STATE OF CALIFORNIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
OWNER OCCUPIED REHABILITATION PROGRAM HANDOUT

PROGRAM PURPOSE: The purpose of this City of Eureka Community Development Block Grant Owner Occupied Rehabilitation loan program is to assist low to moderate income single family homeowners, located within the City limits of Eureka, an opportunity to finance health and safety repairs, energy efficient upgrades, and handicapped accessible repairs to their home. Funds may be used to finance real property improvements that substantially protect or improve the basic livability or utility of the property. Repairs may consist of up to 15% for general property improvements, once all health and safety repairs are completed. All work is subject to Local Building Code requirements and must be constructed to meet these standards by program eligible State Licensed Contractors. Exterior and Interior paint are also encouraged to improve the property’s appearance and may be required to reduce Lead Based Paint Hazards. Additional grant funding may be available for required Lead Based Paint Mitigation requirements. As funds are limited, a waiting list may be established, as necessary.

LOAN TERMS:

The City of Eureka has received $300,000 in funding from the State of California Housing and Community Development Block Grant Program for City of Eureka Owner Occupied Rehabilitation loans with the intention of removing health and safety impairments and improving the appearance and livability of the City’s housing stock and improving living conditions for those households with low income to moderate income households (80% of Humboldt County Area Median) who are unable to finance health and safety repairs to their homes on their own. These loans have the following requirements and features:

- Borrower’s Income limits per household cannot exceed low income (80% of Humboldt County area median as indicated by the chart which follows).
- Property must be a single family residence (one unit) located within the city limits of Eureka and meet Program Property Eligibility Criteria.
- $40,000 standard loan limit, with increased loan limits for authorized exceptions for special circumstances up to $100,000 with City Council Approval.
- 3% interest rate.
- Deferred payment loans to those who are 50% or less of median income. Amortized Payments May be required if Housing Expense to Income Ratio is less than 30%.
- All loans are secured by a Deed of Trust, Loan Agreement, and Promissory Note.
- Terms are 30 years and due on sale. Principal and interest is due in 30 years, unless the borrower can show an inability to refinance or pay in full, then the applicant may apply for an extension of the loan without additional interest, or may make partial payments based on affordability.
- Must be occupied as primary residence for the term of the loan, or repayment is required. Occupancy is monitored annually.
Mobile Homes in parks are not eligible, but manufactured homes on permanent foundations, if owner is on title, are allowed.

Property must have a debt to property value ratio of 95% or less, using the after rehabilitation property value.

After rehabilitation value of property cannot exceed limits as established by State of California Subsidy Limits per Unit.

Insurance must be maintained during the life of the loan in an amount adequate to cover all encumbrances on the property or at minimum, the maximum replacement value of the residence.

Property taxes must be paid current throughout loan term.

Property must be maintained over the life of the loan.

City may allow loan assumption, if an heir to the property meets program eligibility and income requirements and intends to occupy the home as their principal residence.

Work must be performed by State of California licensed contractors.

**APPLICANT ELIGIBILITY:** Owner occupants of single family homes located within the City limits of Eureka must:

- Meet CDBG Program underwriting guidelines for credit.
- Are defined as low to moderate income as per the chart below (households with income less than or equal to 80% of Humboldt County area median income adjusted for household size). If your income exceeds these limits, please call our office as other loan programs may be available for emergency repairs for those applicants with Households do not exceed 120% of Humboldt County Median Income.

<table>
<thead>
<tr>
<th>NUMBER OF PERSONS IN FAMILY</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max. Lower Income-80%</td>
<td>33,550</td>
<td>38,350</td>
<td>43,150</td>
<td>47,900</td>
<td>51,750</td>
<td>55,600</td>
<td>59,400</td>
<td>63,250</td>
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**NOTE:** This program handout is not inclusive of all loan terms and conditions of the City’s loan programs. Other requirements may apply and will be described in the loan application packet and forms, legal documents, and the Housing Rehabilitation Program Guidelines. You may request these documents at any time.

City offices are wheelchair accessible. Accommodations and access to City information for those with other special needs must be requested of staff in advance. Translations are available upon request.

For more information or to request a Pre-Screen Waiting List Application, please contact Kristen Raymond, the Housing Technician, @ 707-441-4209 or visit us on the 2nd floor of City Hall in the Development Services Housing Division between 8am-noon and 1-5pm.