



City of Napa Housing Division

1115 Seminary Street P.O. Box 660 Napa, California 94559-0660

Dear Rental Property Owner,

Thank you for your interest in the City of Napa Housing Division **Rental Rehabilitation Loan Program**. This program is part of the City's effort to preserve and improve the housing needs of low to moderate-income families. Qualified property owners may be eligible to receive a 0% interest loan for home repairs and improvements.

In addition to providing 0% interest loans to eligible applicants, the City of Napa Housing Division and the Housing Rehabilitation Specialist (HRS) offer assistance throughout the application, loan, and construction phases of work, including contractor appropriation and construction management. The HRS will perform an inspection of your home, prepare a scope of work to initiate the contractor bidding process, assist you in selecting a contractor, monitor the construction activities, and administer all payments, documents, and closing statements necessary to ensure satisfactory completion of the work.

Examples of eligible work include foundation, structural, electrical, mechanical, plumbing, windows, flooring, painting, insulation, and termite repairs. Limitations do apply and the work that is eligible on your home will be determined during the application process.

For further information, please read and understand this manual. (The manual provides basic information for both the Owner rehab and Rental rehab programs.) If you have any questions, call me at 257-9642. Again, thank you for participation in our program.

Sincerely,

Hernando Guillem
Housing Rehabilitation Program Supervisor
City of Napa Housing Division

City of Napa Housing Division



**APPLICATION CHECKLIST
RENTAL REHABILITATION APPLICATION**

Applicant's Name:

(First)

(Last)

(Middle intl.)

Property Address:

(Number and Street)

(City)

(Zip Code)

Thank you for your interest in the City of Napa Housing Division Rental Rehabilitation Program.

In order to process your request for assistance, please complete the forms included in this application package and attach all necessary documents. A checklist below is provided for your convenience.

If you have questions regarding the forms or need assistance in completing them, please call (707) 257-9642. We look forward to hearing from you.

Have you read, completed, signed and dated application forms enclosed?

APPLICATION

FAIR LENDING NOTICE/RIGHT TO FINANCIAL PRIVACY

LEAD BASED PAINT DISCLOSURE

HOMEOWNER'S INSURANCE FORM; PLEASE SUBMIT A COPY OF YOUR POLICY

Have you provided copies of the following information?

Three consecutive months of current Mortgage statement(s) for the rental property.

Current homeowner's insurance policy or declarations page (should include policy number, policy period, and amount of coverage on rental property.

Proof of Paid Property Tax for current year on rental property.



City of Napa Housing Division



**NON-OWNER OCCUPIED
RENTAL REHABILITATION LOAN APPLICATION**

Property Address: _____
(Number and Street)

(City)

(Zip Code)

Please describe the repairs needed to the property:

How did you hear about the program for which you are applying?

Preferred language: () English () Spanish () Other: _____

I. Owner Information

Owner's Name: _____
(First Name) (Last Name) (Middle Int.)

Social Security Number: _____ - _____ - _____

Home Address: _____
(Number and Street)

(City)

(Zip Code)

Day time phone number: () _____ Evening phone number: () _____

Co-Owner: _____
(First) (Last) (Middle intl.)

Social Security Number: _____ - _____ - _____

Home Address: _____
(Number and Street)

(City)

(Zip Code)

Daytime phone number: () _____ Evening phone number: () _____

II. Property Information

Date of purchase: ____/____/____

Purchase Price: \$ _____

1st Mortgage Holder:

-

Balance: \$ _____

Monthly Payment: \$ _____

Balloon Payment? _____ Amount: \$ _____ Monthly Payment: \$ _____

Total Monthly Expenses (PG&E, Water & Garbage): \$ _____

Describe monthly maintenance expenses and amounts:

Total Number of units: _____

Rent for each unit: \$ _____

Number of 0 bedroom units: _____

Rent for each unit: \$ _____

Number of 1-bedroom units: _____

Rent for each unit: \$ _____

Number of 2 bedroom units: _____

Rent for each unit: \$ _____

Number of 3+ bedroom units: _____

Rent for each unit: \$ _____

Are at least 51% of these units occupied by low-income tenants? Yes _____ No _____

The City of Napa Housing Division offers rehabilitation financing. To assist with this goal I agree to release income information regarding INCOME, MORTGAGE(s), and/or BANK ACCOUNT(s). I give my permission to use copies of this consent form in obtaining the required information and hereby certify that to the best of my knowledge, all information is true and complete.

Owner

Date

Co-Owner

Date

V. Program Information:

How did you hear about the program for which you are applying?

Please furnish the following information for the **head of the household** in all 5 categories.

SEX: Male Female

AGE: Under the age of 62 62 or older

RACE: Check all that apply.

White American Indian or Alaska Native

Asian Native Hawaiian or Other Pacific Islander

Black or African American

ETHNICITY: Hispanic or Latino Not Hispanic nor Latino

DISABLED: Yes No

VETERAN: Yes No

The City of Napa Housing Division offers rehabilitation financing. To assist with this goal I agree to release information regarding INCOME, MORTGAGES, and/or BANK ACCOUNT(s). I give my permission to use copies of this consent form in obtaining the required information and hereby certify that to the best of my knowledge, all information given is true and complete.

Owner

Date

Co-Owner

Date



Owner Income and Expense Projections

1. Owner(s) Name: _____
 Address/City/Zip: _____
 Address of Rental: _____
 Total # of Units (this parcel only): _____
 Year constructed: _____

<u>INCOME</u>	<u>Monthly Actual</u>	<u>Monthly After Rehab</u> <u>(estimated)</u>
Gross Income from Rents	_____	_____
Other	_____	_____
Less Vacancy Rate _____%	_____	_____
TOTAL INCOME	_____	_____

<u>OPERATING EXPENSES</u>	<u>Monthly Actual</u>	<u>Monthly After Rehab</u> <u>(estimated)</u>
Taxes	_____	_____
Insurance	_____	_____
Gas/Electric	_____	_____
Water	_____	_____
Garbage	_____	_____
Maintenance, reserves, administration	_____	_____
TOTAL EXPENSES	_____	_____

<u>DEBT SERVICE</u>	<u>Current</u>	<u>Monthly</u>	<u>Years to</u>	<u>Balloon</u>	<u>Balloon</u>
	<u>Balance</u>	<u>Payment</u>	<u>Maturity</u>	<u>Yes/No</u>	<u>Date</u>
First Mortgage	_____	_____	_____	_____	_____
Second Mortgage	_____	_____	_____	_____	_____
Third Mortgage	_____	_____	_____	_____	_____
Total Debt	_____	_____	_____	_____	_____

<u>NET CASH FLOW/LOSS</u>	<u>Monthly Actual</u>	<u>Monthly After Rehab</u> <u>(estimated)</u>
Total Income (from #2 above)	_____	_____
Less Total Expenses (#3 above)	- _____	_____
Less Total Debt (#4 above)	- _____	_____
NET OPERATING INCOME	= _____	_____



**City of Napa Housing Division
FAIR LENDING NOTICE AND
NOTICE OF RIGHT TO FINANCIAL PRIVACY**

FAIR LENDING NOTICE

To all borrowers for a real property secured to purchase, construct, rehabilitate, improve, or refinance an owner-occupied one to four family residence; and all owner-applicants for a real property secured home improvement loan to improve a one to four family residence (whether or not owner-occupied):

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided that the applicant has the capacity to enter into a binding contract); because all or part of an applicants income derives from any public assistance program; or because the applicant has in good faith exercised any right under the consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this credit is the U.S. Comptroller of the Currency, Consumer Affairs division, Washington, D.C. 20219.

In Addition to your rights under Federal law, you may also have rights afforded under state law.

FOR CALIFORNIA RESIDENTS ONLY: In accordance with California law, the following notice is given to applicants who are residents of California.

The California Housing Financial Discrimination Act of 1977 provides in part as follows: 35810. No financial institution shall discriminate in the availability of, or in the provision of, financial assistance for the purpose of purchasing, constructing, rehabilitating, improving, or refinancing housing accommodations due, in whole or part, to the consideration of conditions, characteristics, or trends in the neighborhood or geographic area surrounding the housing accommodation, unless the financial institution can demonstrate that such consideration in the particular case is required to avoid an unsafe and unsound business practice.

35811. No financial institution shall discriminate in the availability of, or in the provision of, financial assistance for the purpose of purchasing, constructing, rehabilitation, improving refinancing housing accommodations due, in whole or in part, to the consideration of race, color, religion, sex, marital status, national origin, or ancestry.

35812. No financial institution shall consider the racial, ethnic, religious, or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, and under what terms and conditions, to provide financial assistance for the purpose of purchasing, constructing, rehabilitating, improving, or refinancing a housing accommodation. No financial institution shall utilize appraisal practices that are inconsistent with the provisions of this part.

If you wish to file a complaint, or if you have questions about your rights, contact: Comptroller of the Currency, Administrator of National Banks, Western District, Consumer Complaint Department, 50 Fremont Street, Suite 3900, San Francisco, California 94105.

NOTICE OF RIGHT TO FINANCIAL PRIVACY:

This is notice to you as required by the Right of Financial Privacy Act of 1978 that the Department of Housing and Urban Development has a right of access to financial records held by any financial institution in connection with the consideration or administration of the housing rehabilitation loan for which you have applied. Financial records involving your transaction will be available to the Department of Housing and Urban Development without further notice or authorization but will not be disclosed or released to other except as required or permitted by law.

Owner *Date*

Co-Owner *Date*



City of Napa Housing Division



LEAD-BASED PAINT DISCLOSURE FOR OWNER-OCCUPIED RESIDENCE

The City of Napa Housing Division has provided me with a copy of the EPA brochure *RENOVATE RIGHT*. I have read and understand the contents of this brochure in its entirety.

Owner's Signature

Date

Co-Owner's Signature

Date

Address

Zip



City of Napa Housing Division INSURANCE POLICY



IN ADDITION TO PROVIDING THE FOLLOWING INFORMATION, PLEASE PROVIDE A COPY OF HOMEOWNER'S INSURANCE POLICY OR A COPY OF THE DECLARATION STATEMENT.

The undersigned does hereby declare, under penalty, that the following "homeowner insurance policy" is in effect (or will be in effect by the date the loan is funded) upon the subject property:

Property Address: _____
(Number and Street)

(City)

(Zip Code)

Insurance Company: _____

Name of Insurance Agent: _____

Address of Agent: _____
(Number and Street)

(City)

(Zip Code)

Phone Number of Agent: (____) _____

Policy No.: _____ Policy Period from: ____ / ____ / ____ to ____ / ____ / ____

Amount of Coverage: \$ _____ Annual Premium: \$ _____

As the holder of the Deed of Trust on our property, we acknowledge that the City of Napa Housing Division's insurance requirements are as follows:

- 1) A valid and collectable policy of insurance including the perils of fire and hazards covered by special form must be maintained at all times.
- 2) The amount of insurance is to be not less than the outstanding loan balances, or improvement costs.
- 3) The Borrower's insurance company will be notified of the City of Napa Housing Division's loan and the amount of required coverage. The City of Napa will be added to the policy as "Additional Loss Payee." Proof of these changes will be provided to the City of Napa Housing Division in writing.

Owner *Date*

Co-Owner *Date*

NAPA COUNTY

MEDIAN INCOME LIMITS

FAMILY SIZE	LOW INCOME (80 % OF MEDIAN)
1	\$70,550
2	\$80,600
3	\$90,700
4	\$100,750
5	\$108,850
6	\$116,900
7	\$124,950
8	\$133,000

INCOME LIMITS 6/15/2022

OWNER'S MANUAL

How to Apply

1. Complete the enclosed application.
2. Provide copies of all supporting documentation listed on page 2 of the application. Deliver completed application to the City of Napa Housing Division located at 1115 Seminary Street, Napa, CA 94559.

The Scope of Work

1. Once you have qualified for the program, the Housing Rehabilitation Specialist (HRS) will schedule an inspection of your property.
2. A list of corrective actions for all health and safety deficiencies, combined with a limited amount of general property improvements, will be developed and used as the scope of work for the project.

The Bidding Process

1. Once a scope of work is agreed upon, the HRS will prepare a work write-up which is a list of bid specifications for the project. (eg. Materials, color of paint, flooring selection, construction specification, etc.)
2. The project is then advertised on the City of Napa Housing Division's contractor bidline. The bidline information does not give out the applicant's name, phone number or address.
3. When 3 or more contractors have expressed interest in bidding on the project, a jobsite bidwalk is scheduled.
4. The contractors and HRS will come to the applicant's home on an agreed upon date and time to walk the project, take measurements and photos, and prepare to bid on the work.
5. The bid results are then sent to the applicant and each bidding contractor. The owner is then allowed to select any of the responsible bids and is not required to choose the lowest bid.

Contract Signing and Loan Closing

1. On the scheduled date, the owner, contractor, and HRS will sign the Owner-Contractor contract. The contract will specify the complete scope of work to be performed, cost to owner, length of time allowed to complete the work, procedure for paying the contractor, qualifications and insurance requirements, process for changing the terms of the contract, warranty period, and other contract issues which protect the rights of the owner and contractor.
2. Once the contract is signed, your 0% interest loan, covering the cost of the construction, (and contingency) will be closed (signed). You will be asked to sign loan documents including: a promissory note for the amount of the loan; a deed of trust to secure the promissory note; and a loan disclosure statement describing the terms of the loan.
3. As with all legal contracts, you (owner) will have three business days (72 hours) after signing, to exercise your "Right to Cancel" during which time you may change your mind and withdraw from the program. "Business Days" include Saturdays, but do not include

Sundays or Holidays. Should you opt to withdraw from the program, you are not disqualified from applying again at a later date. However, the City of Napa Housing Division does ask you to carefully consider your commitment to our program, as many hours of administrative time go into processing each application.

Construction and Completion

1. When the Rights of Rescission period ends and on the agreed upon date, the HRS issues the Notice to Proceed and the contractor is allowed to begin the work.
2. The length of the contract may be extended if additions or changes to the contract are agreed upon, or if unavoidable delays such as inclement weather occur.
3. During the course of construction, the contractor may request periodic “progress payments” prior to completion of the project. These payments will be made on an agreed upon schedule and will only pay for items of work which are complete, signed off by the Building Department (if necessary), and meet the standards set forth by the City of Napa Housing Division.
4. Upon completion of all work items, the HRS will perform a final inspection, verify that all building permits have been signed off, collect final lien waivers, process a final progress payment and issue a Notice of Completion.

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Our goal at the City of Napa Housing Division is to support you, the homeowner, in the successful rehabilitation of your home. Please contact me if you need assistance at any point in the application process.

Thank you,

Hernando Guillem
Housing Rehabilitation Program Supervisor
(707) 257-9642