





## THE CITY OF POMONA HOME REHABILITATION PROGRAM (SUBSTANTIAL LOAN)

**The Housing Division of the Planning & Housing Development Department has opened the enrollment period for the City of Pomona's Substantial Rehabilitation Loan Program Waiting List. The Substantial Rehabilitation Loan Program Waiting List will remain open until the list is full. Applications will be accepted on a first-come, first-serve basis.**

The loan is up to \$60,000 for rehabilitation of owner-occupied single-family homes or condominium homes. Based on the total household income, the interest rate will be at either 2% or 4%. Funds must be used to address code violations or health and safety hazards as priorities.

Please contact the Housing Division for a "Preliminary Application Form" by calling (909) 620-2368 or coming to the City Hall in person. If no one answers the phone, please leave your name, address, and telephone number, and indicate that you are requesting a Rehab Loan Program Preliminary Application Form.

All completed forms may be returned to the Housing Division at the City Hall in person or by mail to:

City of Pomona Housing Division  
Home Rehabilitation Program  
Waiting List Sign-Up  
505 S. Garey Avenue  
Box 660  
Pomona, CA 91769

During the Open Period, the Housing Division must receive all completed forms. Forms will be time stamped and screened by staff based on income and housing value. Only Preliminary Applications received during the Open Period will be considered. Pre-qualified property owners will be placed on a waiting list based on the sequence of the time stamp. You are not automatically accepted on the list by submitting the Preliminary Application Form. A notice will be mailed to you informing you if you have or have not been placed on the waiting list.

If you have any questions, please contact the Housing Division at (909) 620-3630 or 620-3631.

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**City of Pomona**  
**Housing Division**  
**Community Development Department**

**(909) 620-2368**



**CITY**  
**OF**  
**POMONA**

**HOME**

**REHABILITATION**  
**PROGRAMS**



UPDATED  
 January 2008



everything you would like to have done to your home. After this meeting, the Specialist will prepare a detailed scope of work that the homeowner uses to obtain bids from contractors. The scope of work will be prioritized based on possible code violations, health/safety concern, and items on your wish list. The Housing staff will review all contract documents and prepare a "Notice to Proceed" authorizing the work to start. Housing staff will also conduct "work quality" inspections to ensure that the work is done in a workman-like manner and based on the scope of work. City's Building and Safety Division staff will inspect and approve work that is being done. After each phase of the work is completed, Housing staff will process payments to pay the contractor directly.

**What happens if I die and my children are living in the house with me? Do they have to pay the loan off? Can they take over the loan?**

The loan plus accrued interests must be repaid if the title of the property changes.

**Do I have to have liability insurance on my house?**

Yes. You must retain a liability insurance for the life of the loan with a sufficient amount to replace the property should any adversity happens.

*Please see the attached Program Table for more information*

*Program guidelines are subject to change without notice.*

**Are the Rehab Loans a lien against my property?**  
 Yes. Each Rehab Loan is a second or a third mortgage recorded against the property, using the home as collateral.

**Does the City sign a construction contract for me?**  
 No. The contract will be signed between the property owner and the contractor.

**Does the property need to be tested for lead, asbestos, and mold and abated if tested positive?**

Yes, if you are receiving a City Rehabilitation loan and if your house was built prior to 1978, a lead inspection is needed; if the house was built prior to 1980, a test for asbestos is necessary. If mold exists, a mold test is also necessary. Lead, asbestos, and mold could cause serious health hazards if not abated.

**What happens if I sell my house or refinance my first mortgage?**

If you sell your house or refinance your mortgage for a higher amount then the current mortgage balance plus the closing costs, the loan plus applicable interests must be repaid.

**Will the City assist me in any way through the construction process?**

Yes. Although the City is acting as a "lender" to provide financing for the rehabilitation of your property, additional services will be provided. Once an application is in process, the Housing Division will send a Rehab Specialist to meet with you at your home. This will be your opportunity to show the Specialist

## What are the Home Rehabilitation Programs?

The City of Pomona Home Rehabilitation Programs are established to assist very low-, and low-income households by rehabilitating existing single-family or condominium owner-occupied dwellings with deferred, low interest loans.

## Who and what properties are eligible?

- Property owners occupying the property as their principal residence
- Homeowners with a minimum of 10% available equity
- Applicants must be the property owner of record
- Homeowners combined family gross income cannot exceed certain limits (see program table)
- The after-rehab value of the Property cannot exceed the value established by 24CFR Part 92.254 (a)(2)(iii), currently at \$399,000 for single-family homes and at \$275,400 for condominium homes.

## Frequently asked Questions

**Will I have to make monthly payments on this loan?**

No. Most of the Rehab Loans are deferred payment loans which do not require a monthly payment. However, the homeowner may make up to two payments per year toward the principal. The loans plus accrued interests must be repaid.

**What repairs can these funds be used for?**

Depending on the program, most loan proceeds may be used for any substantial rehabilitation to the interior or exterior of the property, such as correction of code violations, repair/replacement of heating, plumbing, electrical systems; modifications for handicapped individuals for accessibility; energy related improvements; removal of mold, lead, asbestos, dry-rot. Room-additions are usually not allowed unless an over-crowding situation exists (with children under 18 or seniors over 62 of age). All code violations must be corrected with the City's loan. If there are too many code violations and the City loan is not sufficient to cover the cost, the City may not fund the loan.

**Can I choose my own contractor to do the repairs?**

Yes. As long as the contractor is licensed by the California State Contractor's Board, and carries City of Pomona business license, worker's compensation and liability insurance (detailed insurance requirements are available upon request).

**What determines how much I am able to borrow?**

The loan amount is based on available equity of the home and the actual construction cost. Available equity is calculated by taking 90% or 85% of the after rehab market value of your home and subtracting the balance owed on the first or first and second mortgages. The difference is available equity. All fees will be paid as part of the loan.

**Can I get this loan and pay my debts?**

No. The loan amount must be used for the actual rehabilitation costs and monitored by City staff to ensure compliance with policies and regulations. This is not a traditional home equity loan.

**What if I have a judgment, tax lien, and/or a bankruptcy showing on the title of the property?**

The City will not provide funding to properties that have unresolved judgments, liens other than the first or second mortgages, or if the owner has filed bankruptcies within 18 months from the date of the application.

**Can I apply for this loan anytime?**

Due to the high demand we receive for certain loan programs and limited funding, homeowners must first place their names on a waiting list. This list is usually open during January and July of each year, and a limited number of spaces is available. Please see more information in the program table.

# CITY OF POMONA HOUSING REHABILITATION PROGRAMS - PROGRAM TABLE

*All programs are available based on funding availability.*

Program Name	Qualifications	Maximum Loan Amount	Interest Rate	Term	What items may be eligible?	What do I do now if I'm interested?
Owner-Occupied Substantial Rehabilitation on (HOME Fund)	<ul style="list-style-type: none"> <li>90% Loan to Value<sup>(1)</sup> for second position, 85% Loan to Value<sup>(2)</sup> for third position</li> <li>Owner-occupied</li> <li>Low-income<sup>(4)</sup> or below</li> <li>After-rehab value cannot exceed 24CFR Part 92.254 (a)(2)(iii) (Section 203(b) Limit).</li> </ul>	\$5,000 to \$80,000	2% Simple Interest	<ul style="list-style-type: none"> <li>Due at sale, change of title, when the property ceases to be owner-occupied, or refinances with cash out.</li> <li>Second or Third Position</li> </ul>	<ul style="list-style-type: none"> <li>Most items on your property. Certain luxury items are not be allowed, such as upgrading from a wood/wrought iron fence to a block wall or upgrading kitchen/bathroom counters to marble.</li> <li>Correction of code violations will be priorities.</li> <li>Room additions may be allowed if overcrowding with children under 18 exists.</li> </ul>	Names for the waiting list will be taken on a first-come, first serve basis. You will need to complete a Preliminary Application Form by calling or visiting the Housing Division. After pre-approval is determined, you will be placed on the waiting list. The estimated waiting period is between three to twelve months.
Owner-Occupied Substantial Rehabilitation on (Low Mod Funded)	<ul style="list-style-type: none"> <li>90% Loan to Value<sup>(1)</sup> for second position, 85% Loan to Value<sup>(2)</sup> for third position</li> <li>Owner-occupied</li> <li>Moderate-income<sup>(3)</sup> or below</li> </ul>	\$5,000 to \$60,000	4% Simple Interest	<ul style="list-style-type: none"> <li>Due at sale, change of title, when the property ceases to be owner-occupied, or refinances with cash out.</li> <li>Second or Third Position</li> </ul>	<ul style="list-style-type: none"> <li>Most items on your property. Certain luxury items are not be allowed, such as upgrading from a wood/wrought iron fence to a block wall or upgrading kitchen/bathroom counters to marble.</li> <li>Correction of code violations will be priorities.</li> <li>Room additions may be allowed if overcrowding with children under 18 exists.</li> <li>Most items of the mobile home unit.</li> <li>May be used for the replacement of a unit.</li> </ul>	Contact Housing Loan Coordinator at (909) 620-3630.
California Mobile Home	<ul style="list-style-type: none"> <li>Low-income<sup>(4)</sup> or below</li> <li>Owner-occupied</li> <li>Must be located in designated mobile home parks<sup>(7)</sup>.</li> </ul>	\$5,000 to \$25,000	0%	<ul style="list-style-type: none"> <li>Due at sale, transfer or title, when the property ceases to be owner-occupied, early repayment or refinancing of the first mortgage, or at the end of 20 years.</li> <li>1/10<sup>th</sup> of the loan will be forgiven each year after year-ten.</li> <li>Second Position only</li> </ul>	<ul style="list-style-type: none"> <li>Items that may cause an immediate threat to the health and safety of the occupants and are usually not caused by deferred maintenance.</li> <li>Accessibility (e.g. wheelchair ramps) for handicapped persons.</li> <li>Examples that are not eligible: pest control, windows, drive-ways, fences, landscape, roof, etc.</li> </ul>	Contact Housing Division Loan Coordinator at (909) 620-3631.
Emergency Grant	<ul style="list-style-type: none"> <li>Owner-occupied</li> <li>Low-income<sup>(4)</sup></li> <li>Single-family home with one unit</li> <li>For emergency health and safety related items only</li> <li>Properties that have never received an emergency grant from Housing Division</li> </ul>	\$5,000	N/A	Grant		

Notes:

(1) 90% Loan to Value (LTV). The current debt (first mortgage) must be less than 80% of the after-rehabilitated market value.

(2) 85% Loan to Value (LTV). The current debt (first mortgage and second loan) must be less than 85% of the after-rehabilitated market value.

(3) Maximum Moderate-income (as of March 2008). All income limits are subject to change without prior notice.

(4) Maximum Low-income. All income limits are subject to change without prior notice.

(5) Maximum Very Low-income. All income limits are subject to change without prior notice.

(6) Designated mobile home park addresses are: Foothill Village Mobile Park (301 E. Foothill Blvd.), Foothill Mobile Park (402 E. Foothill Blvd.), Park Vista Estates of Pomona (1601 S. Garey Ave.), Bigs Mobile Home Park (1461 W. Mission Blvd.), Pomona Islander Mobile Home Park (3867 W. Valley Blvd.), and Hillview Park (3825 Valley Blvd.).