



POLICY

EFFECTIVE DATE: July 29, 2016

NO: PO-RED-318.01

SUBJECT: **Housing Rehabilitation Program Policy**

Page 1 of 5

1. PURPOSE

To state San Diego Housing Commission (“Housing Commission”) policy concerning the Housing Rehabilitation Program.

2. DEFINITIONS

2.1 Policy - A policy is defined as a general principal by which the Housing Commission is guided in its management of affairs, which has been established by the Housing Authority of the City of San Diego (“Housing Authority”) per SDMC Section 98.0301, or which has been delegated to the Housing Commission by action of the Housing Authority. It can be a plan or course of action intended to influence and determine decisions, actions, and other matters. A policy is not normally used to denote the manner in which the policy is achieved. The manner or method of achieving compliance with the policy would be the subject of an Administrative Regulation. Policies are reviewed and approved by the Board of Commissioners of the Housing Commission and/or Housing Authority (when required) prior to implementation. Administrative Regulations are promulgated by the President & Chief Executive Officer (“CEO”), or designee, administratively. In addition, Guidelines are also promulgated by the CEO, or designee, administratively, and deal with method of achieving goals of the Commission, which are not the subject of Housing Commission policy.

2.2 Area Median Income (“AMI”) - Median income levels determined and published annually by the U.S. Department of Housing and Urban Development for metropolitan statistical areas.

2.3 Low Income - Income between 50 percent and 80 percent of the AMI, as adjusted by household size.

2.4 Very Low Income - Income up to 50 percent of the AMI, as adjusted by household size.

2.5 Moderate Income – Income over 80 percent of the AMI, as adjusted by household size.

3. POLICY

POLICY

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NO: PO-RED-318.01

SUBJECT: **Housing Rehabilitation Program Policy**

Page 2 of 5

- 3.1 Housing Rehabilitation's primary objective is the improvement of substandard conditions in housing which provides a safe, decent and sanitary living environment principally for persons of low and moderate income.
- 3.2 The Housing Commission shall operate Housing Rehabilitation Programs in accordance with all applicable Federal, State or local laws and regulations.
- 3.3 The Program shall be administered in accordance with regulations governing the source(s) of funds utilized.
- 3.4 Properties with structures built prior to 1979 shall be subject to City of San Diego Lead Hazard and Prevention Control Ordinance O-17454. Federally funded projects built before 1978 shall be subject to Title X of the Housing and Community Development Act of 1992 and related regulations and guidelines.
- 3.5 The Housing Commission recognizes the need for a Housing Rehabilitation Program to help meet the local need for safe, decent, and sanitary housing units affordable to low and moderate income families. The Housing Commission further recognizes the need for technical assistance and favorable financing for rehabilitation activities.
- 3.6 To the maximum extent possible, the Housing Commission cooperates with the City's Code Enforcement Program, and recognizes that the Code Enforcement Program and the Housing Rehabilitation Program represent a coordinated effort in the successful community revitalization of neighborhoods. Eligible applicants referred to the Housing Commission by Code Enforcement will receive priority assistance.
- 3.7 The Housing Rehabilitation Program shall utilize available program funding in a cost effective manner.
- 3.8 For purposes of the Housing Rehabilitation Program, the Housing Commission recognizes the income levels defined in the respective grant conditions. The income of eligible applicants shall not exceed the maximum AMI established for the specific program(s) being applied for.
- 3.9 Applications shall be accepted on a city-wide basis. Applicants of targeted rehabilitation programs must reside within the boundaries of the operating areas.
- 3.10 Rehabilitation loans will follow existing processing procedures currently in place for the Housing Commission's Rehabilitation Program.

POLICY

EFFECTIVE DATE: July 29, 2016

NO: PO-RED-318.01

SUBJECT: **Housing Rehabilitation Program Policy**

Page 3 of 5

- 3.11 Housing rehabilitation loans will be underwritten in accordance with the existing Housing Commission underwriting standards, as they may be amended from time to time.
- 3.12 Loan terms are established for each funding source. Qualification for the terms of a specific loan shall be based upon the applicant's ability to meet the underwriting criteria.
- 3.13 For the purpose of program eligibility determination, the income of an applicant shall include all verifiable income of adults (18 years of age and older) in the household.
- 3.14 Rehabilitation loans will not be originated unless all health, safety and code violations can be corrected. All residential units must at minimum meet Uniform Physical Conditions Standards (UPCS).
- 3.15 The Housing Commission shall take all actions necessary to assure that eligible tenants are given the opportunity to receive applicable State and/or Federal temporary relocation benefits in accordance with the Housing Commission Acquisitions and Tenant Relocation Procedure Manual.
- 3.16 Administrative regulations shall be developed and maintained, and shall be made available to staff to provide direction concerning policy implementation. These Administrative regulations shall be amended from time to time as necessary.
- 3.17 The Housing Rehabilitation Program shall discourage the funding of a second rehabilitation loan on a property to the same eligible applicant. However, each request for a subsequent loan will be reviewed on an individual basis. Special consideration may be given in the event of natural disasters, failure of a major system or the presence of other health and safety hazards. In all instances staff will inspect the property to insure the owner has made a good faith effort to maintain the property since the funding of the original rehabilitation loan. A request for additional rehabilitation assistance from an eligible applicant may be funded with a grant as long as the applicant is eligible and the repairs are justified.
- 3.18 The rules for eligibility and terms and conditions for rehabilitation of owner-occupied 1-4 unit properties, including mobile homes, are set forth within the applicable funding sources requirements imposed by the terms of the various grants. The Housing Commission shall follow those requirements, as they may be amended from time to time. The Housing Commission shall follow applicable local, state and federal law in operating the various owner-occupied rehabilitation programs administered by the Housing Commission. The terms and conditions for each program are available from the Housing

POLICY

EFFECTIVE DATE: July 29, 2016

NO: PO-RED-318.01

SUBJECT: **Housing Rehabilitation Program Policy**

Page 4 of 5

Commission upon request and are contained within the applicable Administrative Regulations.

- 3.19 To the extent that any former Redevelopment Agency funds exist pursuant to a Redevelopment Area Rehabilitation Program, the Housing Commission shall follow the requirements of that Program, as those requirements are referenced within fact sheets on file in the office of the Housing Commission, and in accordance with former Redevelopment Law, to the extent still applicable and as further defined within the applicable Administrative Regulations.
- 3.20 The rules for eligibility and terms and conditions for the rental property rehabilitation shall be in strict compliance with all applicable federal, state or local laws.
- a. For eligible rental property owners the following revocable grants will be available for the following types of programs as long as funds exist:
1. Lead-Based Paint Hazard Control Grant to eliminate lead paint hazards in properties constructed prior to 1979 with the goal of preventing childhood lead poisoning. Priority will be given to properties occupied or frequently visited by children less than six years of age. At the time of the promulgation of this policy, grants up to \$5,000 per unit, plus \$5,000 for common areas is available for multi-family properties; or up to \$10,000 for a single family residence to cover costs of material and labor to remove lead hazards. Costs for lead testing, clearance inspection, operations and maintenance plans and any temporary relocation if necessary is covered separately by the grant. Terms and conditions of a grant may change from time to time as determined necessary to comply with the applicable grant requirements.
 2. Healthy Homes Grant to address other household hazards, such as pest management, air quality, debris removal, asthma/allergy triggers and fall hazards. Terms and conditions of a grant may change from time to time as determined necessary to comply with the applicable grant requirements.
 3. All of the requirements rental property rehabilitation are on file in the offices of the Housing Commission, in the Administrative Regulations concerning rental Property program, as those may be amended from time to time.

POLICY

EFFECTIVE DATE: July 29, 2016

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Page 5 of 5

Approved:



Jeff Davis
Executive Vice President & Chief of Staff

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Date

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7/20/1987
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