

ATTENTION RENTAL PROPERTY

We have funds available to cover up to **75% of your repair costs** on your rental housing units. These funds are available to for-profit owners and non-profit organizations at low 1% or 3% simple interest rate loans

We have arranged many rehab loans for housing improvements in Contra Costa County and, we are here to help you.

WHAT KIND OF PROPERTIES ARE ELIGIBLE?

Properties eligible for this program must be mainly residential single-family or multiple units. The property must be primarily occupied by lower income tenants. Vacant properties are also eligible.

ELIGIBLE PROPERTY LOCATION

This program operates throughout Contra Costa County, **excluding** the cities of Concord, Pittsburg, Richmond and Walnut Creek.

PURPOSE AND USE OF FUNDS

Loan funds may be used for work that includes plumbing, heating, roofing, flooring, painting, and general permanent improvements with Authority* approval with emphasis on housing rehabilitation work that is needed and will produce good quality housing and improve overall neighborhood appearance.

MATCHING FUNDS

The Rental Rehabilitation Loan program requires a minimum of 25% up to 50% "Matching Funds" from the property owner. The Authority* may loan 50% up to 75% of the total cost of a project.

* Housing Authority of the County of Contra Costa

Example:

If the total project cost is \$20,000.00, the Authority may loan from \$10,000.00 up to \$15,000.00. In the case of non-profits, the Authority will loan up to 75% of the total project cost.

PROCESSING TIME

Loans may usually take 6 to 8 weeks to process. However, each project varies in complexity and some may take more or less time to process.

FEES AND COSTS

Applicant is responsible for cost required to cover for Title Search, Appraisal, Credit Check, and Lead Inspection and Report. This fee varies relative to the number of units and age of property. This is due upon submittal of application or can be included with the loan. A non-refundable \$50 per unit application fee is required at submission of application.

Other related fees such as lead-based paint supervision and clearance testing may be financed out of loan proceeds.

LOAN MAXIMUMS

No. of Bedrooms	Maximum Loan Per Unit
0	\$17,000.00
1	\$20,000.00
2	\$22,500.00
3	\$25,000.00

LOAN MINIMUMS

Loans must be an aggregate minimum amount of **no less** than \$5,000.00 per unit.

LOAN TERMS

Loans are made up to 90% of after the rehabilitation value.

Payments on loans for this program are deferred for twenty (20) years. This means that you do not have to make any loan payments for a period of 20 years.

Loan interest rates are 1% or 3% simple interest. This means that the interest accrued throughout the term of the loan is based on the original amount borrowed.

Example:

If your match fund is 50% of \$20,000.00, you borrow \$10,000.00. The interest per year on that amount is \$100.00. At the end of twenty years you will have owed \$12,000.00*.

* 1% simple interest each year @ \$100 x 20yrs = \$2,000 + \$10,000 (principal) = \$12,000.00

NO EARLY PRE-PAYMENT PENALTY

Rent and Income Limitations shall remain in force for a **maximum of 20 years** from the effective date of the loan agreement **regardless** of early loan payoff, refinance, transfer or succession in ownership before the end of twenty years.

TENANT MAXIMUM MONTHLY

Although not a program requirement, we encourage Section 8 Program participation.

Income Limits by Household Size as of FY2010-11	
Household Size	Gross Monthly Income
1 Person	\$3,758.00
2	\$4,296.00
3	\$4,833.00
4	\$5,367.00
5	\$5,800.00
6	\$6,229.00

Tenant incomes will be verified during loan processing.

RENT LIMITATION AGREEMENT

Affordable rent and quality housing are the Authority's goals and the reasons for the low interest rate and deferred payments. Rents are limited to a schedule that can be reviewed when you call our office.

MAXIMUM RENT AND HOUSEHOLD INCOME EFFECTIVE April 27, 2009 – Rent ; March 19, 2009-Income

The Maximum Rent and Household Income limits may be adjusted from time to time by the Authority, following publication of the Oakland PMSA Median Income (AMI), by the U.S. Department of Housing and Urban Development.

Maximum Rent shall not exceed 30% of 70% of the then current Median Income and are based on the following occupancy levels: studio, one person; one bedroom, two persons; two bedrooms, three persons; three bedrooms, four persons; four or more bedrooms, five persons, No increase in rent shall be charged for more or fewer occupants.

The rents below reflect deductions for usual tenant paid gas and electric utilities and owner paid water and garbage. For dwelling units where water and garbage service are paid by tenants deduct **\$60 per month** from maximum Rents shown. Households receiving a Section 8 rent subsidy may be charged the allowable lease maximum.

AFFORDABLE RENTS FOR QUALIFYING HOUSEHOLDS

Unit Size	Maximum Monthly Rent
0 Bedroom	\$1,127.00
1	\$1,208.00
2	\$1,450.00
3	\$1,675.00
4	\$1,868.00
5	\$2,061.00

MAXIMUM ANNUAL INCOMES FOR QUALIFYING UNITS

Household Size	Annual (80% AMI)	Monthly
1 person	\$45,100.00	\$3,758.00
2	\$51,550.00	\$4,296.00
3	\$58,000.00	\$4,833.00
4	\$64,400.00	\$5,367.00
5	\$69,600.00	\$5,800.00

Maximum Household Income is the gross income received by all members of the Household.

WHAT WE DO . . .

- ❖ Visit the property with you and discuss the necessary repairs
- ❖ Analyze your tenant's eligibility
- ❖ Verify your credit, title, mortgage, and related loan application requirements
- ❖ Review your contractor's bid proposals and work specifications
- ❖ Prepare your loan documents and close the loan
- ❖ Reserve your loan funds in escrow
- ❖ Issue the Notice To Proceed for your housing rehabilitation contract
- ❖ Disburse loan funds to you or your contractor as the work progresses

CONSTRUCTION ITEMS THAT ARE COMPLETED 6 MONTHS PRIOR TO LOAN APPLICATION MAY QUALIFY.

WHAT YOU DO . . .

- ❖ Submit completed application and attachments
- ❖ Solicit bid proposals or negotiate cost with your contractor
- ❖ Sign loan agreements and contracts
- ❖ Schedule and direct your contractor's work
- ❖ Request construction pay-offs
- ❖ Complete rent-up

INTERESTED IN APPLYING FOR A RENTAL REHABILITATION LOAN?

For applications, program brochure, and related information, the Housing Authority of the County of Contra Costa office is open Monday thru Friday, 8:00 A.M. to 4:30 P.M.

Ted C. Ancheta, Housing Rehabilitation Officer is available to answer questions and accept loan applications for the Rental Rehabilitation Program.

CALL US TODAY!
(925) 957-8035

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(925) 957-8000 FAX (925) 372-0236
WEBSITE: www.contracostahousing.org

THIS PROGRAM DOES NOT DISCRIMINATE AGAINST OR SEGREGATE OF A PERSON OR OF A GROUP OF PERSONS ON ACCOUNT OF RACE, COLOR, RELIGION, CREED, AGE, DISABILITY, SEX, SEXUAL ORIENTATION, MARITAL STATUS, ANCESTRY OR NATIONAL ORIGIN.

WE STRONGLY SUPPORT EQUAL OPPORTUNITY IN RENTAL HOUSING, LENDING, AND CONTRACTING ARRANGEMENTS.



Revised: December, 2010



RENTAL REHABILITATION PROGRAM

Our goal is to expand the supply of quality rental housing in the County of Contra Costa.

We can accomplish our goal by helping our community provide quality housing that is affordable for lower-income tenants.