

City of Lemoore Redevelopment Agency

Multi-Family Rehabilitation Program

The Multi-Family Rehabilitation Program has been implemented in an effort to improve and preserve the community's supply of low-income housing, and hopefully serve as a catalyst for improvements to adjacent properties. The Program provides an opportunity for multi-family property owners with tenants at or below the low income level to make health and safety repairs, and accessibility and exterior improvements of up to \$10,000 per unit for a maximum loan of \$100,000.

How to Qualify:

- The applicant must own the property to be rehabilitated.
- The property must contain between two and ten units and be located in the City of Lemoore.
- Tenants must have a combined annual household income that does not exceed the low-income limit set by the State of California Housing and Community Development Department. Annual income is defined in 24 CFR, Part 5.
- The property owner(s) must contribute at least 10% of the assistance provided by the City towards the repairs.
- The property owner(s) must demonstrate credit worthiness by means of a recent credit report with a credit score of 650 or above.
- The property owner(s) must not have used the Multi-Family Rehabilitation Program for the property within the last fifteen years.

The 2010 low income limit, established by the California Department of Housing and Community Development, adjusted for family size, is listed in the table below.

1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
\$31,250	\$35,700	\$40,200	\$44,650	\$48,200	\$51,800	\$55,350	\$58,950

How It Works:

Applications will be accepted on a first-come, first-served basis. Upon receipt, the Housing Specialist will review the applications and verify owner and property eligibility. If owner and property appear to be eligible, the Housing Specialist will then physically inspect the units to determine eligibility of the repairs requested. Funds must first be used to finance repairs necessary to correct any impending safety or health hazards, threats of physical danger or deteriorating structural damage. Then funds can be used to finance accessibility improvements for the disabled, weatherization and energy efficiency updates, and exterior

improvements to enhance the appearance of the units from the street. However, each project must include at least some exterior improvements to the property, such as painting, roofing, etc.

Applicants who meet all program criteria will be sent a Letter of Approval to obtain three estimates for each repair along with a Contractor's List and the appropriate number of copies of the Notice to Contractors. The Notice to Contractors provides instructions on what repairs have been approved and the acceptable format for bid submittal. Contractors must have both a California State Contractor's License and a City of Lemoore Business License. In addition, any contractor that will disturb paint surfaces in homes built before 1978 must be EPA certified and follow lead-safe work practices. Bids must be detailed, including all aspects of the work to be performed and provide a breakdown of labor and material charges. Estimates for painting must include the type of paint, number of coats and if a primer will be used. Estimates for roofing must include a minimum 30-year warranty and all composition roofs must be dimensional. Estimates for concrete, must indicate the number of yards required. All estimates must include any items needed for the work to be completed according to code, including permits. Once the estimates have been received, the property owner will select which contractors they would like to complete the work. The selected estimates will be faxed to the Building Inspector to check for completeness. Once approved, a Program Agreement, Promissory Note, Deed of Trust and Notice of Affordability Restrictions will be executed and recorded against the property.

The Notice of Affordability Restrictions requires that the units remain affordable to and occupied by income-qualified applicants for 15 years. The loan also has a term of 15 years and will bear 0% interest. Payments on the loan will be deferred for the first five years. Rents will be restricted to the low rent limit during the term of the loan. The table below indicates the current low income rent rates. In addition, rents may not be increased until a tenant's current lease expires. A 30-day written notice is required for any rent increase of less than 10%. Rent increases of more than 10% require a 60-day written notice. Written notices of rent increase must be provided to the resident and the City Housing Specialist at 119 Fox Street, Lemoore, CA 93245.

The 2010 Low Income Rents (with deduction for average utility allowances) are as follows:

1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
\$ 608	\$ 681	\$ 752	\$ 806

Once the documents are recorded the property owner and contractors will be sent letters to begin work. When the work has been completed the Building Department must be contacted for an inspection. After the repairs have been approved by the Building Inspector, the property owner will sign an Authorization to Release Payment to the contractor. Then the check can be released to the contractor.