



**GARDEN GROVE**

## Owner Occupied Rehabilitation Loan Program

(Set-Aside 2009/10)

### **Rehabilitation Loan Available**

The City of Garden Grove is pleased to offer a Rehabilitation Loan Program, funded with Redevelopment Housing Set-Aside funds, to qualified homeowners desiring to rehabilitate their Garden Grove home. This program is designed to assist qualified low to moderate-income families with the financial assistance necessary to rehabilitate existing owner occupied single-family homes in the City. This includes manufactured homes. The Program offers a 15-year deferred payment subordinate trust deed loan (no monthly payments required) not to exceed \$10,000. Simple interest of 3% annually is accrued for the life of the loan. **Loans are offered on a first-come, first-served basis to qualified residents submitting a complete Eligibility Application. Funds are limited.**

### **Eligible Home Repairs**

Building Code violations and structural deficiencies are considered a priority and will take priority over other requested repairs. All improvements must be physically attached to the property and be permanent in nature. Eligible exterior property repairs, such as roof, windows, doors, painting, garage door and termite treatment may be approved. Eligible interior repairs, such as plumbing, structural damage and furnaces may be approved. Improvements for accessibility including the installation of a wheelchair ramp, grab bars or door widening may be approved. Non-building code property improvements such as fencing, landscaping, driveway may also be considered

### **Income Eligibility**

To be considered for a Rehabilitation Loan, total gross household income must be at or below 120 percent of the County's median household income.

#### **2009 INCOME LIMITS FOR OWNER OCCUPIED REHABILITATION LOAN PROGRAM**

<b>% AMI</b>	<b>Income Standard</b>	<b>Household Size</b>					
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
120%	Moderate	\$72,300	\$82,650	\$92,950	\$103,300	\$111,550	\$119,850

\*The above limits are effective as of March 10, 2009.

Income eligibility is based on family size and total gross annual household income (this includes income from employment, Social Security, pensions, disability, annuities, stocks, bonds, child support, self-employment income, savings and checking accounts, etc.). *Income for all adults 18 years and older is counted.* Complete income documentation will be required for all applying households.

### **Other Requirements**

Loan applicant(s) must own and occupy the home to be rehabilitated. All household members must provide current, State or Federal picture ID for all adults 18 years and older, and Social Security cards for minors 17 and under.

### **Loan Process**

Review the **Certification of Program Eligibility** form. and determine if you may qualify. If you believe you qualify for the loan, sign and submit the Certification of Program Eligibility. For all applicants who can certify that they are income qualified for the program, an **Eligibility Application** will be mailed to you. After supplying a completed Eligibility Application, with complete supporting documentation, your application will be reviewed for loan qualification. *Applications will be considered incomplete if they are missing signatures and/or supporting documentation.* If the review of your Eligibility Application determines that you may be eligible for a loan, your name will put on a Rehabilitation Loan waiting list.

When your name reaches the top of the list you will be provided a **Qualifying Application**. The completed Qualifying Application will be provided to the City's Program Operator for underwriting. All underwriting fees (Credit reports, title search and recording) will become part of the loan. The Program Operator will evaluate your qualifications and provide the City with a

recommendation. You will be notified of the results of the City's review of your loan application, and if you are approved, a meeting will be set up at City Hall between you and City staff. At the meeting you will be informed of the details of the loan and your responsibilities relative to the rehabilitation work as well as repayment of the Program Loan. *In the event that loan funding runs out, all homeowners on the waiting list will be notified in writing.*

### **Rehabilitation Process**

After meeting with City staff, a City Building Inspector will contact you and schedule an appointment to discuss the repairs requested. **Note: The City Building Inspector will add any City code violations to the list of items to be repaired. Code violations must be corrected first and are an eligible loan expense.** All homes being rehabilitated will have bids submitted by three-City approved and licensed termite contractors

Based on the Building Inspector's inspection, and termite reports, the Building Inspector will submit a work write-up listing the repairs, related work specifications, and an estimated cost. Required building permits will also be listed on the work write-up.

After the City and termite inspections, you will receive a letter, and a copy of the work write-up listing the approved improvements and work specifications identified by the City Building Inspector. The City will notify contractors on the City-approved licensed contractors list that bids are being accepted for your rehabilitation project. You will be asked to schedule at least two half-day open houses for contractors to evaluate your rehabilitation work request.

All contractors must be licensed and obtain a Garden Grove business license. They must also meet the City's insurance requirements. Contractors must follow all State and Federal Labor standards, including the payment of prevailing wage.

The City Building Inspector will review a minimum of three bids and select the lowest responsible bidder to complete the rehabilitation work.

City staff will request loan approval from City's Community Development Director, or his or her designee. Following loan approval, the Program Operator will prepare and obtain the homeowner's execution of a Deed of Trust, Promissory Note, Request for Notice of Default, and Rehabilitation Loan Agreement.

After the loan documents have been signed, you will be sent a Notice to Proceed, which allows the homeowner to go into contract with the contractor and set a date for the rehabilitation project.

Periodically during the rehabilitation and upon completion of rehabilitation, a City Building Inspector will inspect the home to verify compliance of the rehabilitation project with the approved work write-up and Construction Contract. Notices of any deficiencies or needed corrections are given to Homeowner and the selected Contractor.

Upon satisfactory completion of separable portions of the rehabilitation in accordance with the Construction Contract and work write-up, the City will make progress payment to Contractor. Final payment is made 35 days after Notice of Completion is recorded against the home.

### **How to Start the Process**

To start the process, request a copy of the **Certification of Program Eligibility** from the Neighborhood Improvement Division. Review and complete the document and determine if you may qualify. If you believe you qualify, sign and return the Certification of Program Eligibility. For all applicants who certify that they are income qualified for the program, an **Eligibility Application** will be mailed to you.

### **To request a Certification of Program Eligibility contact Tom Ferch at:**

City of Garden Grove  
Neighborhood Improvement Division  
Attn: Tom Ferch  
11222 Acacia Parkway  
Garden Grove, CA 92840

**For more information, please contact Tom Ferch at (714) 741-5330 or [tomfe@ci.garden-grove.ca.us](mailto:tomfe@ci.garden-grove.ca.us).**