

## Neighborhood Improvement Loan Program

(Effective 12-5-08)

### PURPOSE

This program is designed for low-income homeowners in Target Areas, Action Team Areas and Safe Neighborhoods. Its purpose is to help homeowners make repairs because of code violations and to assist qualified homeowners who wish to make repairs to the exterior of their home, but who do not wish to apply or who do not qualify for the City's regular Housing Rehabilitation Program. The rehabilitation and new construction programs include requirements for energy efficient products with ENERGY STAR® ratings, the use of re-cycled materials, and the use of items developed from renewable resources.

This program offers a \$5,000 forgivable loan. An additional amount up to \$5,000 is available on a dollar-for-dollar match by the homeowner.

Here is an example of using the owner's matching funds:

City Funds	\$5,000
Owner's Funds	<u>\$2,000</u>
Subtotal	\$7,000
City Match	<u>\$2,000</u>
<b>TOTAL REPAIRS</b>	<b>\$9,000</b>

### ELIGIBILITY

1. Only properties with owner-occupied single-family homes or two units on a lot with one of the units occupied by the eligible owner.
2. Household income cannot exceed 80% of median family income, as amended from time to time. See below:

#### Income Eligibility by Household Size (Fully-Documented Only – No Stated Income Accepted)

Household Size (Number of Persons to Reside in Home)	Maximum Allowable Gross Monthly Income (Per Household)	Maximum Allowable Gross Annual Income (Per Household)
1	\$2,970.83	\$35,650
2	\$3,391.67	\$40,700
3	\$3,816.67	\$45,800
4	\$4,241.67	\$50,900
5	\$4,579.17	\$54,950
6	\$4,920.83	\$59,050
7	\$5,258.33	\$63,100
8	\$5,600.00	\$67,200

(Revised March 19, 2009)

3. In the case of two units on one lot, the owner must agree that the rental unit will be occupied by a low-income tenant at the affordable rental rate established for the local Section 8 Housing Program. The City will monitor the tenant's income level periodically – sometimes up to a period of 20 years.
4. The loan-to-value ratio must not exceed 95 percent of the total value of the property, as established by a qualified staff or certified appraiser.
5. Assistance provided under this program may affect applicant's future assistance when applying for the City's owner-occupied housing repair programs.
6. The property must be within the city limits of Stockton.

### **LOAN TERMS**

1. \$10,000 maximum assistance per household; \$5,000 initial assistance plus up to a \$5,000 match to owner's funds.
2. Zero (0%) percent interest
3. Loan is due upon sale, transfer of title, or death of owner (except for right of survivorship of joint tenant) prior to seven year loan term.
4. Seniors and "special needs" persons may qualify for the loan to be forgiven in seven (7) years time, providing the property has not been transferred to another owner.
5. Neighborhood Improvement loans are NOT assumable loans.
6. Scope of the repairs is intended for the exterior and in special cases may include the interior. Repairs may include, but are not limited to roof, exterior paint, water heater, plumbing, electrical, sewer, etc.

**Contact: City of Stockton – Revitalization Department**

425 North El Dorado Street, 3<sup>rd</sup> Floor

Stockton, CA 95202

(209) 937-8539

[www.stocktongov.com/housing](http://www.stocktongov.com/housing)

Para información en español, llame al

(209) 937-8535