

**SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION**  
**HOUSING ASSISTANCE FUND REHABILITATION PROGRAM DESIGN**

I. INTRODUCTION

A. Objective:

The primary objective of the Program is to preserve decent, safe and sanitary housing for eligible Sonoma County employees through the correction of actual or potential health and safety problems and weatherization in their primary residence.

B. Authority:

The members of the Housing Assistance Committee shall oversee the program. The Committee has adopted this Program Design to provide the framework for the Housing Rehabilitation Program. No revisions may be made hereto without the express action of the Committee.

C. Program Funding:

Funding for this program will be from the Housing Assistance Fund that is comprised of contributions from qualified employees and matched by the County of Sonoma.

II. ELIGIBILITY

A. Eligible Applicants:

To be eligible, an applicant must be a Sonoma County employee and a homeowner, in a SEIU 1021-represented job classification with 2,088 hours or more of contribution to the Housing Assistance Program Fund.

B. Ownership & Residency:

The applicant must be the legal owner of the real property, or the registered owner of the mobile home.

1. The home must be occupied by the owner/employee as his or her principal residence and located within the County of Sonoma.
2. Applicants who occupy and control a residential property through a revocable or irrevocable trust, a life-estate or other similar arrangement through which the applicant and/or one or more non-occupant parents, ex-spouses and/or children are trustees or hold title to the property, shall be eligible for a loan if the applicant has the legal right to encumber the property.

C. Eligible Properties:

Subject to funding availability, Housing Assistance loans may be available to owners of legally sited mobile homes, single-family homes and condominiums that are located within the County of Sonoma.

1. Mobile homes must be legally sited.
2. If a prior Housing Assistance Fund loan has not been fully repaid, the maximum loan amount available under this program will be reduced by any outstanding balances.

III. LOAN TERMS AND CONDITIONS

Loan amounts of \$10,000 and under will be fully amortized for 5 years at 3% interest. Loan amounts greater than \$10,000 to \$15,000 will be fully amortized for 7 years at 3% interest. Loan repayment will be accomplished through payroll deductions from the first and second paycheck each month.

- a. A borrower may prepay the entire loan amount, or any portion thereof, at any time without penalty.
- b. All payments on the loan shall be applied first to late charges due, then to interest due, and then to the principal balance of the loan.
- c. The minimum amount of the loan is \$1,000 and the maximum amount is \$15,000.
- d. Properties that have benefited previously through a Rental Mortgage Assistance Program loan or rehabilitation loan may be eligible for another loan. The unpaid balance of all loans (other than the First Time Home Buyer program loan) may not exceed \$15,000.
- e. Deeds of Trust will be recorded on all loans greater than the current maximum loan amount for the Rental Mortgage Assistance Program loan.
- f. The loan shall become due and payable if the borrower moves from the property, rents the property, sells or agrees to sell the property, or transfers any interest in the property, except as provided in the promissory note.

IV. ELIGIBLE IMPROVEMENTS

- A. Loans are available for the costs of repairs to correct conditions affecting health and safety, and for weatherization.
- B. Loans shall not be approved for work required to repair a condition for which the applicant has received, or will receive, an insurance settlement or funds from another source (such as FEMA or SBA) to pay for the repair except to augment the insurance or other funds in cases where such funds are insufficient to make the required repairs in compliance with all applicable codes or ordinances.
- C. All work must be done according to standards acceptable to the Permit Sonoma, the State of California Department of Housing and Community Development, and/or the

building inspection department of the city and/or jurisdiction in which the property is located.

- D. The proper permit(s) (if necessary) shall be obtained for all work if required by the local jurisdiction. The cost of permits may be part of the loan.
- E. **"Self-Help" work by the owner-occupant may not be a part of the contract or loan. No "volunteer" assistance is allowed.**
- F. Examples of eligible work are listed below.
- Installation of dual-paned windows and removal of existing windows
  - Installation of new furnace and/or checking duct-work for leaking
  - New roof replacement
  - Installation of a new water heater
  - Termite/pest damage repair and replacement
  - Exterior repairs for purposes of weatherization
  - Replacement of exterior home or garage doors for purposes of weatherization
  - Repair or replacement of flooring due to water or other damages
  - Installation of insulation to home for weatherization
  - Installation of weather-stripping around doors/windows in home for weatherization
  - Replacement or repair of exterior siding/stucco with weatherization material
  - Removal of trees/landscaping that are causing damage to the integrity of the home
  - Repair of drive or walkways to eliminate trip hazards
  - Installation of ADA approved ramps and/or removal of barriers
  - Replacement of faulty/damaged or old wiring in the house
  - Replacement of toilets or sinks that are damaged or in need of repair.

## V. LOAN PROCEDURES

### A. Application Process:

1. All applicants must complete an application and furnish Community Development Commission staff with all required information. The information in the application will be used to determine the applicant's initial eligibility.
2. The scope of work and bid amount will be provided by the employee-selected contractor and submitted to the Community Development Commission by the employee.
3. The scope of work and bid will be reviewed for eligibility. If eligible, Commission staff will prepare the necessary loan documents.

### B. Loan Approval:

The Commission shall not discriminate in the provision of financial assistance because of race, color, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability.

1. Each application will be summarized and the Commission staff will make a recommendation for loan approval or non-approval based upon the information provided and the underwriting guidelines of the HAC Program Policies.
2. The borrower shall execute all loan documents upon Commission's loan approval.

C. First-Come, First-Served:

All loan applications will be processed and evaluated on a first-come, first-served basis. Applications will be assigned based upon the order of receipt of completed applications by the Commission. An application will be considered to be complete when all required information has been supplied by the employee to the Commission staff.

D. Construction Contract:

The employee will coordinate contracting for all work funded by the rehabilitation loan. The Community Development Commission does not recommend or endorse any contractor. For more information on choosing a contractor, contact the State Contractor Licensing Board at 1-800-321-2752 or online at [www.cslb.ca.gov](http://www.cslb.ca.gov).

1. A written contract for the rehabilitation must be executed by the owner and the contractor, and submitted to Commission to verify that all approved items are included.
2. Housing Assistance Funds may only be used for work included in the original scope of work, or in change orders approved by the Commission.
3. Contractors must be licensed, bonded and insured, consistent with the job to be performed, and the employee must provide evidence of the contractor's valid state contractor's license, contractor's bond and evidence of insurance consistent with the State Contractor's License Board.

E. Disbursement of Funds:

1. Funds will be disbursed directly to the contractor upon satisfactory completion of work as evidenced by a signed certification by both the borrower and the contractor.
2. A maximum of two payments will be allowed: one phase payment and a final payment.
3. No final payment will be made until all required building permits have been signed off.
4. Upon completion of the project, Commission will notify borrower of the amount owing under the loan and the established repayment schedule.

VI. LOAN ADMINISTRATION and COLLECTIONS

A. Amortized Loan Collections:

The employee shall have regular payroll deduction payments taken from the first two paychecks per month, as specified by the promissory note.

B. Loan Defaults:

If a borrower is in default of the loan terms contained in the Promissory Note or any other loan document, Commission staff shall consult with the Office of the Sonoma County Counsel and Central Collections Department.

Upon termination of County employment, by either the County or the Employee, the maximum amount permitted by law will be deducted from the final paycheck. The remaining amount of the loan, if any, must be paid in full by the borrower through monthly installments equal to twice the amount of the previous semi-monthly payroll deduction. If the borrower defaults in these monthly payments, the total outstanding balance will be due and payable in full.

I HAVE READ AND UNDERSTAND THE INFORMATION PRESENTED IN THE 2006 PROGRAM DESIGN FOR THE HOUSING ASSISTANCE FUND HOUSING REHABILITATION PROGRAM.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature