

POLICY

Subject: **REDEVELOPMENT AREA REHABILITATION**

Number: **PO600.204**

Effective Date: **11/14/94**

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1. PURPOSE

- 1.1 To state Commission policy and parameters concerning rehabilitation of owner-occupied properties utilizing Redevelopment Housing Set-Aside funds in Redevelopment Areas. Programs currently exist in the Mt. Hope, Southcrest and Central Imperial Redevelopment Areas, and Dells Imperial Study Area.

2. POLICY

- 2.1 The Program shall be administered in accordance with an Agreement between the Redevelopment Agency of the City of San Diego and the San Diego Housing Commission, for the Mt. Hope, Southcrest and Central Imperial Redevelopment Areas, as well as the Dells Imperial Study Area, including the Southeastern Economic Development Corporation as a signatory, establishing and governing a Housing Rehabilitation Program.
- 2.2 Eligible applicants shall own and occupy 1-2 unit residential properties within the designated Rehabilitation Area and have incomes that do not exceed 120% of the MAI (Median Area Income), as published annually by the U. S. Department of Housing and Urban Development.
- 2.3 For eligible owner-occupants of 1-2 unit residences, the following loans and grants will be available:
- A. Three percent simple interest loans fully deferred and due in full upon sale, transfer of ownership, or 15 years from the date of the loan. These deferred loans are available to homeowners with incomes under 80% of the MAI. Borrower may have option of a no interest (0%) loan amortized for fifteen (15) years requiring principal-only payments if able to qualify using current underwriting guidelines.
 - B. Home Repair Grants up to \$5,000 may be provided for repair of health, safety and emergency hazards for owner-occupants with incomes not exceeding 80% of the MAI. Twenty (20) percent of the grant will be forgiven each year for five (5) years if the property remains owner-occupied.
 - C. Exterior Enhancement Grants up to \$5,000 for eligible exterior improvements to owner-occupants with incomes not exceeding 100% of the MAI. Twenty (20) percent of the grant will be forgiven each year for five (5) years if the property remains owner-occupied and the exterior improvements are maintained.
- 2.4 Rehabilitation loans and grants will not be originated unless all health, safety and code violations can be corrected. All residential units must at minimum meet Section 8 Housing Quality Standards upon completion.
- 2.5 Rehabilitation loans shall not exceed \$35,000 per applicant except as reviewed and approved by the Board of Directors of the Southeastern Economic Development Corporation.

[Issued: 7/20/87, Rev: 11/14/94, 10/16/01]

Authorized:

Carrol Vaughan
Chief Operating Officer

Date

**Signature on File
With Original Document**