidated structures or portions of structures which are not economically repairable shall be removed upon recommendation of the Housing Services staff as a condition of financial assistance.
- B6. Porches, terraces, walls, entrance platforms, balustrades, bric-brac and other exterior appurtenances which are in a deteriorated condition shall be repaired if economically feasible. If repair is not possible, they shall be replaced or removed subject to determination by the Housing Services staff.
- B7. Home modifications directed to the removal of material or architectural barriers which restrict the access and mobility of household members who are either handicapped or senior citizens qualify for funding. The following are examples of eligible items: ramps, railings, grab bars, ball bearing drawers, personal hygiene hardware (such as built-in shower seats), and appropriate floor coverings. Structural or mechanical alterations may also be eligible including: widening of doors and halls, installation or remodeling of tub/shower, cabinet alterations, rewiring to lower switches and raise outlets, replacement of door and window hardware, alteration of plumbing fixtures and installation of sliding doors.

C. Site Criteria

Objectives

- C1. To develop the individual site, group of sites, or improvement area, so that obsolescence is overcome and the development is appropriate and an asset to the neighborhood in which it is located.

Open Space

- C2. Open space to permit convenient access for maintenance, fire protection, adequate light and ventilation of habitable rooms and reasonable indoor privacy is deemed desirable for every residential building.
- C3. Deficient setback dimensions on existing structures will be handled individually by the Housing Services staff in conjunction with the Zoning Administrator so as to best meet the requirements of the various codes involved.
- C4. Fences should be provided when necessary to insure privacy or protection. Provisions shall be made for the repair or replacement of existing fences when found to be dilapidated or otherwise rendered unsightly or hazardous.

Site Improvements

- C5. Site development of each property shall:
 - a) Provide for the immediate diversion of water away from buildings and disposal from the lot;
 - b) Prevent soil saturation detrimental to the structures; and
 - c) Where needed, contain appropriate paved walks, parking areas, driveways, exterior steps and landscaping.
- C6. Structures may be moved on the property when necessary to meet the objectives of the program, setback requirements, or conditions favorable to proper maintenance.
- C7. Parking facilities should be provided suitable to the needs of the occupants either on the site or arrangements made for nearby "off-site" parking. The amount of off-street, open, or covered parking spaces provided shall be considered in relation to the Zoning Code of the City of Salinas, the configuration and location of the site and the transportation needs of the residents.
- C8. One of the objectives of the Housing Services Program is to provide a moderate amount of landscaping consistent with that of other properties in the immediate neighborhood. Program-funded landscaping shall be designed to further the goal of water conservation. Plant materials and irrigation systems will reflect this goal.

- C9. Sites shall be cleared of wrecked, partially dismantled, or abandoned cars and other miscellaneous discarded or unsightly material.

D. Design Criteria

Objectives

- D1. To assure a living unit which provides for a safe environment and complete living facilities arranged for desirable living conditions commensurate with the type and quality of the property under consideration. Single room occupancy (SRO) hotels and other alternative dwelling systems need not comply with this section, provided that they comply with the applicable standards of the U. S. Department of Housing and Urban Development.

Basic Layout

- D2. Each living unit shall have space necessary for living, sleeping, cooking, dining, and placement of furniture and appliances. Adequate space shall be provided where practical for storage and laundry facilities, either in the dwelling unit or in accessory structures.
- D3. For existing work, dimensions for interior spaces are based upon measurements taken between finished surfaces.
- D4. Habitable rooms shall have a ceiling heights of at least 7 feet 6 inches. Kitchens, bathrooms and halls shall have a ceiling height of at least 7 feet measured to the lowest projection from the ceiling (refer to section 503.1 of the Uniform Housing Code . In rooms having sloping ceilings, the prescribed height is required only for one half of the area thereof, however no portion of the room measuring less than 5 feet in height shall be included in minimum area computation.
- D5. Continuous access to all parts of the living unit shall be possible from within without passing through a public hall.
- D6. Public hallways and enclosed stairways shall be provided with either natural ventilation or means of mechanical ventilation.
- D7. Corridors and hallways shall provide adequate, safe and unobstructed circulation from living units or other spaces.
- D8. Utility spaces which contain heat producing, air conditioning, and other such equipment shall be ventilated to the exterior, and exhaust from such equipment shall not be allowed to re-circulate to other parts of the building.

- D9. The minimum volume of general storage space for each living unit should be 100 cubic feet and should be increased for 3-4-bedroom living units at least 50 cubic feet per additional bedroom.

Bath Layout

- D10. A bathroom should not be separated from all bedrooms of the living unit by locating it a full story above or below the bedrooms.
- D11. A bathroom shall not be used as a sole means of access to a hallway or habitable room.
- D12. Arrangement of bathroom fixtures shall provide for the comfortable use of each fixture and permit at least a 90 degree door swing.
- D13. Toilets shall be separated from habitable rooms by full floor-to-ceiling partitions and doors.
- D14. Every bathroom shall contain a medicine cabinet, the bottom of which is at least 48 inches from the floor surface.

Kitchen Layout

- D15. Each living unit shall have a specific kitchen space, with a sink, counter work space, artificial light, hot and cold running water, and adequate space for appliances and storage.
- D16. Parameters of kitchen storage space:
- a) Total shelving in wall and base cabinets shall equal at least 30 square feet;
 - b) There should be drawer space equal to at least 5 square feet;
 - c) Cabinets should have doors; and
 - d) Counter top, excluding range and sink, should equal 6 square feet.

Bedroom Layout

- D17. As a minimum standard, every room used for sleeping purposes shall have an area of not less than 70 square feet. Where more than two persons occupy a room used for sleeping purposes the required floor area shall be increased at the rate of 50 square feet for each occupant in excess of two. An effort should be made to provide separate bedrooms for children of opposite sexes thirteen years of age and older.
- D18. Clothes closet space shall be provided within bedrooms or located conveniently nearby. Closets shall be permanently installed.

Interior Access

- D19. Provide a door for each bedroom, bathroom, or toilet compartment; a locking device on bath and toilet compartment doors is required.
- D20. Interior doors should be at least 6 foot 6 inches high and of the following widths:
- a) Habitable rooms - 2 feet 6 inches wide;
 - b) Bathrooms, toilet compartments, and closets other than linen and broom - 2 feet 0 inches wide;
 - c) Service stair doors and encased openings - 2 feet 6 inches; and
 - d) Public stairway enclosures, single door - 3 feet wide; double door - 2 feet 4 inches wide.
- D21. Provide openings adequate in size to admit furniture and appliances to appropriate rooms and to permit inspection, repair and maintenance.
- D22. All stairs and landings shall be arranged to permit adequate head room and the passage of furniture and equipment.

Exterior Access

- D23. Steps shall be provided for access to the building and constructed so as to provide safety, durability, and economy. This shall not be interpreted to exclude the provision of improvements designed to facilitate access for handicapped persons.
- D24. Access to each living unit shall be provided without passing through any other living unit.
- D25. Exterior doors should be at least the following sizes:
- a) Main entrance door - 3 feet 0 inches by 6 feet 8 inches;
 - b) Service doors - 2 feet 6 inches by 6 feet 6 inches;
 - c) Garage doors: 1 car - 8 feet by 6 feet 4 inches, clear opening;
 - d) Garage doors: 2 car - 16 feet by 6 feet 4 inches, clear opening.
- D26. Access to attics shall be provided by means of conveniently located scuttles or stairways. For attic space the minimum access opening shall be 22 inches by 30 inches. For underfloor crawl spaces the minimum access opening shall be 18 inches by 24 inches.
- D27. Natural ventilation of spaces such as attics and crawl spaces shall be provided by screened openings sufficient to meet current local building codes in order to minimize the effect of conditions conducive to decay and to prevent excessive heat in attics.

D28. At least one exterior window per room shall be equipped with screens. Existing screens which are to be continued in use shall be in suitable condition to serve their intended purpose.

E. Cost Effective Energy Standards

E1. HUD requires that properties rehabilitated with funds from the below-listed programs meet the standards of this Section E:

- * Section 312 Rehabilitation Loans
- * Section 8 Substantial Rehabilitation
- * Section 8 Moderate Rehabilitation

E2. Caulk or seal all openings, cracks or joints in the building envelope when existing materials are inadequate. Leave bottom edge of siding uncaulked to allow moisture drainage.

E3. Replacement heating, ventilating and air conditioning (HVAC) system supply and return pipes and ducts should be insulated whenever they run through unconditioned spaces. Pipe insulation shall be R-2 (or greater); duct insulation shall be R-4 (or greater). Water heater shall be replaced with internally insulated water heater with R-16.7 or greater.

E4. Replacement heating systems and burners shall be of high efficiency design. Clock or set-back thermostats should be installed in units with individual heating systems.

E5. Exterior insulation shall be installed on water heaters located in unheated spaces.

E6. Installation of energy conserving windows including those with double glazing, with thermal breaks, or with other means of reducing energy consumption shall be encouraged when windows are being replaced.

E7. Incandescent fixtures in public spaces shall be replaced with higher efficiency lighting.

E8. The requirements of this section must be applied judiciously. It is not intended to require thermal improvement of elements or items not ordinarily made accessible during rehabilitation. Requirements may be reduced or eliminated to the extent they are not practical in rehabilitation situations, considering economic feasibility, program needs, and the material and type of construction involved.

F. Materials and Products

Objectives

- F1. To use materials of such kind and quality as to provide:
- a) Appropriate structural strength to meet load bearing standards and, where applicable, earthquake standards;
 - b) Adequate resistance to weather and moisture;
 - c) Reasonable durability and economy of maintenance;
 - d) Harmony with design of structure; and
 - e) Conservation of natural resources.

Quality of Materials and Products

- F2. All materials and products used as replacements or additions in rehabilitation construction shall be of good quality conforming to generally accepted good practice. Second-hand materials may be used when approved in advance by the Housing Rehabilitation Specialist. The suitability of special materials and products not specifically conforming to the Uniform Building Code shall be determined by the Building Official.

Design Compatibility

- F3. While these standards apply to rehabilitation, it is recognized that inherent architectural character is often an important resource within neighborhoods and every effort should be made to preserve and restore their architectural heritage. All alterations, repairs, or improvements shall be harmonious with overall exterior design.
- F4. Where necessary in the course of rehabilitation to replace original materials or appurtenances, every effort shall be made to match or improve the original as to style, material and appearance.
- F5. Where necessary to add features not originally a part of the structure, such features shall, if reasonably possible, match the style, material, appearance, and method of construction of the structure as a whole. No feature shall be added without a staff determination of compatibility with existing architectural design and community standards.
- F6. Occasionally, the original character or features have been altered or hidden by repairs and remodeling. If practical, and if related to required rehabilitation, such features and character should be restored, as to do so would be within the intent of the Housing Services Program. Furthermore, such restoration, when not related to

required repairs, shall be allowable and encouraged as General Property Improvements. (See K2 for explanation of General Property Improvements.)

F7. Examples:

- a) When replacement of wood sash windows is called for, every effort shall be made to install similar wood sash windows;
- b) When screens and screen doors are replaced or installed they shall be made to match the material used in the window construction; i.e., a wood sash means wooden screen frames. Alternatively, aluminum may be employed when the cost of wood is prohibitive. In the latter case, effort shall be made to finish the screens so that they will not seriously alter the original appearance and character of the structure;
- c) Wooden features such as columns, lintels, and barge rafters, if replaced, should match the original style as closely as practical.

G. Construction

Objective

- G1. To assure that the construction of the building will provide:
- a) Sufficient structural strength and rigidity;
 - b) Adequate protection from corrosion, decay and other destructive forces;
 - c) Necessary resistance to the elements;
 - d) Reasonable durability and economy of maintenance;
 - e) Acceptable quality of workmanship;
 - f) Conservation of natural resources, especially water.

Structural Soundness

- G2. All structural components of the building shall be in good condition and considered serviceable for the expected useful life of the rehabilitated building. Sagging or out-of-plumb floors, chimneys, fireplaces, partitions, stairs, roofs and exterior walls shall be restored to an acceptable level or plumb position; and supported or braced to prevent a recurrence of these conditions. Stair railings shall be rigid. Individual structural members in a seriously deteriorated condition shall be replaced. Loosely jointed structural members shall be restored to original rigidity.

Insulation

- G3. Ceiling insulation shall be installed where existing exterior ceilings (i.e. ceilings having no habitable room above) do not have insulation equivalent to a rating of R-19 or better, unless the method of construction would cause the cost to be prohibitive.

Exterior Walls

- G4. Foundations and exterior walls shall provide safe and adequate support for all loads upon them, and prevent the entrance of water or excessive moisture. Serious defects shall be repaired and cracks effectively sealed.
- G5. Basement and foundation walls shall prevent the entrance of water or moisture into a basement or closed space area. Where there is evidence that water collects underneath a structure, appropriate corrective measures shall be taken. Loose or defective mortar joints shall be replaced. When necessary, the interior or exterior face of a wall shall be damp-proofed by bituminous coating or other acceptable means.
- G6. Any deficiencies in proper grading or paving adjacent to the building shall be corrected to assure surface drainage away from basement and foundation walls.

Partitions, Columns, and Posts

- G7. Partitions and other vertical supports which are to be continued in use shall be free of splits, excessive lean, buckling, or other defects.

Floor Construction

- G8. All floor construction shall provide safe and adequate support free of objectionable vibration.

Chimneys, Incinerators, and Vents

- G9. Chimneys and vents shall be structurally safe and durable. If not smoke-tight and capable of withstanding the action of flue gases, then chimneys and vents shall be repaired, replaced or permanently closed off to the satisfaction of the Building Official. Factory built chimneys shall be approved by Underwriters Laboratories, the International Conference of Building Officials, or a similar nationally accepted organization, and installed in accordance with the listing.

Protection from Vermin and Decay

- G10. Each building and all exterior appurtenances on the site shall be effectively protected against rodent, termites, or other vermin infestation.
- G11. Existing buildings, where found to have defects that will permit the entrance of rodents, termites or other vermin, shall be corrected by appropriate preventive measures. Upon a determination of need by Housing Services staff, a licensed exterminating firm may be called in to assist in the building analysis. Damaged or

badly deteriorated material shall be replaced.

- G12. An inspection shall be made of both interior and exterior construction for evidence of rot, rust, or decay damage or other hazards. Where structural damage to such materials is found to exist, correction shall be made.
- G13. Wooden materials shall not come into contact with soil. When replacement of decayed or damaged wood near the soil or otherwise subject to moisture is called for, then the wood should be a naturally resistant species or be preservatively treated.

H. Exterior and Interior Finishes

Objective

- H1. To assure that the building will be conserved by:
 - a) Preventing the entrance or penetration of moisture and weather;
 - b) Protecting from damage by decay, corrosion, insects, and other destructive elements; and
 - c) Providing durability and economy of maintenance.

Exterior Items

- H2. To prevent the entrance of water, all critical joints in exterior roof and wall construction which are exposed or partially exposed shall be protected by sheet metal or other suitable flashing material.
- H3. Each dwelling shall have a controlled method of disposal of water from roof where necessary to prevent damage to the property, and to avoid causing unsightly staining of walls where adequate roof overhang was not provided.
- H4. Doors and windows shall be adequately weather-stripped to reduce infiltration of air.
- H5. Exterior protective and decorative finish coating or surface shall provide:
 - a) Adequate resistance to weathering;
 - b) Protection of finished surfaces from moisture or corrosion;
 - c) Attractive appearance and harmony with community standards;
 - d) Reasonable durability.
- H6. Exterior painting is considered specially desirable due to the special visual effect upon not only the individual property, but the neighborhood as a whole.

Interior Finishing

- H7. All interior walls and ceilings shall provide:

- a) A finished surface without noticeable irregularities or cracking;
 - b) A water proof, hard surface in spaces subject to moisture;
 - c) A suitable base for painting and other decoration;
 - d) Reasonable durability and economy of maintenance.
- H8. Finish floors shall be appropriate to the use of the space, be in good condition, provide reasonable ease of maintenance and an extended service life.
- H9. Window coverings (that are permanently installed) are encouraged both for the purpose of reducing energy consumption and affording privacy to occupants. [NOTE: Section 312 funded projects are not covered by this part and 312 funds are not to be used for window coverings].

J. Building Service Systems

- J1. To provide living units that will meet the needs of the intended occupants and building components of a quality and condition to assure:
- a) Safety of operation;
 - b) Adequate capacity for intended use;
 - c) Protection from moisture, corrosion, and other destructive elements;
 - d) Reasonable quietness of operation;
 - e) Reasonable durability and economy of maintenance.

General

- J2. All mechanical equipment shall be installed so that maintenance and replacement can be performed without the removal of other equipment.
- J3. Existing mechanical equipment and systems shall be inspected for faulty operation and other hazards.
- J4. Replacement or repair of mechanical equipment shall be governed by local codes.
- J5. When mechanical ventilation is required in rooms or other spaces the equipment or system shall operate satisfactorily if presently in place or, if new, shall be designed and installed according to good engineering practices and meet local codes.

Heating

- J6. Heating facilities shall be provided for each living unit and other habitable spaces that will:
- a) Assure interior comfort;
 - b) Be safe and convenient to operate;
 - c) Be economical in performance;
 - d) Be quiet in operation and free from objectionable drafts.

- J7. Each heating system shall be capable of maintaining a temperature of at least 70 degrees Fahrenheit within the living units and habitable rooms.
- J8. Gas or oil-fired space heaters shall be vented.
- J9. Required clearances around all room or space heaters shall be provided, and the floor shall be protected in an acceptable manner.

Plumbing

- J10. The plumbing system and its appurtenances for each building shall provide satisfactory water supply, drainage, waste, venting, and operation of fixtures. Plumbing systems shall operate free of fouling and clogging.
- J11. Replacement of toilets and showerheads shall be governed by local water conservation measures. New toilets shall be a low water flush system using no more than 1.5 gallons of water per flush; new shower heads shall emit no more than 2.5 gallons of water per minute.
- J12. Existing water heating and storage equipment shall be in good serviceable condition, or else replacement of equipment shall be required.
- J13. No water heater shall be installed in any room used or designed to be used for sleeping purposes. No gas or oil fired water heater shall be located in a bathroom, clothes closet, under stairway (unless approved by Building Official), or in a confined space with access only to the above locations.
- J14. All water heaters shall have approved pressure relief valves and drain lines. All fuel burning water heaters shall be vented to the exterior. Gas fired water heaters and furnaces located in garages shall be installed on a platform a minimum of 18"(eighteen inches) above finished floor elevation.

Electrical

- J15. All habitable rooms and other appropriate spaces requiring electrical service shall be provided with a system of wiring, devices, and equipment to safely supply electrical energy for proper illumination, appliances, residence security, and other electrical equipment.
- J16. Existing wiring and electrical equipment, where its continued service is contemplated, shall not be a potential source of electrical hazard or ignition of combustible materials. Wherever these potential hazards are determined to be present, existing facilities shall be augmented so as to eliminate said hazards and to meet anticipated demands. All existing dwelling units shall have a minimum of 60

amp service.

- J17. Every habitable room shall contain at least two supplied electrical convenience outlets and one supplied, switched electric light fixture.
- J18. For new electrical work, the appropriate provisions for the National Electric Code shall be used as a guide for design layout installation. All new electrical service panels shall have a minimum ampere rating of 100 amps or greater, depending on the design loads, with all circuitry balanced throughout the unit so that load demands are equal or below maximum allowed by the National Electric Code as adopted and amended.

FIRE PROTECTION

- J19. Each sleeping room and adjacent hallways, corridors or areas giving access to each separate sleeping area, shall be equipped with operative (battery powered) smoke detectors. In residences where the electrical system is being replaced, all smoke detectors must receive their primary power source from the new wiring system and shall be equipped with a battery backup.

K. Application

Objective

- K1. To provide a system of classifying housing repair items which will enable loan applications to be processed in a timely and consistent fashion.

Code Letters

- K2. Each rehabilitation work item is assigned one of the following code letters according to its degree of importance:

- A. Housing Code Requirements

Inadequate sanitation, structural hazard, hazardous electrical wiring, hazardous plumbing, hazardous mechanical equipment, faulty water protection, nuisances, faulty materials of construction, hazardous or unsanitary premises, inadequate maintenance, inadequate exits, inadequate fire protection or equipment, or improper occupancy.

- B. Incipient Housing Code Requirements

Housing Code requirements which cannot readily be observed upon inspection of a particular element of the building. Basis for determination of incipient code requirements will be if said building element shows apparent indications of being an imminent and impending code violation or hazardous

condition.

C. Objectives of the Program

Those specific objectives of the Housing Services Program, as contained in the above nine sections, which are necessary to contribute to the general upgrading of the neighborhood and benefit the community.

D. Recommended General Property Improvements

Rehabilitation work which is advised to generally improve the condition of the property, insure desirable living conditions, and add to the economic life of the existing structures.

- K3. This coding system is used in determining the eligibility of repair items for financial assistance under the Salinas Housing Services Program. One condition of approval for a Low Interest Housing Rehabilitation loan is that at least 80% of the rehabilitation work falls into categories "A", "B" and "C".
- K4. The above code letters also meet the requirements of the U.S. Department of Housing and Urban Development with regard to the Section 312 Housing Rehabilitation Loan Program. Items classified as "A", "B", or "C" meet these Section 312 guidelines for "includable costs other than general property improvements." "D" items are those which meet Section 312 guidelines for "general property improvements."

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APPENDIX C

L. DEFINITIONS

- Accessory - A secondary building, the use of which is Building customarily incidental to that of the principal building and which is located on the same parcel.
- Building - Any structure having a roof supported by columns or walls.
- Contractor - An individual, partnership, or corporation licensed by the State of California as a "general contractor" or subcontractor."
- Disabled - A person with an impairment as listed in Appendix B of these guidelines: Eligible Disability Categories. Said impairment shall be permanent, or if of indefinite duration, certifiable by a physician to be expected to last at least one year.
- Dwelling Unit - A single unit providing complete, independent living facilities for one or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation.
- Family - A person living alone or two or more persons living together as a single housekeeping unit in a dwelling unit, as distinguished from a group occupying a boarding house, lodging house, motel or hotel, fraternity or sorority house.
- General - Rehabilitation work which is advised in Property in order to generally improve the condition of Improvements property, ensure desirable living conditions and add to the economic life of the property.
- Gross Income - The total sum of all household annual income received from all sources during the calendar year preceding the year in which application is filed. the current year projected income shall also be verified. There are a few exceptions which are listed in the memorandum entitled: "Determination of Income for Program Eligibility," dated May 6, 1982, as amended.
- Housing Code - The Uniform Housing Code, as compiled by the International Conference of Building Officials, as adopted and amended from time to time by the Salinas City Council.
- Incipient - A condition which may become a Housing Code Violation

violation within the near future.

- Investor- - An owner of residential real estate not using Owner the subject property as his or her principal place of residence.
- Lower Income - Families whose annual household income is no more than 80% of the County median income adjusted for family size. (also defined as Low Income in the HOME program).
- Median Income - A figure which represents an annual household income exactly in the middle of all incomes earned within Monterey County in the same year. Thus half of all the households had incomes less than this figure and half had incomes greater than this figure. The median income figures used by this program shall be the median income figures established for Monterey County by the U.S. Department of Housing and Urban Development, Economic and Market Analysis Division, and updated periodically.
- Moderate Rehab. - Any rehabilitation of residential property at an average HOME investment equal to or less than \$25,000 per unit.
- New - Either (a) new structures erected on clear or Construction vacant land, or (b) additions to an existing building which enlarge the floor area or height of the building.
- New - (HOME) any project with commitment of HOME Construction funds made within one year of the date of initial Certificate of occupancy and/or any project which includes the creation of additional dwelling units outside the existing wall of a structure.
- Owner-Occupant - An owner of residential real estate using the subject property as his or her principal place of residence.
- Parcel - A plot of land, consisting of one or more tax assessor's parcels, which is a legal lot in the City of Salinas. A piece of land which is not a complete and separate legal lot may not be used as security for any Deed of Trust through the Housing Services Program.
- Project - A site or two or more entire buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the

owner, as a single undertaking. If there is more than one site associated with the project, the sites must be within a four block area.

- Property - A parcel, including all buildings and improvements thereon.
- Property - City Council-adopted supplementary standards Rehab. Rehabilitation for rehabilitation as applied to properties repaired Standard as a result of Housing Services financial assistance.
- Rehabilitation - The restoration of a single structure or group of structures which overcomes deterioration and satisfactorily improves physical conditions for residential purposes.
- Senior Citizen - A person who is 62 years of age or older.
- Shall - Indicates a requirement.
- Should - Indicates a good practice, but is not mandatory.
- Substantial - Rehabilitation of property greater than \$25,000.
- Very Low - Families whose annual incomes do not exceed 50% Income of the median income adjusted for family size.
- Work Write-Up - A list of items needing repair prepared by program staff. The list is adopted for use by contractors in bidding on the rehabilitation contract.

The current California Building Code, shall be referred to for definitions not noted herein.

Appendix D

M. ELIGIBLE DISABILITY CATEGORIES

PHYSICAL DISABILITIES

SECTION 1.

Non-Ambulatory Disabilities. Impairments that, regardless of cause, confine individuals permanently to wheelchairs.

SECTION 2.

Semi-Ambulatory Disabilities. Impairments that cause individuals to walk with difficulty or insecurity including individuals using a long leg brace, a walker or crutches to achieve mobility.

SECTION 3.

Semi-Ambulatory Disabilities. Persons, who due to any cause, suffer arthritis which causes a functional motor deficit in any two major limbs (arms and/or legs).

American Rheumatism Association criteria may be used as a guideline for the determination of arthritic handicap. Therapeutic Grade III or worse and Functional Class III or worse and Anatomical State III or worse are evidence of arthritic handicap.

SECTION 4.

Semi-Ambulatory Disabilities. Persons who suffer amputation of anatomical deformity (i.e. loss of major function due to degenerative changes associated with vascular or neurological deficits, traumatic loss of muscle mass or tendons and x-ray evidence of bony or fibrous ankylosis at an unfavorable angle, joint subluxation or instability):

- a. Both hands; or
- b. One hand and one foot; or
- c. Amputation of lower extremity at or above the tarsal region (one or both legs).

SECTION 5.

Semi-Ambulatory Disabilities. Cerebrovascular accident (stroke) with one of the following four months post-CVA:

- a. Pseudobulbar palsy; or
- b. Functional motor deficiency in any of two extremities; or
- c. Ataxia affecting two extremities substantiated by appropriate cerebellar signs or proprioceptive loss.

SECTION 6.

Semi-Ambulatory Disabilities - Pulmonary Ills. Persons suffering from respiratory impairment (dyspnea) as defined by The Journal of the American Medical Association, Guides to the Evaluation of Permanent Impairment, The Respiratory System, 11/22/65.

Classes of Respiratory Impairment:

- Class 3: Dyspnea does not occur at rest but does occur during the usual activities of daily living. However, the patient can walk a mile at his own pace without dyspnea although he cannot keep pace on the level with others the same age and body build. Percent disability 40-50.
- Class 4: Dyspnea occurs during such activities as climbing one flight of stairs or walking 100 yards on the level, or less exertion or even at rest.
- Class 6: Dyspnea present on slightest exertion, such as dressing, talking, at rest.

SECTION 7.

Semi-Ambulatory Disabilities - Cardiac Ills. Persons suffering functional classifications of cardiac disease, Classes II and IV and therapeutic classification, Classes C, D, E as defined Diseases of the Heart and Blood Vessels - Nomenclature and Criteria for Diagnosis, 6th edition, Boston, Little, Brown and Company by the New York Heart Association.

Functional Classification

- Class III: Patients with cardiac disease resulting in marked limitation of physical activity. They are comfortable at rest. Less than ordinary physical activity causes fatigue, palpitation, dyspnea, or anginal pain. For instance, inability to walk one or more level blocks or climbing flight of ordinary stairs.
- Class IV: Patients with cardiac disease resulting in an in-ability to carry on any physical activity without discomfort. Symptoms of cardiac insufficiency or of the anginal syndrome may be present even at rest. If any physical activity is undertaken, discomfort is increased.

Therapeutic Classification

- Class C: Patients with cardiac disease whose ordinary physical activity should be moderately restricted, and whose more strenuous efforts should be discontinued.
- Class D: Patients with cardiac disease whose ordinary physical activity should be markedly restricted.

Class E: Patients with cardiac disease who should be at complete rest, confined to bed or chair.

SECTION 8:

Semi-Ambulatory Disabilities - Dialysis. Persons who in order to live must use a kidney dialysis machine.

SECTION 9:

Sight Disabilities. This section includes only the legally blind.

- A. Those persons whose vision in the better eye after best correction is 20/20 or less; and
- B. Those persons whose visual field is contracted (commonly known as tunnel vision):
 - i. to 10 degrees or less from a point of fixation, or
 - ii. so the widest diameter subtends an angle no greater than 20 degrees.

SECTION 10:

Hearing Disabilities. Deafness or hearing incapacity that may make an individual insecure in public areas because the individual is unable to communicate or hear warning signals, including only those persons whose hearing loss is 90dba or greater in the 500, 1000, 2000 Hz ranges.

SECTION 11:

Disabilities or In coordination. This section includes those persons suffering faulty coordination or palsy from brain, spinal or peripheral nerve injury and any person with a functional motor deficit in any two limbs or who suffers manifestations which significantly reduce mobility, coordination and perceptiveness not accounted for in previous categories as deemed appropriate by the Housing Services Program manager.

DEVELOPMENTAL DISABILITIES

Those persons, not psychotic, who are so developmentally disadvantaged "from infancy or before reaching maturity that they are incapable of managing themselves and their affairs independently, with ordinary prudence, or of being taught to do so, and who require supervision, control, and care, for their own welfare, or for the welfare of others, or for the welfare of the community." (Welfare and Institutions Code, State of California, Section 6500) and "any person who is unable, or likely to be unable, to physically or mentally respond to an oral instruction relating to danger and unassisted take appropriate action relating to such danger." (Health and Safety Code, State of California, Section 13131.3).

This section includes only those persons with the following disorders who are participating in a State or Federally funded or recognized program.

SECTION 12:

Mental Retardation. Refers to subaverage general intellectual functioning which originates during the developmental period and is associated with impairment in adaptive behavior (a general guideline is an IQ which is more than two standard deviations below the norm). This section also applies to adults who, by reason of illness or accident, suffer mental retardation.

SECTION 13:

Cerebral Palsy. A disorder dating from birth or early infancy, non-progressive, although if not treated, there is marked regression in functioning characterized by examples of aberrations of motor functions (paralysis weakness, incoordination) and other manifestations of organic brain damage such as sensory disorders, seizures, mental retardation, learning difficulty and behavioral disorders.

SECTION 14:

Epilepsy (Convulsive Disorder). Clinical disorder involving impairment of consciousness, characterized by major seizures (grand mal or psychomotor) substantiated by EEG, occurring more frequent than once a month in spite of prescribed treatment with:

- a. Diurnal episodes (loss of consciousness and convulsive seizure), or
- b. Nocturnal episodes which show residuals interfering with activity during the day.

SECTION 15:

Autism. (1) A syndrome described as consisting of withdrawal, very inadequate social relationships, exceptional object relationships, language disturbances, and monotonously repetitive motor behavior; many children with autism will also be seriously impaired in general intellectual functioning; (2) This syndrome usually appears before the age of 6 and is characterized by severe withdrawal and inappropriate response to external stimuli.

SECTION 16:

Neurological Handicap. A syndrome characterized by learning, perceptual and/or behavioral disorders of an individual whose IQ is not less than two standard deviations below the norm. These characteristics exist as a result of brain dysfunction (any disorder in learning or using the senses), neurological disorder, or any damage to the central nervous system, whether due to genetic, hereditary, accident or illness factors. This section includes persons with severe gait problems who are restricted in mobility.

MENTALLY DISORDERED DISABILITIES

SECTION 17:

Emotionally Disturbed. To the extent of total disability and:

- a. Living in a board and care home and receiving State or Federal financial assistance and participating in a State or Federally funded work activity center or workshop; or
- b. Living at home under supervision and may or may not receive State or Federal financial assistance and participating in a State or Federally funded State or Federal work activity or workshop.

NOTE: VETERANS ADMINISTRATION EXCEPTION. Any veteran who holds a disability rating for aid and attendance, housebound or permanent and total rated at the 100% level is automatically eligible. All other veterans are subject to the above Eligibility Criteria.

OTHER QUALIFYING DISABILITIES

In instances where a disability does not appear in one of the established categories, but can be demonstrated through doctor's certification to be of similar nature to those disabilities appearing in this appendix, the Housing Services manager may determine eligibility requirements to have been met.

Revised:6/3/08

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TO: PARTICIPANT of Housing Services

FROM CITY OF SALINAS
HOUSING SERVICES PROGRAM

SUBJECT: "PROTECT YOUR FAMILY" PAMPHLET

The U.S Environmental Protection Agency requires that we, as professional remodelers, distribute this pamphlet to owners and tenants of pre-1978 housing before starting any remodeling activities.

Please read the acknowledgement statement below, complete and return this form to us. It must be kept in our agency files for three years after completion of the remodeling project.

LEAD PAMPHLET RECEIPT ACKNOWLEDGEMENT

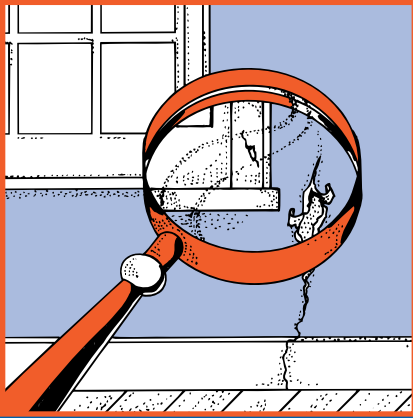
*I have received a copy of the pamphlet entitled, "**Protect Your Family from Lead in Your Home**", informing me of the potential risk of lead hazard exposure from renovation activity to be performed in my dwelling unit. I received this pamphlet before the work began.*

Print Owner/Tenant Name

Signature

Date

Address



Protect Your Family From Lead In Your Home



 EPA United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- ◆ Get your young children tested for lead, even if they seem healthy.
- ◆ Wash children's hands, bottles, pacifiers, and toys often.
- ◆ Make sure children eat healthy, low-fat foods.
- ◆ Get your home checked for lead hazards.
- ◆ Regularly clean floors, window sills, and other surfaces.
- ◆ Wipe soil off shoes before entering house.
- ◆ Talk to your landlord about fixing surfaces with peeling or chipping paint.
- ◆ Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- ◆ Don't use a belt-sander, propane torch, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.



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Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.



OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.



SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

- FACT:** Lead exposure can harm young children and babies even before they are born.
- FACT:** Even children who seem healthy can have high levels of lead in their bodies.
- FACT:** People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- FACT:** People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.
- FACT:** Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

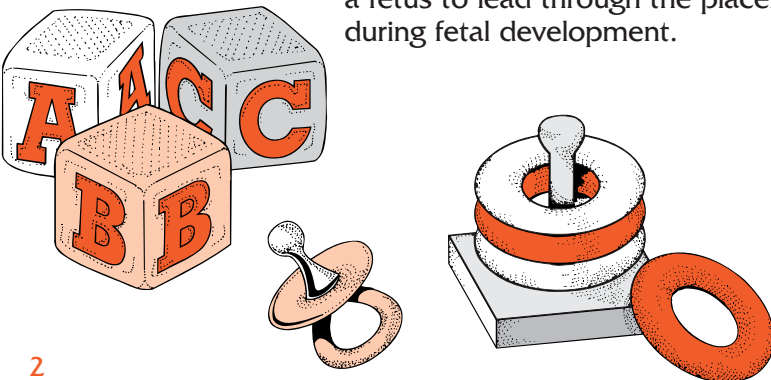
- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).
- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contains lead.

Lead is even more dangerous to children under the age of 6:

- ◆ At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.
- ◆ Children's growing bodies absorb more lead.
- ◆ Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Lead is also dangerous to women of childbearing age:

- ◆ Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.



Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

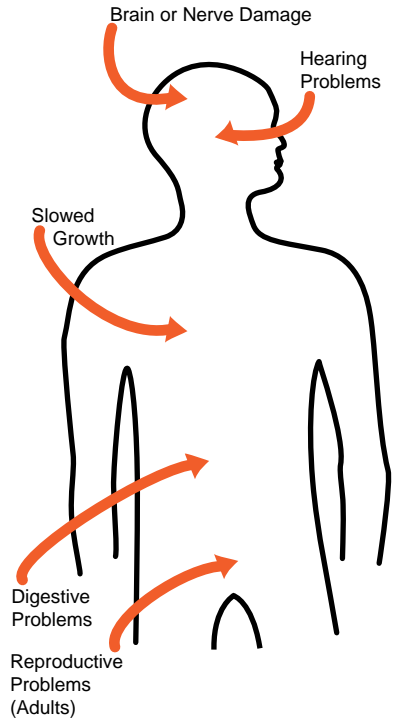
- ◆ Nervous system and kidney damage.
- ◆ Learning disabilities, attention deficit disorder, and decreased intelligence.
- ◆ Speech, language, and behavior problems.
- ◆ Poor muscle coordination.
- ◆ Decreased muscle and bone growth.
- ◆ Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- ◆ Increased chance of illness during pregnancy.
- ◆ Harm to a fetus, including brain damage or death.
- ◆ Fertility problems (in men and women).
- ◆ High blood pressure.
- ◆ Digestive problems.
- ◆ Nerve disorders.
- ◆ Memory and concentration problems.
- ◆ Muscle and joint pain.



**Lead affects
the body in
many ways.**

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- ◆ In homes in the city, country, or suburbs.
- ◆ In apartments, single-family homes, and both private and public housing.
- ◆ Inside and outside of the house.
- ◆ In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- ◆ Children at ages 1 and 2.
- ◆ Children or other family members who have been exposed to high levels of lead.
- ◆ Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- ◆ Windows and window sills.
- ◆ Doors and door frames.
- ◆ Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors.
- ◆ 250 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- ◆ 400 parts per million (ppm) and higher in play areas of bare soil.
- ◆ 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.



You can get your home tested for lead in several different ways:

- ◆ A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- ◆ A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- ◆ A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.

Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

- ◆ Visual inspection of paint condition and location.
- ◆ A portable x-ray fluorescence (XRF) machine.
- ◆ Lab tests of paint, dust, and soil samples.

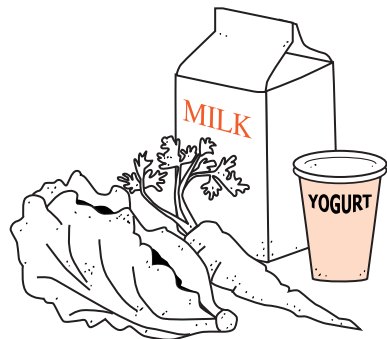
There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- ◆ If you rent, notify your landlord of peeling or chipping paint.
- ◆ Clean up paint chips immediately.
- ◆ Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- ◆ Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- ◆ Wash children's hands often, especially before they eat and before nap time and bed time.
- ◆ Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- ◆ Keep children from chewing window sills or other painted surfaces.
- ◆ Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- ◆ Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and dairy products. Children with good diets absorb less lead.



Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- ◆ You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called “interim controls”) are not permanent solutions and will need ongoing attention.
- ◆ To **permanently** remove lead hazards, you should hire a certified lead “abatement” contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors;
- ◆ 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills; and
- ◆ 400 $\mu\text{g}/\text{ft}^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

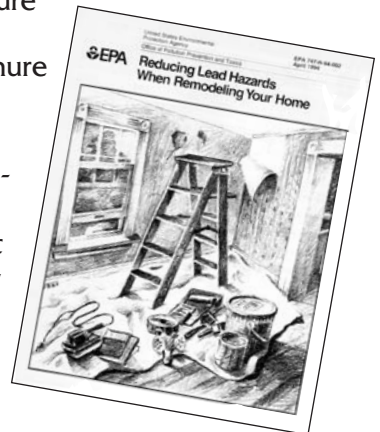
Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- ◆ **Have the area tested for lead-based paint.**
- ◆ **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- ◆ **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- ◆ **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



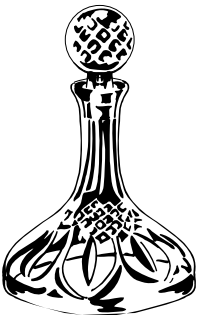
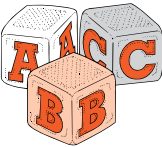
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.



Other Sources of Lead



While paint, dust, and soil are the most common sources of lead, other lead sources also exist.



- ◆ **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
 - Use only cold water for drinking and cooking.
 - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- ◆ **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- ◆ Old painted **toys** and **furniture**.
- ◆ Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain**.
- ◆ **Lead smelters** or other industries that release lead into the air.
- ◆ **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- ◆ **Folk remedies** that contain lead, such as “greta” and “azarcon” used to treat an upset stomach.

For More Information

The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/**.

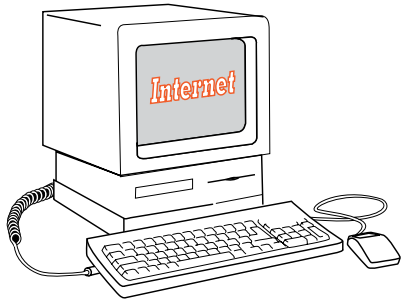


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's Web site at: **www.cpsc.gov**.



Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD**.

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center

Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center

Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center

Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development

Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

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U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

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