

HOME Multi-Family Residential Rehabilitation Loan Program

Administered by:

The Long Beach Community Investment Company /
City of Long Beach
Department of Development Services
Housing and Neighborhood Services Bureau
Housing Division
411 West Ocean Blvd., 3rd Floor
Long Beach, CA 90802
www.lbcic.org



This program is funded with HOME Investment Partnership Program funds from the U.S. Department of Housing and Urban Development (HUD), and administered by The Long Beach Community Investment Company / City of Long Beach.

The information contained in this booklet is available in an alternative format by request at (562) 570.3807. An electronic version can be found online at www.lbcic.org

INTRODUCTION

Every community has a need for adequate, affordable housing, especially for its low-income residents. The City of Long Beach (“City”) is no exception. The City’s stock of low-income multi-family rental units is aging, and there is little new construction on the horizon, despite the number of low-income residents in the City.

Rehabilitation of existing multi-family housing units is a practice approach to meeting these residents’ housing needs. To assist owners of these units in financing rehabilitation, the City through its non-profit housing agency, The Long Beach Community Investment Company (CITY/LBCIC), offers rehabilitation construction loans at extremely low rates in connection with its partnership with the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnership Program (HOME Program).

The HOME Program

The HOME program, established under the National Affordable Housing Act of 1990, represents a historic affirmation of the federal government’s commitment to providing decent, safe and affordable housing for all Americans and to alleviating the problems of severe rent burdens and deteriorating housing nationwide.

At least 90% of the funds dispersed under this program must be used to rehabilitate units occupied by families earning no more than 60% of the area median income, with the remaining families earning no more than 80% of the median income. The rents in assisted units must be affordable to low-income families and remain affordable to them for a reasonable period of time. The City’s experience has been that, in low-income areas, almost all families earn less than the maximum incomes allowable under HUD guidelines. Please see Table A for Income Limits and Table B for applicable rents.

Terms of the Loan

Loan to owners of rental units of 5 or more on a lot is available at 0% interest for 20 years thereafter, on properties located anywhere within the City. The minimum loan amount is \$1,000 per unit. The maximum loan amount is subject to HUD’s per-unit subsidy limits which can be provided by program staff.

Everyone Benefits

Everyone benefits from these programs: owners protect the value of their properties, low-income families have the improved housing they desperately need, and the City/CITY/LBCIC invests in upgrading the quality of housing and its neighborhoods.

THE MULTI-FAMILY RESIDENTIAL REHABILITATION LOAN PROGRAM

The rehabilitation loan program enables property owners to make improvements easily and at low cost.

How Does the Program Work?

You apply for a loan using the application form included with this booklet. (The staff of the Housing Division can help you complete the paperwork.) Upon receipt of the application, staff will order a title report and an inspection of the property. The inspection is done by a representative of the City and the owner, who both must agree on the scope of work. You are given a work write-up, prepared by the CITY/LBCIC that details the work to be done on each unit. The work write-up is the basis on which you solicit bids from contractors. Rehabilitation must correct all code-related conditions. The contractor that you choose to rehabilitate your property will be required to comply with Department of Housing and Urban Development (HUD) HOME Program, City, and State of California (STATE) requirements, including payment of prevailing wages, if applicable. Payment of prevailing wages and the related monitoring cost, which will increase the cost of your project, are required. When you have selected a bid, the Rehabilitation Division presents it and your loan application to the CITY/LBCIC for review and approval.

When a loan is approved, you and the CITY/LBCIC execute the loan documents. Then your contractor begins work according to the agreed-upon detailed work write-up. The CITY/LBCIC pays the contractor on a "draw" system in three equal progress payments as each third of the work (measured by cost) is completed, inspected, and approved. To protect you against the filing of any mechanics' or material suppliers' liens, 15% of each progress payment is retained until 30 days after the rehabilitation is complete. If no liens are filed within 30 days, the remaining funds are released.

You can apply for a loan to rehabilitate all of the units in your property, or only some of them. In either case, existing code deficiencies in all units must be corrected as part of the rehabilitation.

How Is Eligibility Determined?

Eligibility for a loan is determined by several factors, including the quality of the property, the amount of existing debt and your credit-worthiness. Some of the eligibility criteria are set by federal regulations, others by the CITY/LBCIC.

The following are the basic requirements a property must meet in order to be considered for a rehabilitation loan.

- The property must be located in the City of Long Beach.
- All current taxes must be paid.

- There can be no outstanding judgments against the property.
- None of the living units can have a primary entrance on a public alley.
- No existing loan can carry a balloon payment that will come due during the term of the proposed City loan.
- The debt-to-value ratio, as determined by an after-value appraisal – which accounts for all loans, including the proposed City loan – cannot exceed 80%.
- If the debt-to-value ratio, including the amount of the City loan, approaches or reaches 80%, the City’s lien must be no lower than second in position. As equity increases or under certain other circumstances, the City may consider a lesser position.
- You must be able to demonstrate that the property will produce enough cash flow to pay for its operating and maintenance needs as well as repay all debt, including the City loan.
- You must be able to demonstrate a commitment to quality maintenance and management of the property.

Household Incomes, Rent Levels, and Other Affordability Criteria

Because the loan program is designed to improve housing quality for low- and very-low-income families, HUD imposes certain restrictions on household incomes and rent levels for units that are assisted by the program.

Household Incomes. At the time you sign loan documents with the City:

- All units to be rehabilitated using CITY/LBCIC funds (the assisted units) must be occupied by households whose incomes are 80% or less of the Long Beach area median income as determined by HUD;
- At least 90% of the assisted units must be occupied by households whose incomes are 60% or less of the median family income in the Long Beach area; and
- At least 20% of the assisted units must be occupied by households whose incomes are at or below the 50% level. These households are included in the 90% of total units referenced above.

Table A specifies these income levels for households ranging in size from 1 to 8 persons, as defined by HUD. Later increases in tenants’ incomes do not affect the eligibility of units under this program, except that families whose incomes are at or below 50% of the area median must always occupy at least 20% of the units during the “period of affordability” following rehabilitation (see below).

Rent Levels and Utility Adjustments. At the time you sign loan documents, rents for the assisted units must meet affordability requirements specified by HUD for “low” and “very-low” income households based on the number of bedrooms in each unit. At least 20% of the units must be offered at rents that HUD defines as affordable to “very-low-income” households (those earning 50% or less of the area median). At least 70% of the units must be offered at rents affordable to households earning 60% or less of the area median. The remaining 10% of the units may be offered at rents affordable to households earning 80% or less of the area median. Table B specifies these rental amounts.

If tenants are required to pay utilities, the allowable rents must be reduced accordingly; Table C specifies the reductions for tenant-paid utilities.

Long-Term Affordability and Monitoring Requirements.

HUD regulations require the CITY/LBCIC to work with you to ensure that assisted units remain affordable to the target resident population for a “period of affordability” of 5 years after project completion if rehabilitation costs are less than \$15,000 per unit, 10 years after project completion if costs exceed \$15,000 per unit, or 15 years after project completion if costs exceed \$40,000 per unit. During the period of affordability, the following conditions are in effect:

- There are caps on rent levels for the assisted units that are indexed to the current Fair Market Rent (FMR) during each year.
- Tenants must be offered one-year leases. (You are not penalized or otherwise affected if a tenant declines a lease.)
- You, as the owner/borrower, cannot occupy an assisted unit.
- No assisted unit can be used for commercial purposes.
- You participate with the City in an affirmative marketing program, which includes conformance to the City’s open housing policy as defined by the Fair Housing Council.
- The City/CITY/LBCIC annually conducts on-site inspections of the assisted units to determine compliance with occupancy requirements.

Criteria for Priority Consideration

In addition to the basic eligibility criteria for qualifying a loan application, federal and City guidelines are used to select properties that offer the greatest potential benefits to all parties under the program.

Quality of the Building

Priority is given to buildings that:

- Have more square feet for the same number of bedrooms per unit;
- Are compatible with their neighborhoods and conform to zoning codes;
- Provide a sleeping area, bath and kitchen in all units;
- Provide existing site amenities such as open space, play areas, or landscaping;
- Are not so dilapidated that rehabilitation is impossible or prohibitively expensive;

- Have existing on-site parking facilities.

Performance of the Owner

Your credit-worthiness is important. Foreclosures, bankruptcies, defaults, or judgments decrease priority, as does poor performance on any prior City loan.

CONTACT US!

For more information on the program and current fund availability, please call the Housing Division at (562) 570-6040 or fax your inquiry to (562) 570-6075 or send your mail inquiry to:

City of Long Beach
Department of Development Services
Housing and Neighborhood Services Bureau
Housing Division
411 W Ocean Blvd. – 3rd Floor
Long Beach, CA 90802

Or visit our website at www.LBCIC.org

This Program is funded by the U.S. Department of Housing and Urban Development (HUD). It is subject to annual Congressional appropriations and to regulations adopted and periodically revised by HUD.



The City of Long Beach is an equal housing opportunity lender.

TABLE A
TENANT INCOME LIMITS
HUD HOME PROGRAM INCOME LIMITS
EFFECTIVE AS OF JULY 1, 2020

HOUSEHOLD SIZE	30% OF MEDIAN	50% OF MEDIAN	60% OF MEDIAN	80% OF MEDIAN
1 PERSON	\$23,700.00	\$39,450.00	\$47,340.00	\$63,100.00
2 PERSONS	\$27,050.00	\$45,050.00	\$54,060.00	\$72,100.00
3 PERSONS	\$30,450.00	\$50,700.00	\$60,840.00	\$81,100.00
4 PERSONS	\$33,800.00	\$56,300.00	\$67,560.00	\$90,100.00
5 PERSONS	\$36,550.00	\$60,850.00	\$73,020.00	\$97,350.00
6 PERSONS	\$39,250.00	\$65,350.00	\$78,420.00	\$104,550.00
7 PERSONS	\$41,950.00	\$69,850.00	\$83,820.00	\$111,750.00
8 PERSONS	\$44,650.00	\$74,350.00	\$89,220.00	\$118,950.00

IT IS THE PROPERTY OWNER'S RESPONSIBILITY TO DETERMINE THE INCOME ELIGIBILITY OF TENANT HOUSEHOLDS AS FOLLOWS:

TENANT HOUSEHOLD INCOME DETERMINATIONS AT INITIAL OCCUPANCY, & EVERY 6TH YEAR OF THE AFFORDABILITY PERIOD: Income eligibility determinations MUST be carried out using the 24 CFR Part 5 Definition of Annual (Gross) Income. Use the attached paperwork entitled "Calculation Method of 24CFR Part 5" From HUD publication entitled "Technical Guide for Determining Income and Allowances for the HOME Program" HUD-1780-CPD, published June 1999.

TENANT HOUSHOLD INCOME DETERMINATIONS DURING THE PERIOD OF AFFORDABILITY OTHER THAN AT INITIAL OCCUPANCY OR EVERY 6TH YEAR: Annual recertification of income of in-place tenant households MUST be done. The property owner may conduct annual recertification of income of in-place tenant households by obtaining completed, signed and dated "Recertification of Annual Income by Tenant Household" forms from the tenant households. These blank forms are provided by the City.

IF AFTER INITIAL OCCUPANCY A TENANT HOUSEHOLD'S INCOME RISES ABOVE 80% OF AREA MEDIAN, AND THUS THEY NO LONGER QUALIFY AS LOW-INCOME: Per 24 CFR 92.252(i)2: "Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the household's adjusted income, except that tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by section 42. In addition, in projects in which the HOME units are designated as floating pursuant to paragraph (j), tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood." The property owner MUST use the calculation method of 24CFR5.611 to calculate 30% of adjusted income in order to determine rent for over-income tenants who were income eligible at the time of initial occupancy. Use the attached paperwork entitled "Calculation Method of 24CFR5.611" from HUD publication entitled "Technical Guide for Determining Income and Allowances for the HOME Program" HUD-1780-CPD, published June 1999.

THE PROPERTY OWNER MUST RETAIN ALL RECORDS OF TENANT INCOME VERIFICATIONS, RENTS, INSPECTIONS, AND OTHER HOME PROGRAM REQUIRED PAPERWORK, UNTIL FIVE YEARS AFTER THE AFFORDABILITY PERIOD TERMINATES.

TABLE B

MAXIMUM RENT INCLUDING TENANT-PAID UTILITY ALLOWANCES

HUD HOME PROGRAM RENT LIMITS EFFECTIVE AS OF JULY 1, 2020

UNIT SIZE	0 BEDROOM	1 BEDROOM	2 BEDROOM	3 BEDROOM	4 BEDROOM	5 BEDROOM
<u>“LOW” HOME RENTS</u> 20% OF UNITS MUST BE AT OR BELOW, RENTED TO HOUSEHOLDS EARNING 50% OR LESS OF AREA MEDIAN INCOME	\$986	\$1,056	\$1,267	\$1,464	\$1,633	\$1,802
<u>“HIGH” HOME RENTS</u> 80% OF UNITS MUST BE AT OR BELOW	\$1,261	\$1,353	\$1,626	\$1,870	\$2,066	\$2,261

RENTS MUST BE REDUCED IN ACCORDANCE WITH TABLE “C” TO ACCOMODATE UTILITIES AND OTHER BASIC SERVICES THAT TENANTS MAY BE REQUIRED TO PAY.

In properties with five or more HOME assisted units 20% of the units MUST be rented at or below the “LOW” HOME rent to households earning 50% or less of area median income, and 80% of the units MUST be rented at or below the “HIGH” HOME rent. In properties with less than five HOME-assisted units all of the units may be rented at or below the “HIGH” HOME rent.

TABLE C

Allowances for Tenant Furnished Utilities and other Services

U.S. Department of Housing and
Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
**Note: Units Must meet EPA or
DOE Energy Efficiency Home
Rating Score of 100 or lower**

Locality: Housing Authority of the City of Long Beach, CA		Unit Type: Apartment Units				Effective: 01/01/2020 (until further notice)	
Utility or Service Standard, Mixed Fuels		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	\$11.00	\$13.00	\$14.00	\$15.00	\$16.00	\$17.00
	b. Bottle Gas/Propane						
	c. Electric	\$9.00	\$10.00	\$12.00	\$14.00	\$16.00	\$18.00
	d. Electric (heat pump)	\$7.00	\$9.00	\$10.00	\$11.00	\$13.00	\$14.00
Cooking	a. Natural Gas	\$3.00	\$3.00	\$5.00	\$6.00	\$9.00	\$10.00
	b. Bottle Gas/Propane						
	c. Electric	\$5.00	\$6.00	\$9.00	\$12.00	\$15.00	\$17.00
Other Electric (Lights & Appliances)		\$15.00	\$19.00	\$28.00	\$38.00	\$50.00	\$62.00
Air Conditioning		\$6.00	\$7.00	\$10.00	\$12.00	\$15.00	\$17.00
Water Heating	a. Natural Gas	\$6.00	\$7.00	\$11.00	\$14.00	\$17.00	\$20.00
	b. Bottle Gas/Propane						
	c. Electric	\$12.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00
Water		\$20.00	\$20.00	\$25.00	\$34.00	\$43.00	\$51.00
Sewer		\$9.00	\$9.00	\$9.00	\$10.00	\$11.00	\$12.00
Trash Collection		\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00
Range / Microwave Tenant-purchasing/leasing		\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-purchasing/leasing		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Other-- Monthly Electric Fee							
specify: Monthly Gas Fee		\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Actual Family Allowances				Utility or Service		per month cost	
To be used by the family to compute allowance. <i>Complete below for the actual unit rented.</i>				Heating		\$	
				Cooking		\$	
Name of Family				Other Electric		\$	
				Air Conditioning		\$	
Address of Unit				Water Heating		\$	
				Water		\$	
				Sewer		\$	
				Trash Collection		\$	
				Range / Microwave		\$	
				Refrigerator		\$	
Number of Bedrooms				Other		\$	
				Other		\$	
				Total		\$	

**PROPERTY OWNER APPLICATION FORM
HOME MULTI-FAMILY RESIDENTIAL REHABILITATION LOAN PROGRAM**

Property owner is to complete sections A through F of this form, detach from the brochure, and return to the CITY/LBCIC.

Before completing please read:

1. Please print in ink or use typewriter.
 2. Please see last page for forwarding instructions and for assistance with any questions you may have.
-

Section A: General Information

Name(s) of Property Owner(s): (1) _____ (2) _____

(1) Date of Birth _____ Social Security # _____ Male/Female _____

Ethnicity: (select *only one*) _____ Hispanic or Latino, _____ Not Hispanic or Latino

Race: (select *one or more*) _____ American Indian or Alaska Native, _____ Asian,

_____ Black or African American, _____ Native Hawaiian or Other Pacific Islander, _____ White

(2) Date of Birth _____ Social Security # _____ Male/Female _____

Ethnicity: (select *only one*) _____ Hispanic or Latino, _____ Not Hispanic or Latino

Race: (select *one or more*) _____ American Indian or Alaska Native, _____ Asian,

_____ Black or African American, _____ Native Hawaiian or Other Pacific Islander, _____ White

Address of Property: _____ Long Beach, Zip _____

Number of Residential Rental Units: _____

Does property owner reside at the property? Yes _____ No _____

Has the property been cited by the City for code violations? Yes _____ No _____

If yes, please return a copy of the citation with this application.

Home Address of Property Owner: _____

City _____ State _____ Zip _____

Mailing Address (If Different from Home Owner Address): _____

City _____ State _____ Zip _____

Home Phone: () _____ Work Phone: () _____

Pager: () _____ Other: () _____

Fax: () _____ Email Address: _____

To the best of your knowledge, is the property located in an area of current Redevelopment Agency activity? Yes _____ No _____

Please Note: If the answer is yes, the CITY/LBCIC may be unable to accept your application.

In the space provided below, please describe your experience in managing low-income rental property, and your opinions as to what is required to manage such property successfully.

On a separate sheet, list all other properties you own.

Section B: Complete This Section Only if Property is Managed by Other Than Owner

Name of Manager: _____ Telephone Number: () _____

1. Does manager reside at property? (Yes/No): _____ Managed for how long _____
Address of Manager: _____
2. Is the above named manager authorized by the property owner to permit CITY/LBCIC staff, their agents, and/or consultants to enter and inspect the property or any of its units? (Print Yes or No): _____
3. May CITY/LBCIC staff contact the above named manager regarding any information provided by the property owner in this application form? (Print Yes or No): _____
4. If this property consists of 16 units or more, enclose a copy of the on-site management agreement.

If no to either question 2 or 3 in section B was given, please explain:

Section C: Loan Applicants Must Have an After Rehabilitation Equity Position of at Least 20% in the Property to be Rehabilitated.

Year Property Purchased _____

Purchase Price of Property _____

List names and addresses of all persons or lenders holding trust deeds, liens or judgments on the property:

1. Name _____ Amount \$ _____

Address _____

Trust Deed Position _____ Loan # _____ Maturity Date _____

2. Name _____ Amount \$ _____

Address _____

Trust Deed Position _____ Loan # _____ Maturity Date _____

3. List below all other indebtedness on property, including liens and judgments, and provide amount of indebtedness, name and address of beneficiary, and maturity date:

4. Total for Items 1 through 3 above (Section C) Amount \$ _____

5. Current Balance for Line 4 above: Amount \$ _____

6. Monthly Payment for Line 4 above: Amount \$ _____

7. Does any of the indebtedness in lines 1 through 3 above require a "balloon" payment? Yes _____ No _____

If the answer to question 7 is "yes", please be advised that the CITY/LBCIC will not be able to assist you if the balloon comes due during the term of your proposed loan from the CITY/LBCIC.

8. Estimated monthly income from residential units on property.

Amount \$ _____

9. Estimated monthly income from commercial units, if any, on property.

Amount \$ _____

10. Average number of vacant units, both residential and commercial, per month over the past year _____

11. Estimated monthly operating expenses for property.
Amount \$ _____

Note: Include taxes and insurance in line 11 estimate.

12. Current estimated value of property.
Amount \$ _____

Note: Line 12 estimate will be confirmed by an appraisal.

**Section D: Please provide the requested information for ALL units for which you seek assistance.
I/We certify that the information listed on this page is complete and accurate.**

Date: _____

Property Owner's Signature

If no Tenant in the Unit, Write "Vacant" Under "Head of Household" Column.

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
Unit #	Head of Household (Last Name, First Name)	Number of Bedrooms	Base Mo. Rent <small>TOTAL RENT REC'D BY OWNER FROM ALL INCOME SOURCES.</small>	Tenant Paid Utilities Total of Mo. Allowances Per Table "C" on Page 9.	Total Mo. Rent Column D + E	Tenant's Monthly Income	Ethnicity of Head of Household Hispanic Latino Note "Y" for Yes and "N" for No	Race of Head of Household 11.White 12.Black/African American 13. Asian 14. American Indian/Alaskan Native 15.NativeHawaiian/Other Pacific Islander 16. American Indian/Alaskan Native & White 17. Asian & White 18. Black/African American & White 19. American Indian/ Alaskan Native & Black/African American 20.Other Multi-Racial	Household Size 1. 1 Person 2. 2 Persons 3. 3 Persons 4. 4 Persons 5. 5 Persons 6. 6 Persons 7. 7 Persons 8. 8 or More 9. Vacant	Household Type 1.Single/non-elderly 2.Elderly 3.Related-single parent 4.Related-two parent 5.Other 9.Vacant

ANNUAL UTILITIES AND APPLIANCES CERTIFICATION BY OWNER
FOR HOME PROGRAM RESTRICTED RENTAL UNITS

OWNER NAME:

PROJECT ADDRESS:

TOTAL NUMBER OF ASSISTED UNITS:

COMPLETE ONE FORM FOR ***EACH*** OF THE ASSISTED UNITS.

UNIT #:

THE UTILITIES AND APPLIANCES LISTED IN COLUMN 1 BELOW ARE PROVIDED BY THE LANDLORD AND INCLUDED IN THE RENT. THE UTILITIES AND APPLIANCES LISTED IN COLUMN 2 BELOW ARE NOT INCLUDED IN THE RENT AND ARE PAID SEPARATELY BY THE TENANT.

UTILITIES AND APPLIANCES

PLACE AN "X" IN THE APPROPRIATE BOXES BELOW:

Utility or Service	Included In Rent	Tenant Paid
	(COLUMN 1)	(COLUMN 2)
Heating		
<input type="text"/> Natural Gas	<input type="text"/>	<input type="text"/>
<input type="text"/> Electric	<input type="text"/>	<input type="text"/>
Cooking		
<input type="text"/> Natural Gas	<input type="text"/>	<input type="text"/>
<input type="text"/> Electric	<input type="text"/>	<input type="text"/>
<input type="text"/> Basic Electricity	<input type="text"/>	<input type="text"/>
Water Heating		
<input type="text"/> Natural Gas	<input type="text"/>	<input type="text"/>
<input type="text"/> Electric	<input type="text"/>	<input type="text"/>
<input type="text"/> Water and Sewer	<input type="text"/>	<input type="text"/>
<input type="text"/> Trash Removal	<input type="text"/>	<input type="text"/>
<input type="text"/> Stove	<input type="text"/>	<input type="text"/>
<input type="text"/> Refrigerator	<input type="text"/>	<input type="text"/>

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.
I/We certify that this information is complete and Accurate.

OWNER'S SIGNATURE

DATE

PRINT OR TYPE NAME

TITLE

DAY TIME PHONE NUMBER

Section E: Rehabilitation Needs and Cost Estimates

In the space below, briefly describe, to the best of your knowledge, what conditions need to be repaired or rehabilitated. If you have an idea or estimate of how much these repairs will cost, please provide that also.

Needed Repairs And Rehabilitation.

Cost Estimate: \$ _____ Description (Please Print):

Please answer the following questions about the cost estimates provided in section E above:

1. Maximum amount the property owner can finance from personal resources: \$ _____
2. Amount property owner estimates will need to be financed by the CITY/LBCIC: \$ _____
3. Amount property owner estimates will need to be financed by a private lending institution: \$ _____

Section F: ACKNOWLEDGMENTS MUST BE SIGNED BY PROPERTY OWNER(S)

I (We), _____ the owner of property at _____ acknowledge that I (we) have been instructed in, and have understood, the following items in relation to the CITY/LBCIC Multi-Family Residential Rehabilitation Loan Program.

1. The submittal of application and application forms, and payment of any application fees, do not guarantee my (our) approval for a City of Long Beach loan.
2. A CITY/LBCIC loan will be secured by a lien on my (our) property recorded in the amount of the loan.
3. If granted a CITY/LBCIC loan, property owner's fire insurance on subject property must adequately cover the total amount of all the lien encumbrances on the property, including the CITY/LBCIC loan, and the CITY/LBCIC shall be listed as a beneficiary in the amount of the lien CITY/LBCIC's encumbrance.
4. Construction cannot start on subject property until such time as all loan documents have been fully executed and the CITY/LBCIC authorizes work to proceed.

5. **Where temporary or permanent relocation of tenants in rental property being rehabilitated is necessary, the guidelines of the CITY/LBCIC tenant assistance policy shall determine relocation action and assistance, and the property owner will be responsible to pay any and all relocation expenses.**
6. Property owner will submit a termite inspection report, prepared by a properly licensed inspector, when requested by CITY/LBCIC staff. Property owner will be responsible for the initial cost of obtaining the termite inspection report. Termite inspection report will be considered acceptable only if it was issued within 6 months of the property owner's submittal of this application.
7. By my (our) signature(s) below I/we also acknowledge that providing deliberately false information at any time in the application process may be cause for denial of a CITY/LBCIC loan.
8. I/(We) authorize the use of one or more credit reporting agencies, or any other method, to verify information necessary to the processing of this loan application.
9. I/(We) voluntarily provide ethnicity, race, and gender information as requested on page 11 of this application, for federal reporting information.
10. Property owner's obligations include, but are not limited to, the following:
 - The obligation to respond in a timely manner to the CITY/LBCIC's correspondence;
 - The obligation to at all times ensure that the CITY/LBCIC has your current mailing address;
 - The obligation to charge rents that are not in excess of the HOME rent limits;
 - The obligation to use the correct tenant-income calculation method;
 - The obligation to maintain executed leases in an approved form with no prohibited lease terms;
 - The obligation to establish and maintain a tenant selection plan, and a unit-maintenance schedule;
 - The obligation to follow Fair Housing requirements, display a Fair Housing poster on your property, carry out affirmative marketing, and include the Equal Housing Opportunity graphic in newspaper ads marketing units;
 - The obligation to comply with site inspections by the CITY/LBCIC and/or HUD;
 - The obligation to retain all records of tenant income verifications, rents, leases, inspections, and other HOME Program paperwork until five years after the affordability period terminates;
 - The obligation to not sell, transfer, or otherwise dispose of the property without obtaining the prior written consent of the CITY/LBCIC;
 - The obligation to comply with all HUD HOME Program requirements of the CITY/LBCIC and/or HUD.

Signature of Property Owner

Signature of Property Owner

Date _____

Date _____

DEPOSIT RECEIPT

A DEPOSIT OF \$350.00 IS REQUIRED TO BE SUBMITTED WITH THE APPLICATION TO PAY A PORTION OF THE COST FOR TITLE AND CREDIT REPORTS.

IN THE EVENT THE APPLICATION IS NOT ACCEPTED BY THE CITY/LBCIC, YOUR DEPOSIT WILL BE REFUNDED. AT THE TIME OF ACCEPTANCE OF APPLICATION BY THE CITY/LBCIC, YOUR DEPOSIT IS **NON-REFUNDABLE**, DUE TO ABOVE EXPENSES INCURRED.

RECEIVED FROM: _____
(Applicant's Signature)

PROPERTY ADDRESS: _____

RECEIVED BY: _____
(CITY/LBCIC)

PLEASE COMPLETE THIS FORM, AND RETURN WITH YOUR DEPOSIT CHECK AND APPLICATION.

NOTE: THE CITY/LBCIC'S ACCEPTANCE OF YOUR DEPOSIT DOES NOT GUARANTEE THAT YOU WILL RECEIVE A LOAN FROM THE CITY/LBCIC. YOUR APPLICATION MUST MEET ALL OF THE CITY/LBCIC'S UNDERWRITING CRITERIA, BE RECOMMENDED FOR APPROVAL BY THE CITY/LBCIC'S PROGRAMS COMMITTEE, AND BE APPROVED BY THE DIRECTOR OF THE DEPARTMENT OF DEVELOPMENT SERVICES.

Please submit the following documents with your application:

1. Federal income tax return (last two years) including all schedules.
2. Property insurance policy and property tax statement.
3. Mortgage statement – copies of two most recent for subject property.
4. Promissory note of the subject property

When completed, please mail pages numbered 11 through 19 to:

City of Long Beach
Department of Development Services
Housing and Neighborhood Services Bureau
Housing Division
411 W. Ocean Blvd., 3rd Floor
Long Beach, CA 90802

For assistance in completing this application or to answer any questions, please contact City staff at (562) 570-6040.

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