



**COMMUNITY DEVELOPMENT
DEPARTMENT**

303 West Commonwealth Avenue, Fullerton, CA 92832-1775 Website:
www.cityoffullerton.com
Telephone • (714) 738-6540
Facsimile • (714) 738-3110

OWNER/INVESTOR PREAPPLICATION

Dear Owner/Investor:

Thank you for inquiring about the City's Housing Rehabilitation Program. The following brief description of the loan program offered by the City is provided for your information and reference:

Below Market Interest Rate Loans are offered at six percent or below to qualified property owners. Through an agreement between the City and Fullerton Community Bank, the City provides interest subsidy payments to the bank, thereby lowering the interest rate to the borrower. The borrower may finance a loan of up to \$35,000 for one to four units. \$7,500 per unit up to a maximum of \$75,000 is available for five or more units. The maximum term of the loan is 15 years. A Deed of Trust is recorded against the property to secure the loan. Although the City assists the borrower in qualifying for the loan, the City does not have the prerogative to assist any borrower having difficulty in making his or her payments.

Owner/Investor Loans are designed to assist the absentee landlord in upgrading and maintaining rental units within the City. There are no income restrictions for owner/investors; however, the following eligibility requirements apply: 1) 51% of the tenants in the units to be rehabilitated must have gross incomes not exceeding 80% of the County median income, 2) the owner must be willing to rent his units at the Fair Market Rent established by the Department of Housing and Urban Development for a period of 15 years, and 3) provided that funding is available, the owner must allow eligible tenants to receive rental assistance through the Section 8 Program administered by the Orange County Housing Authority.

INCOME GUIDELINES

<u>Number of Persons in Household</u>	<u>80% of County Median Income</u>
1	\$52,100
2	\$59,500
3	\$66,950
4	\$74,400
5	\$80,350
6	\$86,300
7	\$92,250
8	\$98,200

If you are interested in participating in the program, please complete the attached preapplication and return it, along with the applicable documents listed on page 3, to our office. The Housing Rehabilitation staff will then determine your eligibility for the program and contact you to schedule a counseling appointment.

Thank you again for your interest in the City's Housing Rehabilitation Program. If you have any questions, please contact me at (714) 738-6874.

Sincerely,

Sylvia M. Chavez
Housing Programs Assistant

OWNER/INVESTOR PROGRAM INFORMATION

1. After the rehabilitation of the units, the initial rent, including the estimated average monthly utility costs, cannot exceed the greater of (a) the current rent/average utility costs, or (b) 30 percent of the average monthly gross household income.
2. Existing tenants cannot be permanently displaced as a result of the rehabilitation. If a situation arises in which permanent displacement is necessary, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, will become effective. In the event the tenants should be required to temporarily relocate from the units due to construction, the owner/investor will be responsible for the costs and related expenses associated with temporarily housing the tenants.
3. The owner/investor must be willing to rent all of his rehabilitated units at or below the maximum rent allowed by the Orange County Housing Authority (OCHA) Section 8 Rental Assistance Program for a period of 15 years. (See chart below.)
4. Fifty-one percent (51%) of the tenants in the units to be rehabilitated must have gross incomes not exceeding 80% of the County median income. Provided that funding is available, the owner must allow eligible tenants to receive rental assistance through the Section 8 Program administered by OCHA.
5. If vacancies occur in the Section 8 assisted units, OCHA will refer tenants to the owner/investor. If OCHA cannot provide a renter within 30 days of the vacancy, the owner may rent the unit to a non-Section 8 participant upon approval of the City's Housing Rehabilitation Program office. The unit shall be rented at or below the maximum allowed by OCHA, and the requirement to participate in the program shall commence with the next tenant.

SECTION 8 PROGRAM
MAXIMUM RENTS
Effective 05/01/08

<u>Number of Bedrooms</u>	<u>Maximum Rents Allowed When Owner Pays All Utilities</u>
0	\$1,185
1	\$1,330
2	\$1,595
3	\$2,282
4	\$2,622

The preceding rents are the maximum allowed under the Section 8 Program. Although certain units may qualify for the maximum rent amount, the rent charged for comparable units in adjacent area is taken into consideration. Final rent determination is based upon the condition, age, and location of the units.

I (we) have read and understand the Owner/Investor Program information and agree to its stipulations.*

Owner

Date

Owner

Date

*Please return a signed copy of this form along with the Owner/investor preapplication form.

CITY OF FULLERTON
HOUSING REHABILITATION PROGRAM
Eligibility Documentation

The following documents are required in order to determine your loan eligibility. Please attach copies of applicable documents to your preapplication.

PROOF OF OWNERSHIP	Copy of the Grant Deed to the Property
SOCIAL SECURITY	Copy of Social Security Card
INCOME VERIFICATION OF TITLE HOLDERS	<u>Verification Required</u>
Employment	Most recent W-2, and state and federal tax returns Four recent consecutive pay check stubs
Aid to Families with Dependent Children	Verification statement from Social Services Agency
Social Security Benefits SSA/SSI	Copy of check <u>or</u> verification statement from Social Security Administration or Bank Statement
Veteran Benefits	Copy of check <u>or</u> verification statement from Veterans Administration
Child Support/Alimony	Copy of final divorce papers
Retirement/Pension	Copy of check <u>or</u> verification statement from Pension Fund
Unemployment Benefits	Copy of check <u>or</u> verification statement from California State Department of Employment
Disability Benefits	Copy of check <u>or</u> statement of verification from payer
Self-employed	Copies of year-to-date profit/loss statement and previous two years state and federal tax returns. If incorporated, previous two years Corporation Tax Returns and current Financial Statement
Rental Income	Copy of operating statement showing rents received, expenditures and net income; and copy of previous two years', state and federal tax returns including "Schedule of Real Estate Owned"
School Scholarship/Grant	Statement of grant award, school related expenditure and net income
TENANT INCOME VERIFICATION	Owner/Investor Preapplication Supplement (Page 6)
OWNER/INVESTOR PROGRAM INFORMATION FORM (SIGNED COPY)	Owner/Investor Preapplication (Page 2)

ELIGIBLE HOUSING REHABILITATION IMPROVEMENTS

BUILDING CODE & STRUCTURAL DEFICIENCIES

- Roofing
- Plumbing
- Electrical
- Foundation
- Interior Flooring
- Interior Walls
- Ceilings
- Heating
- Health and Sanitation
- Parking Areas
- Fumigation

OVERCROWDED CONDITIONS

- Bathroom Additions
- Bedroom Additions
- Kitchen Additions
- Storage Areas
- (New family rooms and dens not allowed under program)

HOUSEHOLD IMPROVEMENTS

- (Bathroom) -Deteriorated Toilets
- Deteriorated Bathtubs
- Deteriorated Showers
- Deteriorated Lavatories
- Deteriorated Underlayment/Floor Coverings
- Deteriorated Heaters
- Deteriorated Bathroom Fans
- (Kitchen) -Deteriorated Cabinets
- Deteriorated Sinks
- Deteriorated Faucets
- Deteriorated Formica Tops
- Deteriorated Underlayment/Floor Coverings
- Deteriorated Garbage Disposals
- Deteriorated Exhaust Fans

COSMETIC IMPROVEMENTS

- (Exterior) -Painting
- Fences
- (Interior) -Painting
- Doors/Deadbolt Locks
- Windows
- Smoke Detectors

IMPROVEMENTS FOR THE ELDERLY/HANDICAPPED

- Ramps
- Handrails
- Modified Plumbing

CITY OF FULLERTON
HOUSING REHABILITATION LOAN

Summary of Procedures

<u>STEP</u>	<u>ACTIVITY</u>
1	Initial Meeting - Program Explanation Receive Preapplication Forms
2	Return Completed Preapplication and Verification Receive Bank Application
3	Return Bank Application Schedule Home Inspection
4	Application Submitted to Bank for Approval Review of Authorization Repair Report with Homeowner and Staff
5	Review and Preapproval by Loan Committee of Project Bidding of Project by General Contractors
6	Final Approval and Awarding of Bids by Loan Committee Pre-Contract Meeting with Homeowner, Contractor and Staff
7	Loan Documents Signed Three Day Rescission Period Establish Project Bank Account
8	Inspection of Work in Progress Progress Payments to Contractor
9	Final Inspection Notice of Completion Filed and Recorded
10	Final Payment to Contractor

NOTICE
FEDERAL LEAD-BASED PAINT REQUIREMENTS

Both the State of California and the federal government have adopted regulations designed to reduce or eliminate the risk of lead-based paint hazards in homes. Some homes built before 1978 may contain lead-based paint that may be harmful to anyone living or working within the home, especially pregnant women and children. Such hazards may occur as a result of exposure to contaminated lead paint dust and paint chips. It is important that you understand these requirements when applying for a home improvement loan or grant from the City of Fullerton.

Federal regulations (24 CFR Part 35) require any home built prior to 1978 that receives federal assistance for rehabilitation be assessed for the presence of lead-based paint hazards. To comply with this requirement, the City will fund the cost of the assessment by a licensed and certified contractor, after a completed application for the Housing Rehabilitation Program has been filed but before the loan and/or grant is approved. The results of the assessment will become public record and be filed with the State Department of Health Services. You will be personally obligated to disclose the results of the testing to any potential buyers and/or the subsequent occupants of the property.

As a participant in the City of Fullerton’s Housing Rehabilitation Program, I understand that I will be required to allow any lead hazards found on the property to be stabilized using a portion of the proceeds from the loan and/or grant that the City is extending to me. I also understand that some methods used to control the hazards may not be permanent in nature and may need to be readdressed in future years.

By signing this Notice, I hereby certify that:

- 1. I have received a copy of this Notice.
- 2. I have read and understand the lead hazard requirements contained in this Notice.
- 3. I accept these requirements and the related personal disclosure obligations as a condition of my application for the City of Fullerton’s Housing Rehabilitation Program.

If you would like to discuss the hazards of lead-based paint and the potential impact of the state and federal requirements on your property *before* you submit your application for the Housing Rehabilitation Program, please call the City’s Housing Office at (714) 738-6874.

Property Address

City State Zip

Applicant Signature Date

Applicant Signature Date

**CITY OF FULLERTON HOUSING REHABILITATION PROGRAM
OWNER/INVESTOR LOAN PREAPPLICATION**

The following information is needed to determine your eligibility for the City of Fullerton's Housing Rehabilitation Loan Program. All information in this form is confidential. Applications will be processed on a first-come, first-served basis. Please supply all information requested in order to ensure prompt processing. If you need assistance in completing the form, contact the City of Fullerton, Housing Rehabilitation Division at 738-6874.

(Please type or print in ink).

APPLICANT'S NAME: _____ SOCIAL SECURITY #: _____

RESIDENCE ADDRESS: _____

NAME(S) OF TITLE HOLDER(S): _____

NUMBER OF UNITS TO BE REHABILITATED: _____ TELEPHONE NUMBER HOME: (____) _____ BUSINESS: (____) _____

INCOME: (List the income of each title holder.)

Title Holder's Name	Employer or Income Source	Address	Telephone Number	Annual Income Last Year	Current Gross Income Per Mo./Wk.

ASSETS: (Describe all real and personal property.)

Title Holder's Name	Description	Amount or Value

Please provide a brief explanation of the home improvement work desired:

I hereby declare that the foregoing information is true and correct to the best of my knowledge. I authorize the City of Fullerton to verify the information to determine my eligibility and to conduct an inspection of my property. I understand that the City is authorized to require correction of fire, life, and safety hazards.

Applicant

Date

Applicant

Date

Mail completed preapplication with copies of required documents to: City of Fullerton, Housing Rehabilitation Division, 303 West Commonwealth Avenue, Fullerton, CA 92832.

*Note: Application cannot be processed without the submittal of applicable documents listed on page 3.

FOR OFFICE USE ONLY:

For eligibility determination, see attached supplement.

STATISTICAL INFORMATION

Food Zone: _____

Census tract: _____

Age of Property: _____

Number of units: _____

Emergency repair amount: _____

Temporary relocation amount: _____

This certifies that the applicant is eligible under the City of Fullerton Housing Rehabilitation Program guidelines.

Housing Programs Assistant

Date

CITY OF FULLERTON
HOUSING REHABILITATION PROGRAM
OWNER/INVESTOR PREAPPLICATION SUPPLEMENT

Applicant's Name: _____

Property Address: _____

Tenant's Name: _____ Disabled Elderly

Address: _____ Apt. #: _____ Zip: _____

Phone No.: _____ Race: _____ Ethnic Origin: _____
To be used with Ethnic Chart (attached)

Section 8: Yes No Number in household: _____

Tenant's Name: _____ Disabled Elderly

Address: _____ Apt. #: _____ Zip: _____

Phone No.: _____ Race: _____ Ethnic Origin: _____
To be used with Ethnic Chart (attached)

Section 8: Yes No Number in household: _____

Tenant's Name: _____ Disabled Elderly

Address: _____ Apt. #: _____ Zip: _____

Phone No.: _____ Race: _____ Ethnic Origin: _____
To be used with Ethnic Chart (attached)

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Phone No.: _____ Race: _____ Ethnic Origin: _____
To be used with Ethnic Chart (attached)

Section 8: Yes No Number in household: _____

ETHNIC ORIGIN CHART

<u>Race</u>	<u>Ethnicity</u>
A = White	Hispanic/Latino:
B = Black/African American	1 = Mexican/Chicano
C = Asian	2 = Puerto Rican
D = American Indian/Alaskan Native	3 = Cuban
E = Native Hawaiian/Other Pacific Islander	4 = Other Hispanic/Latino
F = American Indian/Alaskan Native & White	
G = Asian & White	
H = Black/African American & White	
I = American Indian/Alaskan Native & Black/African American	
J = Other	