



Rental Rehabilitation Program

PROGRAM INTRODUCTION

The City of Napa operates a Rental Housing Rehabilitation Program which is funded with Community Development Block Grant funds. The purpose of the Program is to improve and expand the number of affordable rental housing units in the City of Napa by providing a pool of loan funds for the rehabilitation of rental properties occupied by low- income tenants.

Who Can Apply?

The following are the general requirements.

A. Borrower Eligibility

Borrower must be the owner of the property being repaired at the time of application. Borrowers must have good credit and provide evidence of positive cash flow based on post rehabilitation revenue and expense projections.

B. Tenant Eligibility

Tenants in units assisted by the Program must have household incomes at or below 80% of the area's median income adjusted by household size at the time of loan application. The household's income includes income from all adult household members (excluding live-in aides) in residence.

FAMILY SIZE	LOW INCOME (80 % OF MEDIAN)
1	\$63,050
2	\$72,050
3	\$81,050
4	\$90,050
5	\$97,300
6	\$104,500
7	\$111,700
8	\$118,900

(Income limits per HUD, effective June 1, 2021)

Program assistance may only be used to assist units that will be restricted to and affordable to households with incomes at or below 80% of area median income adjusted. If only a portion of the units in a rental project have eligible tenants, the Program assistance will be pro-rated and only assist eligible units.

New tenants moving into the units assisted by the Program after the date of the loan application must also have household incomes at or below 80% of area median income adjusted by household size.

C. Property Eligibility

Projects must be residential structures with one or more legal dwelling units with a minimum age of 10 years and must be located within the city limits of the City Napa or in adjacent unincorporated Napa County pockets.

Properties must be in substandard condition to be considered for rehabilitation assistance. A substandard property has one or more of the following conditions:

- The unit violates one or more applicable building codes
- The unit has damage and deterioration that, if not corrected, is likely to become a health, life, or safety hazard if the violations are not corrected within two years
- The unit, as constructed, presents barriers to the independent functioning of a disabled tenant
- The unit fails Section 8 Housing Quality Standards

The property may not have any construction liens or monetary judgments recorded against or in connection with it, the owner, or the operator.

The Scope of Work

Loans shall be used to finance rehabilitation to Housing Rehabilitation Program standards. Examples of repairs include roof replacement, exterior painting conversion of front door from hollow core to solid core, grounding of outlets in kitchen and bathroom, dry-rot repairs, etc.

If there are more code violations, than money available to correct, the City Housing staff shall rank the violations by severity, importance, and/or seriousness. If there are insufficient funds or if other factors prevent the correction of an adequate number of serious violations, the project application may be denied.

Examples of ADA Repairs

Properties which are, or will be, legally occupied by a disabled tenant qualify for modifications such as removing architectural barriers. In cases where it is not structurally or financially feasible to bring units into full compliance with ADA improvements, limited repairs or improvements increasing overall accessibility may be done, provided such repairs are conducted by permit through the City of Napa's Building Division. Any multi-family complex of eight units or more qualifies for the conversion to full disability access of one dwelling unit.

Eligible repairs or improvements that will alleviate architectural barriers include, but are not limited to, the following:

- Electrical switches and convenience outlet relocation
- Replacement of doorknobs with lever action handles
- Widening doorways and hallways
- Plumbing alteration or modifications
- Kitchen cabinet modifications
- Toilet alterations or modifications
- Transitional floor coverings
- Bathtub or showers
- Sliding doors
- Grab bars
- Ramps

General Terms and Conditions of Loans

The following general conditions apply with specific terms and conditions:

A. Maximum Loans Allowed

The total of all loans on a property in the rental rehabilitation program shall not exceed 100% of the post rehabilitation value of the property. The current maximum loan amounts per unit for City funded projects are as follows:

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|----------------------------------|--|
| • Single-family rental unit/Duet | \$75,000 |
| • Two-unit building | \$60,000/unit |
| • Three-unit building | \$45,000/unit |
| • Four-unit building | \$30,000/unit |
| • Five-unit building | Decrease \$30,000/unit by 2% for each additional unit per building. |

B. General Terms and Conditions of Loans

- Loans have a maximum term of 20 years, are deferred (no monthly payment required) with an interest rate of 0%, and are secured by a Deed of Trust
- Loans are due and payable upon sale of the premises or change in title/ownership or change in use
- Option of 10 or 20-year affordability restrictions
- Each unit or complex previously assisted by the Program may be eligible for assistance again if the unit or complex have deteriorated to a substandard condition or a tenant needs ADA improvements to the unit.
- Every improved property must be covered by fire and extended coverage insurance on the property being improved and name the City as an additional loss payee for the life of the loan
- The borrower must permit a reasonable inspection of the property by the City for compliance with contract documents and inspection of rehabilitation work and provide documentation to verify annual compliance with long-term affordability covenants
- Rent limit requirements (limits vary by bedroom size or Section 8 rent if unit under Section 8 Program)

Napa County Affordable Rent Limits for 2021

MONTHLY MAXIMUM HOUSING COST (INCLUDING ANY TENANT PAID UTILITIES)

Number Of Bedrooms	Maximum Housing Cost
Studio	1,576
1	1,801
2	2,026
3	2,251
4	2,433
5	2,613

Total housing cost includes rent and all utilities except for phone service.

If utilities are paid by tenant, the maximum monthly rent is reduced by the Utility Allowance. The current Utility Allowance Chart can be found on the Housing Authority's webpage: [176 \(cityofnapa.org\)](http://176.cityofnapa.org).

*Our goal is to support you in the successful rehabilitation of your home!
Please contact the City of Napa at (707) 257-9543 if you need assistance
at any point in the application process.*