

# STAFF REPORT

## Lancaster Redevelopment Agency

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Date: May 22, 2007

To: Chairman Hearn and Agency Directors

From: Elizabeth Brubaker, Housing & Neighborhood Revitalization Director

Subject: **Approve Policies and Procedures for the Home Improvement Programs**

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### **Recommendation:**

Approve the Policies and Procedures for the Home Improvement Programs and direct staff to implement and administer these programs.

### **Financial Impact:**

Funding of the Home Improvement Programs will come from the Lancaster Redevelopment Agency's Low- and Moderate-Income Housing Fund. Appropriations for each of the programs will be presented for adoption with the proposed fiscal year 2007/08 budget.

### **Background:**

The Agency is required to deposit not less than 20% of its tax increment revenues in the Low- and Moderate-Income Housing Fund and to expend the monies in the Housing Fund only for the purpose of increasing, improving or preserving the supply of low- and moderate-income housing in the City. Redevelopment housing funds may be used in a variety of ways to support and assist the development, improvement and preservation of affordable housing. However, the Redevelopment Agency must distribute housing funds among low- and moderate-income households in proportion to the housing needs of these groups identified in the City's housing element of the General Plan. Failure to spend monies in the Housing Fund in a timely manner could result in penalties against the Agency. These penalties could prevent the Agency from undertaking economic development activities and requires the expenditure of non-housing money for housing purposes.

The Agency did a Housing Needs Assessment to collect and analyze data in the seven redevelopment project areas to assist in identifying areas in need of housing and other revitalization services, as well as those neighborhoods and/or areas with the most potential for improvement. Analysis of the data resulted in the identification of several primary and secondary focus neighborhoods, as well as neighborhoods of interest for further study. As a result of the Housing Needs Assessments, it is apparent that there are a considerable number of senior citizens with very low income that reside in the primary and secondary neighborhoods, neighborhoods of interest and concern and other neighborhoods throughout the seven redevelopment project areas.

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On September 26, 2006, the Agency Board directed staff to commence with the redevelopment processes necessary and a budget to implement the Housing Division's strategy. The strategies of the Housing Division are as follows: (1) to reverse the pattern of deterioration and recapture the sense of place that once existed; increase the livability and vitality of the neighborhoods; and rekindle a sense of pride among residents unique to Lancaster; (2) to prevent further blight by encouraging and fostering housing and economic revitalization by protecting and promoting the sound development and redevelopment of the community; reinvest in the older and often overlooked neighborhoods, commercial districts and downtowns, and encourage new development at the edges; and (3) to participate in the Strong Neighborhoods Initiative.

Housing programs have been created pursuant to the Housing Needs Assessment and the Housing Division's strategy and goals. The Housing Programs have been divided into five categories, Senior Citizen Home Improvement Programs, Homeowner Improvement Programs, Rental Improvement Programs, Maintenance Programs and Acquisition Programs. On May 8, 2007, the Agency Board approved the Senior Citizen Housing Programs. Following are the Homeowner Improvement Programs being presented tonight for approval by the Agency Board. The other housing programs will be presented to the Agency Board for approval at future City Council meetings.

The Home Improvement Programs consist of the following programs:

- Homeowner Emergency Repair Program,
- Homeowner Disabled Accessibility Program,
- Homeowner Paint Program,
- Homeowner Landscape Improvement Program; and
- Homeowner Home Improvement Program.

All of the Homeowner Housing Programs are no interest loans due and payable upon the sale of the property or refinancing of the loan recorded on property. If the Homeowner does not properly maintain their residence in compliance with the Minimum Housing Quality Standards and the Lancaster Municipal Code, the Homeowner will be responsible for bringing the property back into compliance, payment of all code enforcement fines and re-payment of the program loan in its entirety.

The amount of the loan varies for each program as follows:

- The maximum amount of assistance for the emergency repair program is \$4,000.
- The maximum amount of assistance for the disabled accessibility program is \$10,000.
- The maximum amount of assistance for the paint program is \$7,000.
- The maximum amount of assistance for front yard landscape improvement program \$6,000.
- The maximum amount of assistance for the home improvement program is \$20,000.

Eligibility requirements vary for each of the Homeowner Improvement Programs.

To participate in the Homeowner Emergency Repair Program the household income must not exceed 80% of the area median. The assistance is in the form of a no interest deferred loan. The program is for only severe cases that pose a harmful

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threat to the health and/or safety of the homeowner, no water service due to environmental conditions, lack of toilet/bathing facilities, direct water intrusion, gas leak, dangerous electrical, leaking roof, HVAC system, wall heater, and evaporative cooler not working.

The program is available to all citizens in Lancaster and participation is limited to once per year.

To participate in the Homeowner Disabled Accessibility Program at least one of the homeowners need be physically disabled. The household income must not exceed 80% of the area median. The assistance is in the form of a no interest deferred loan. The program is for work to change the level of the door thresholds, widening of exterior doors, door and doorway peephole, lowering doorbell, visual doorbell, rocker light switches, adjustments to rods and shelves, ramps, grab bars, lever faucets, roll-in showers, shower stalls with a 4-inch bottom lip, hand-held adjustable shower heads, removable base cabinets under sink, bathroom and kitchen counter top heights repositioned, lever faucets in the kitchen sink, base cabinets with pull out shelves and base cabinets with lazy Susans.

The program is available to all citizens in Lancaster and participation is limited to once per year.

To participate in the Homeowner Paint Program the household income must not exceed 120% of the area median. For those households whose income does not exceed 50% of area median the assistance is in the form of a no interest deferred loan. For those households who income is from 80% to 120% of area median the assistance is in the form of a no interest loan, amortized over 5 years. The program is for painting the exterior of single family residences.

The program is available for properties located in the Primary or Secondary Neighborhoods, or Neighborhoods of Concern or Interest pursuant to the Housing Needs Assessment and maximum participation is once every ten years.

To participate in the Homeowner Front Yard Landscape Improvement Program the homeowner must have received a Notice of Violation from the Department of Housing & Neighborhood Revitalization, the property must be located in Primary or Secondary Neighborhoods or Neighborhoods of Concern or Interest pursuant to the Housing Needs Assessment, and the household income must not exceed 120% of the area median. For those households whose income does not exceed 50% of area median the assistance is in the form of a no interest deferred loan. For those households who income is from 80% to 120% of area median the assistance is in the form of a no interest loan, amortized over 5 years.

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The program is available for properties located in the Primary or Secondary Neighborhoods, or Neighborhoods of Concern or Interest pursuant to the Housing Needs Assessment and maximum participation is once per property.

To participate in the Homeowner Home Improvement Program the household income must not exceed 120% of the area median. A no interest, 30 year deferred loan, is available for households whose income does not exceed 50% of area median income. A no interest loan, amortized over 15 years, is available to households whose income does not exceed 80% of the area median income and a no interest loan, amortized over 10 years, is available to households whose income does not exceed 120% of the area median income. The program is for work pertaining to correcting code violations, deterioration of the structure, fencing, repair or replacement of roofing, HVAC systems, wall heaters, and evaporative coolers, windows, screens, garage doors, entry doors, exterior painting, electrical, plumbing.

The program is available for properties located in the Primary or Secondary Neighborhoods, or Neighborhoods of Concern or Interest pursuant to the Housing Needs Assessment and maximum participation is once per property.

| <u>Household Size</u> | <u>Income Limit @ 50%</u> | <u>Income Limits @ 80%</u> | <u>Maximum Income Limits @ 120%</u> |
|-----------------------|---------------------------|----------------------------|-------------------------------------|
| one person            | \$0 - \$25,900            | \$25,901 - \$41,450        | \$41,451 - \$47,500                 |
| two persons           | \$0 - \$27,700            | \$29,601 - \$47,350        | \$47,351 - \$54,200                 |
| three persons         | \$0 - \$31,200            | \$33,301 - \$53,300        | \$53,301 - \$61,000                 |
| four persons          | \$0 - \$34,650            | \$37,001 - \$59,200        | \$59,201 - \$67,800                 |
| five persons          | \$0 - \$39,900            | \$39,951 - \$63,950        | \$63,951 - \$73,200                 |
| six persons           | \$0 - \$40,200            | \$42,901 - \$68,650        | \$68,651 - \$78,600                 |
| seven persons         | \$0 - \$68,750            | \$45,901 - \$73,400        | \$73,401 - \$84,100                 |
| eight persons         | \$0 - \$73,200            | \$48,851 - \$78,150        | \$78,151 - \$89,500                 |

The Homeowner Improvement Housing Programs are neighborhood revitalization programs that eliminate, deter and prevent blight in the primary and secondary neighborhoods and neighborhoods of interest and concern throughout the City of Lancaster, a goal approved by the Agency Board.

Agency staff believes that approving the policies and procedures for the “Homeowner Home Improvement Programs” meets the strategies and goals of the Housing Division, and meets the goals of the City Council. To make modest neighborhoods as appealing as high-end neighborhoods, to stabilize neighborhoods physically, and make older neighborhoods as safe and desirable as new ones and therefore, recommends approving the subject programs.