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## TRACY HOUSING REHABILITATION Small Cities Development Program Fact Sheet

**The City of Tracy has received grant funds to provide 0% Interest housing repair loans to 20 income eligible homeowners living within Tracy city limits.**

### Eligibility Requirements:

- ✓ **Ownership** - The applicant must own or be purchasing a property within the City of Tracy. **Life Estates, Trusts and Reverse Mortgages are not eligible.**
- ✓ **Occupancy** – Owner occupies the home to be improved as their principal place of residence. Owner must have owned and resided in the property for at least 6 months before the work starts.
- ✓ **Eligible Repairs** - Repairs that are permanent and necessary are eligible. Examples may include roofing, foundations, siding, heating units, electrical, plumbing, and other health and safety items. Additions are not allowed.
- ✓ **Property Mortgage** - Owner must be current with their Mortgage (if applicable).
- ✓ **Real Estate Taxes** - Owner must be current with property taxes.
- ✓ **Insurance** – Owner must have property insurance in place for the full term of the loan.
- ✓ **Average Loan** - The maximum Housing Repair Loan is \$25,000. Homeowners under 80% Area Median Income are eligible for grant funds without matching requirements.
- ✓ **Income** – Owner's income falls under the most current Lyon County 80% Area Median Income (AMI) limits as set forth by HUD. Check the current income limits for Lyon County on our website program information.

**SCDP Loan:** 100% of the project cost (up to a max of \$25,000) will be a 0% SCDP deferred\* loan.

**\*Deferred Loan** - The loans will be 0% deferred loans. This deferred loan requires no monthly payments, and no interest will accrue if the property does not change ownership within ten (10) years. This deferred loan will be forgiven at the rate of 10% each year and will revert into a grant if the property does not change ownership within the ten (10) year period. **Note** - Contract for deeds have no descending forgiveness, they forgive only after the 10-year period is reached.

## **Housing Repair Process**

The program will follow the guidelines as set forth below:

- ✓ **Application** – The applicant will need to complete a full application for the program that requires proof of property ownership, verification of income, and other eligibility requirements.
- ✓ **Application Ranking** – All applications submitted that are complete, signed, and accurate that include all the requested supporting documents will be ranked as per the date they arrive. Households that participated in the survey process and requested to be on the waiting list will have the first chance to apply for the funds. After 60 days, the applications will be opened to the entire city. UCAP will review applicants for verification of eligibility based on the ranking system. All households will be served on a first-come, first-served basis. Applicants that have a past SCDP lien that is still active are not eligible until the lien is removed.
- ✓ **Property Inspection** – UCAP will inspect the property, identify eligible repairs, and will work with the applicant to determine what repairs should be done. **LEAD RULES AND REGULATIONS DO APPLY.**
- ✓ **Work Write-Up** - The UCAP Housing Inspector will develop specifications on the work to be completed. The homeowner will solicit and select the contractor from licensed and insured contractors that meet SCDP requirements. Bid packets will be distributed to these contractors.
- ✓ **Bid Awards** – Following receipt of bids from the contractor, UCAP will meet with the owner and review the bids. The owner will then accept or reject the bids which have been submitted.
- ✓ **Repayment Agreement** - The owner shall enter into a repayment agreement with the City of Tracy to accept the conditions of the loan. The repayment agreement will be filed at the Lyon County Recorder's Office.
- ✓ **Proceed to Work** - UCAP will send a letter notifying the contractor that work may begin at the owner's property. The contractor will be required to secure any necessary building permits.
- ✓ **Payments** - Payments to contractors will be made on behalf of the owner(s) by UCAP. Partial payments are allowed at the discretion of UCAP. To receive payment, the contractor must submit a lien waiver, a billing statement, and a signed completion certificate (all furnished).
- ✓ **Project Completion** - Upon completion, a final inspection and lead clearance assessment will be done and the project will be closed.

