

**MADERA REDEVELOPMENT AGENCY
MULTI-FAMILY HOUSING REHABILITATION**

PRELIMINARY PROGRAM GUIDELINES

The Madera Redevelopment Agency (RDA) administers the Multi-Family Housing Rehabilitation Program to assist property owners with multi-family rental housing rehabilitation. Under this program, the Redevelopment Agency provides technical assistance to the owner through inspections, contracting and construction management.

Funding:

- Loan to Property Owner 50% of Project
 - RDA through the California Housing Finance Agency has funds available to loan to property owners for 10 years at 3% interest. These funds are available for up to 50% of the project budget. To be eligible to receive these funds, affordability covenants are required as explained below.
- RDA funds 25% of Project
 - RDA funds are available for 25% of the project budget. These funds are originally a loan that converts 100% to a grant after 10 years (10% per year). In order to qualify for grant conversion maintenance covenants will be instituted and verified annually (see "Maintenance Covenants" below).
- Property Owner 25% of Project

Affordability Covenants

After rehabilitation 75% of the units must be rented to Very Low to Low Income residents at affordable rates. The following table contains Incomes and rental rates suggested. Monthly rent is dependent on household income and number of people living in unit:

Number of Persons	1	2	3	4	5	6
<i>Very Low Income (30% to 50% of Median Income)</i>						
Family Income	\$ 19,550	\$ 22,300	\$ 25,100	\$ 27,900	\$ 30,150	\$ 32,350
Approximate Rents	\$ 488	\$ 557	\$ 627	\$ 697	\$ 753	\$ 808
<i>Lower Income (50% to 80% of Median Income)</i>						
Family Income	\$ 31,250	\$ 35,700	\$ 40,200	\$ 44,650	\$ 48,200	\$ 51,800
Approximate Rents	\$ 781	\$ 892	\$ 1,005	\$ 1,116	\$ 1,205	\$ 1,295

From www.hcd.ca.gov – State Limits for 2009

Maintenance Covenants

In order to convert RDA funds to grant status the following conditions must be met:

- No code violations.
- Cannot rent to gang bangers or drug dealers.

- Property managers must attend annual Agency/Housing sponsored management skills classes on various topics:
 - Mold detection and remediation
 - Tenant screening
 - Lock outs
- Agency may conduct inspections of complex and individual units.
- If exterior is not maintained Agency will maintain at owners expense.
- Annual reports required to be submitted to Agency must be received in a timely manner.

ANNUAL REPORTING REQUIRED

Annually the property owner or management will have to submit the following data to the Agency to be submitted to California Housing Finance Agency:

Unit #	Unit Size Bed/Bath	Family name	Family Size	Family Annual Income	Monthly Rent	Ethnicity (1 st year only)

ELIGIBLE PROJECTS

Projects may vary from minor to complete rehabilitation projects. Examples of eligible activities include:

- Window Replacement
- Plumbing
- Roofing
- Electrical
- Sheet Rock & Insulation
- Flooring
- Parking
- Exterior Repairs
- Walkways & Stairs
- Kitchen & Bath
- Cabinets
- New Appliances
- Landscaping
- Exterior Lighting
- Security Devices

PROCESS

Owners interesting in participating may expect the following process to take place:

1. Property Inspection – Owner will be required to sign agreement with Agency to allow for the inspection of the property by outside contractor, Lee Blackstone of World Inspection Network. It is the owner or owner’s representative’s responsibility to make access available to all units of the property in a timely manner. Estimated Completion time 2 weeks
2. Agency will obtain Title Report on property.
3. Three copies of the inspection report will be delivered to the Agency. Agency will distribute a copy of the report to the property owner or management as designated by owner in sign inspection request documents.

4. Owner will provide itemized list of desired improvements to be made to multi-family units with sufficient detail to allow for write up of anticipated scope of project.
5. Agency will review project list and accept and/or make recommendations, some of which maybe required per inspection report findings.
6. Once agreement between Owner and Agency regarding scope of work is established, Agency will direct a Project Manager to write up project and prepare estimated cost for scope of work.
7. Owner and Agency will contract for rehabilitation and loan agreements.

Madera Redevelopment Agency
Multi-Family Rehab Program
Timeline

Activity	Person Responsibility	Date Completed	Other/Recommendation
Preliminary Meeting			
Follow up Letter			
Take Application			
Agreement for Inspection -			
Agreement for Inspection - Signed			
Blackstone Contacted			
Blackstone Scheduled			
Title Report			
Inspection Completed			
Report to Owner			
Reply from Owner			
Order Appraisal			
Project Manager Contacted			
Project Manager project write up			
Meeting with Owner			
Contracting			

Inspection Agreement

I the undersigned agree to the inspection of all units on the address or addresses provided below to which I am the legal property owner. Inspections to be conducted by "World Inspection Network" will provide a detailed report on the conditions that exist at time of inspection. The report will be prepared with the age of the structure and the comparable condition of neighborhood structures taken into consideration.

PROPERTY ONE:

Property Address: _____ No. Units: _____

Contact: _____ Phone: _____

PROPERTY TWO:

Property Address: _____ No. Units: _____

Contact: _____ Phone: _____

PROPERTY THREE:

Property Address: _____ No. Units: _____

Contact: _____ Phone: _____

<hr/> <p>Signature of Owner _____ Date _____</p> <hr/> <p>Owner Name (printed) _____</p> <hr/> <p>Owner Address _____</p> <hr/> <p>Owner City, State _____ Zip _____</p> <hr/> <p>Phone No.: _____</p>	<p>If other than Owner report to be delivered to:</p> <hr/> <p>Name _____</p> <hr/> <p>Address _____</p> <hr/> <p>City, State _____ Zip _____</p> <hr/> <p>Phone No.: _____</p>
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THE SERVICES TO BE PERFORMED, THE AGREEMENT, AND THE REPORT TO BE PREPARED DO NOT CONSTITUTE A HOME WARRANTY, AN INSURANCE POLICY, OR A GRARANTEE OF ANY KIND; NOR WILL THEY SUBSTITUTE FOR ANY DISCLOSURE STATEMENT AS MAY BE REQUIRED BY LAW

MADERA REDEVELOPMENT AGENCY
MULTI-FAMILY REHABILITATION

You have expressed an interest in participating in the Madera Redevelopment Agency Multi-Family Rehabilitation Program. This disclosure will advise you of matters you need to be informed on before you complete an application.

Eligibility

Due to limited funds available Madera Redevelopment Agency will interview all candidates in order received approving projects that best meet the desired outcome and parameters of the program.

Loan Application

You will be applying to the Redevelopment for a loan. This loan will mortgage your property.

Loan Terms

HELP funds 50% of project: This loan will be a 10 year, 3% interest loan.
RDA funds 25% of project: This loan is 0% interest and requires no payments as long as certain maintenance covenants as agreed to are met. Loan will be forgiven 10% per year as covenants are met.

Loan Fees

Fees for property reports and property values will be paid by the Redevelopment Agency. No up-front, out of pocket expenses will be asked of you.

Relocation

If extensive work is required on your project you may be required to relocate tenants during the construction. Absorbing the cost of relocation will be your contribution to the project. Your first option may be to move tenants to vacant units

Inspections, Bids, Loan Processing, Loan Documents

The process of moving you from application to start of construction may take several months. After inspection you will be contacted regarding the scope of the project. From then on you or your designated party will work with the Redevelopment Agency and Self-Help Enterprises employees to move through the bidding process. Once the contractor is selected loan approval will be finalized and loan documents must be signed and recorded.

I have read and understand the above-listed participation requirements for the Madera Redevelopment Agency Multi-Family Housing Rehabilitation Program. I have been provided a copy for my records.

Property Owner

Date