



## Housing Rehabilitation Loan Committee Agenda

Housing Rehabilitation Loan Committee  
Tenth Street Place, 1010 10th Street, Room 3001  
Modesto, California

**Thursday, March 7, 2019 at 12:00 PM**

### **Roll Call - Silent**

### **Declaration of Conflict of Interest**

### **Public Comment Period**

Only interested persons in the audience may present these matters. Under State law, the Citizen's Housing and Community Development Committee may respond to matters being presented under the item only as follows:

- a) Briefly respond to statements made or questions raised.
- b) Ask a question for clarification
- c) Provide a reference to staff or other resources for factual information.
- d) Request staff to report back at a subsequent meeting.
- e) Finally, a Committee member or the Committee itself may take action to direct staff to place a matter of business on a future agenda.

### **Consent Items - Unless withdrawn from consent, items are approved at one time.**

- .1. Consider approving minutes of the February 7, 2019 meeting.

### **New Business**

- .1. Consider approving the forgiveness of accrued interest in the amount of \$8,564 through the Homeowner Rehabilitation Program, for Virginia Seaberry for the property located at 225 Madera Street, CA 95351.

Documents:

[ITEM 1- AR -225 MADERA STREET.PDF](#)

- .2. Consider approving an additional \$8,004 Homeowner Rehabilitation Grant, for Audrey Chrisco for the property located at 1200 S. Carpenter Road Space #4, CA 95351.

Documents:

[ITEM 2- AR -1200 S. CARPENTER SP 4 - CHRISCO.PDF](#)

ITEM 2- ATTACHMENT A -1200 S CARPENTER SP 4 - CHRISCO.PDF

- .3. Home Rehabilitation Grant Options and Policy Review
- .4. Consider approving a \$21,987 Homeowner Rehabilitation Loan and a \$10,000 Homeowner Rehabilitation Grant, contingencies and related permitting fees for Sandra Starn for the property located at 139 Lee Street, Modesto, CA 95354, with an exception to the Homeowner’s Rehabilitation Program Policy and Procedure tax rule.

Documents:

ITEM 4 - AR -139 LEE STREET.PDF

ITEM 4 - ATTACHMENT A 139 LEE STREET - STARN.PDF

**Comments and Committee Reports**

(These may be presented by members of the Citizens’ Housing and Community Development Committee and staff upon determination by a majority vote that an emergency exists, as defined by State Law, or by a 2/3 vote that (1) there is a need to take immediate action, and (2) that the need for action came to the City’s attention after the agenda was posted.)

**Adjournment**

**Posted pursuant to Government Code Section 54954.2 on bulletin board at Tenth Street Place on**

Name	Date	
Time		

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If you require a translator, please contact the Community Development Division office by email or 209-577-5211, no fewer than two business days prior to the workshop to make the necessary arrangements.

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*Este documento puede traducirse al español bajo petición llamando al (209) 577-5211.*



**CITY OF MODESTO**  
**COMMITTEE AGENDA REPORT**

**DATE OF MEETING:**  
March 7, 2019

Date: February 28, 2019

TO: Housing Rehabilitation Loan Committee

THROUGH: Jessica Narayan, Community Development Manager

SUBJECT: Homeowner Rehabilitation Loan Modification for 225 Madera Street Modesto, CA 95351 (Virginia Seaberry)

CONTACT: Jessica Narayan, Community Development Manager  
[jnarayan@modestogov.com](mailto:jnarayan@modestogov.com), 577-5321

**DESCRIPTION:**

Consider approving the forgiveness of accrued interest in the amount of \$8,564 through the Homeowner Rehabilitation Program, for Virginia Seaberry for the property located at 225 Madera Street, CA 95351. (Funding: Community Development Block Grant Revolving Loan Fund and Community Development Block Grant Entitlement Fund)

**STRATEGIC PLAN ELEMENT:**

This item supports, Strategic Commitment - Great Safe Neighborhoods: Increase collaboration with neighborhoods and school district(s) to achieve quality of life improvements, and safe neighborhoods through supporting community self-reliance, problem solving and public/private partnerships.

**BACKGROUND:**

The Homeowner Rehabilitation Loan Program is designed to repair or eliminate health and safety hazards in residential properties for qualifying low income households whose income is 80% or below the Area Median Income. Eligible improvements include roofing, weatherization, heating and cooling systems, plumbing, electrical, ramps, handrails and widening of doorways. Financial assistance is available in the form of low interest loans, secured by Deeds of Trust and recorded against equity qualifying owner-occupied properties. The Housing Rehabilitation Loan Committee (HRLC) is authorized to approve loans up to \$49,999; loans in excess of \$49,999 require City Council approval.

The Homeowner Rehabilitation Grant Program is designed to address health and safety concerns in residential properties for qualifying low income households whose income is 80% or below the Area Median Income. Eligible Improvements include upgrading or replacement of heating, ventilating and air conditioning systems; replacement of windows, water heaters, doors, fans; insulation, and leaking roofs. Financial assistance is available in the form of a grant with a maximum award of \$10,000 for owner occupied single-family residential units and \$20,000 for Modular Homes.

Technical assistance is provided for both programs and includes preparation of work specifications, preparation and review of cost estimates, bidding assistance and coordination with local contractor(s) to ensure work is completed pursuant to applicable Federal & State regulations.

**DISCUSSION:**

In 2010, Virginia Seaberry (homeowner) purchased a 3-bedroom, 1 bathroom, 1,552 square foot home located at 225 Madera Street, Modesto, California, 95351 (property).

Homeowner applied for a Homeowner Rehabilitation Loan and Grant and was approved. In December 2013, the following rehabilitation work was performed:

- 20 year old composition shingle roof on the house and garage was replaced with a 30-year composition shingle roof, including the installation of three (3) new solar panel vents.
- The old furnace located in the basement was removed and hauled away.
- The old frame, plaster hood, and fan in the kitchen were removed.
- A portion of the wall between the kitchen and laundry room, including the closet in the laundry room was removed.
- New kitchen cabinets, countertop, stove, microwave, and Energy Star rated refrigerator were installed.
- The existing tub/shower surrounds were removed, including plumbing in the wall. New plumbing was installed, including new surround, and a refinished tub.
- All electrical outlets above the counters in the kitchen and bathroom, including any exterior electrical outlet were converted to Ground Fault Circuit interrupter or (GFCI) protected outlets.
- Seventeen (17) windows were replaced with dual-glazed, Low-E and white vinyl frame windows.
- The kitchen and bathroom faucets were replaced with low flow faucets.
- One toilet was replaced with a 1.6 gallon and dual flush toilet.
- New vinyl flooring was installed in breakfast nook, kitchen, and bathroom.
- Living room carpet was removed and the hardwood flooring was refinished.
- Due to Lead Based Paint requirements, the exterior of the house and garage was painted, including the front porch.
- The side door of the house was removed and replaced with a solid core, steel clad and pre-hung door frame.
- The existing light fixture in the bathroom was replaced with Energy Star rated, 52" ceiling fans. A new Energy Star rated, 110 CFM exhaust fan was installed in the bathroom.
- Five new combo smoke/carbon monoxide detectors were interconnected and hardwired, with battery back-up, and installed in the basement, first floor hallway, and all the bedrooms.
- Seventy-five feet of fencing was replaced with new 6'-0" high redwood fencing on the property line.

Shortly after the work was completed, the homeowner informed city staff of her concerns with the completed work. Based on project file it is unclear if or how any of the concerns were addressed at that time.

In September 2016, Housing Rehabilitation staff met with the homeowner and conducted a follow up Housing Quality Standards (HQS) inspection. During this assessment staff found damaged countertops, damaged flooring, mix-match cabinets and missing stucco related to plumbing repair work performed in 2013.

On January 22, 2019 City Council approved the addition of Loan Modification to the Homeowner Rehabilitation Program Policies and Procedures.

Pursuant to section 25.0 (Loan Modifications) the Housing Rehabilitation Loan Committee (HRLC) will consider loan modification requests on case-by-case basis.

25.1 Loan Modification requests may be considered by the City of Modesto only under the following circumstances:

25.1.1.1 For projects claiming contractor work to be substandard, project completion must have been within the past 5 years;

25.1.1.2 If making payments on City Loan and Borrower is facing a financial hardship, modification may be considered to prevent borrower from defaulting on primary or City loan which may trigger foreclosure

25.1.2 The following information will be collected from the borrower to consider a modification:

25.1.3 Housing Quality Standards Inspection

25.1.4 Financial hardship documentation, if applicable

25.1.5 Borrower must meet current program requirements

25.1.5.1 Income eligibility guidelines (income must not exceed 80% of the Area Median Income);

25.1.5.2 Front and Back End debt to income requirements

25.1.6 Record of any payments made toward the loan

25.1.7 Letter from the borrower which outlines concerns and reason for modification

25.2 If Staff determines the borrower meets the requirements for a loan modification, the request will be presented to the Homeowner Rehabilitation Loan Committee for consideration.

The total forgiveness amount requested is based on \$57,097.46 loan at three percent (3%) per annum.

A more detailed breakdown of the project improvements and corresponding costs are provided in the Homeowner Rehabilitation Program Summary Sheet, provided as **Attachment A**.

### **FISCAL IMPACTS:**

The Homeowner Rehabilitation Program is funded through the Community Development Block Grant Revolving Loan Fund, and Community Development Block Grant Entitlement Fund. Sufficient funds are available to fund the requested project.

### **CEQA/NEPA REQUIREMENTS:**

As per the National Environmental Policy Act (NEPA) and as required by the U.S. Department of Housing and Urban Development, an environmental review is being prepared and completed. Funds will be released to the lowest responsive contractor only after the NEPA Environmental Review has been completed by the Environmental Review Specialist.

**RECOMMENDED COMMITTEE ACTION:**

Consider approving the forgiveness of accrued interest \$8,564 through the Homeowner Rehabilitation Program, for Virginia Seaberry for the property located at 225 Madera Street, CA 95351 (Funding: Community Development Block Grant Revolving Loan Fund and Community Development Block Grant Entitlement Fund)

Prepared By: \_\_\_\_\_  
Yesenia Carrasco, Housing Financial Specialist

Approved By: \_\_\_\_\_  
Jessica Narayan, Community Development Manager

Attachments:  
A. Homeowner Rehabilitation Program Summary Sheet



**CITY OF MODESTO**  
**COMMITTEE AGENDA REPORT**

**DATE OF MEETING:**  
March 7, 2019

Date: February 28, 2019

TO: Housing Rehabilitation Loan Committee

THROUGH: Jessica Narayan, Community Development Manager

SUBJECT: Homeowner Rehabilitation Grant for 1200 S. Carpenter Road Space #4,  
Modesto, CA 95351 (Audrey Chrisco)

CONTACT: Jessica Narayan, Community Development Manager  
[jnarayan@modestogov.com](mailto:jnarayan@modestogov.com), 577-5321

**DESCRIPTION:**

Consider approving an additional \$8,004 Homeowner Rehabilitation Grant for a total of \$20,000, for Audrey Chrisco for the property located at 1200 S. Carpenter Road Space #4, CA 95351. (Funding: Community Development Block Grant Revolving Loan Fund and Community Development Block Grant Entitlement Fund)

**STRATEGIC PLAN ELEMENT:**

This item supports, Strategic Commitment - Great Safe Neighborhoods: Increase collaboration with neighborhoods and school district(s) to achieve quality of life improvements, and safe neighborhoods through supporting community self-reliance, problem solving and public/private partnerships.

**BACKGROUND:**

The Homeowner Rehabilitation Loan Program is designed to repair or eliminate health and safety hazards in residential properties for qualifying low income households whose income is 80% or below the Area Median Income. Eligible improvements include roofing, weatherization, heating and cooling systems, plumbing, electrical, ramps, handrails and widening of doorways. Financial assistance is available in the form of low interest loans, secured by Deeds of Trust and recorded against equity qualifying owner-occupied properties. The Housing Rehabilitation Loan Committee (HRLC) is authorized to approve loans up to \$49,999; loans in excess of \$49,999 require City Council approval.

The Homeowner Rehabilitation Grant Program is designed to address health and safety concerns in residential properties for qualifying low income households whose income is 80% or below the Area Median Income. Eligible Improvements include upgrading or replacement of heating, ventilating and air conditioning systems; replacement of windows, water heaters, doors, fans; insulation, and leaking roofs. Financial assistance is available in the form of a grant with a maximum award of \$10,000 for owner occupied single-family residential units and \$20,000 for Modular Homes.

Technical assistance is provided for both programs and includes preparation of work specifications, preparation and review of cost estimates, bidding assistance and coordination with local contractor(s) to ensure work is completed pursuant to applicable Federal & State regulations.

**DISCUSSION:**

On November 2, 2018, staff met with Audrey Chrisco (Homeowner) to complete an intake interview, and eligibility was completed and approved by the Housing Financial Specialist on November 2, 2018.

On November 6, 2018 staff met with Audrey Chrisco to conduct housing quality standards inspection of the property located at 1200 S. Carpenter Road Space #4, Modesto, CA 95351. The inspection found substantial health and safety related items in need of repair and/or replacement such as a roof replacement, water heater replacement, porch repair and bringing smoke detectors up to current building code.

On December 19, 2018, Charles Sharlou and Audrey Chrisco entered into agreement for the approved scope of work. Contract amount was \$12,040.00 inclusive of contingencies.

On February 22, 2019 a Notice of Completion for the original scope of work was issued with a total project cost of \$11,996.

During the project it was determined additional work out of the approved scope of work would be needed. Additional repairs to be addressed are porch repair and one window replacement.

A more detailed breakdown of the project improvements and corresponding costs are provided in the Homeowner Rehabilitation Program Summary Sheet, provided as **Attachment A**.

**FISCAL IMPACTS:**

The Homeowner Rehabilitation Program is funded through the Community Development Block Grant Revolving Loan Fund, and Community Development Block Grant Entitlement Fund. Sufficient funds are available to fund the requested project.

**CEQA/NEPA REQUIREMENTS:**

As per the National Environmental Policy Act (NEPA) and as required by the U.S. Department of Housing and Urban Development, an environmental review is being prepared and completed. Funds will be released to the lowest responsive contractor only after the NEPA Environmental Review has been completed by the Environmental Review Specialist.

**RECOMMENDED COMMITTEE ACTION:**

Motion approving an additional \$8,004 Homeowner Rehabilitation Grant for a total of \$20,000, for Audrey Chrisco for the property located at 1200 S. Carpenter Road Space #4 Modesto, CA 95351. (Funding: Community Development Block Grant Revolving Loan Fund and Community Development Block Grant Entitlement Fund)

Prepared By: \_\_\_\_\_  
Yesenia Carrasco, Housing Financial Specialist

Approved By: \_\_\_\_\_  
Jessica Narayan, Community Development Manager

Attachments:  
A. Homeowner Rehabilitation Program Summary Sheet

# ATTACHMENT A

## Homeowner Rehabilitation Program

Summary Sheet - Updated 11/7/2018

### 1200 S. Carpenter Rd Space #4 - Chrisco

**Finance Items:**

Area Median Income: 50.54%

Back End Debt Ratio: 0%;

Grant forgivable at 5 years

**Property Information:**

SFR; Bdrm(s): 3; Bath(s): 2; Unit Age: 1987

PROPOSAL DETAIL		
Health and Safety	Grant	Description
Health and Safety	\$ 500.00	Building Permit
Health and Safety	\$ 550.00	Window Replacement
Health and Safety	\$ 6,500.00	Porch Repair
Health and Safety	\$ 454.00	Contingency
<b>Total</b>	<b>\$ 8,004.00</b>	<b>Proposed Rehab. Work</b>

\* Contingency is there for unforeseen moisture damage from roof. If not used, then will be applied back to the deferred loan or grant amount.



**CITY OF MODESTO**  
**COMMITTEE AGENDA REPORT**

**DATE OF MEETING:**  
March 7, 2019

Date: February 28, 2019

TO: Housing Rehabilitation Loan Committee

THROUGH: Jessica Narayan, Community Development Manager

SUBJECT: Homeowner Rehabilitation Loan for 139 Lee Street (Sandra Starn)

CONTACT: Yesenia Carrasco, Housing Financial Specialist  
[ycarrasco@modestogov.com](mailto:ycarrasco@modestogov.com), (209) 571-5506

**DESCRIPTION:**

Consider approving a \$21,987 Homeowner Rehabilitation Loan and a \$10,000 Homeowner Rehabilitation Grant, contingencies and related permitting fees for Sandra Starn for the property located at 139 Lee Street, Modesto, CA 95354, with an exception to the Homeowner's Rehabilitation Program Policy and Procedure tax rule. (Funding: Community Development Block Grant Revolving Loan Fund and Community Development Block Grant Entitlement Fund)

**STRATEGIC PLAN ELEMENT:**

This item supports Strategic Commitment - Great Safe Neighborhoods: Increase collaboration with neighborhoods and school district(s) to achieve quality of life improvements, and safe neighborhoods through supporting community self-reliance, problem solving and public/private partnerships.

**BACKGROUND:**

The Homeowner Rehabilitation Loan Program is designed to repair or eliminate health and safety hazards in residential properties for qualifying low income households whose income is 80% or below the Area Median Income. Eligible improvements include roofing, weatherization, heating and cooling systems, plumbing, electrical, ramps, handrails and widening of doorways. Financial assistance is available in the form of low interest loans, secured by Deeds of Trust and recorded against equity qualifying owner-occupied properties. The Housing Rehabilitation Loan Committee (HRLC) is authorized to approve loans up to \$49,999; loans in excess of \$49,999 require City Council approval.

The Homeowner Rehabilitation Grant Program is designed to address health and safety concerns in residential properties for qualifying low income households whose income is 80% or below the Area Median Income (AMI). Eligible Improvements include upgrading or replacement of heating, ventilating and air conditioning systems; replacement of windows, water heaters, doors, fans; insulation, and leaking roofs. Financial assistance is available in the form of a grant with a maximum award of \$10,000 for owner occupied single-family residential units and \$20,000 for Modular Homes.

Technical assistance is provided for both programs and includes preparation of work specifications, preparation and review of cost estimates, bidding assistance and coordination with local contractor(s) to ensure work is completed pursuant to applicable Federal & State regulations.

**DISCUSSION:**

On February 16, 2017, staff presented proposed scope of work for property 139 Lee Street, to the Homeowner Rehabilitation Loan Committee. Proposed scope of work was approved with the recommendation to seek three bids for both a rebuild and major rehab.

May 17, 2017, staff posted a request for bids on the project pursuant the approach of a reconstruction project. The two bids were unreasonable, as they exceeded the maximum cost thresholds approved by HRLC.

On October 9, 2017, staff posted a request for bids on the project pursuant to the approach of rehabilitation vs. reconstruction to see if the bid results would be reasonable in comparison to the reconstruction costs.

On November 2, 2017, staff presented the one bid that was received for major rehab from Top Estate Construction.

Due to concerns with scope of work and contractor (Top Estate Construction) Sandra Starn (Homeowner) requested to not proceed with the project. Per homeowner's request a new Housing Quality Inspection (HQS) was completed to development a new scope of work.

On April 30, 2018, staff met with Sandra Starn (homeowner) to conduct an assessment of her property located at 139 Lee Street, Modesto, CA, 95354 (property). The inspection found signs of roofing damage, damage to the bathroom ceiling, window and door replacement, need for a new HVAC unit, insulation, exterior painting, and the removal and re-wire to code.

On June 20, 2018, staff met with Sandra Starn (homeowner) to conduct an assessment of her property located at 139 Lee Street, Modesto, CA, 95354 (property). The inspection found the extreme need to address this concern as an emergency; current leak is causing soil softening to structure foundation. Project was awarded to Scott Redenbaugh in the amount of \$350.00 to address the emergency repair.

On November 27, 2018, staff met with Sandra Starn (homeowner) to conduct an assessment of her property located at 139 Lee Street, Modesto, CA, 95354 (property). The inspection found the extreme need to address this concern as an emergency; repair issue to waste line. Project was awarded to Borges Construction in the amount of \$200 to address emergency repair.

On December 10, 2018, City staff completed an income re-certification. It was determined Sandra Starn (Homeowner) currently has a payment plan for previous property taxes. City staff has confirmed payment plan is current.

Pursuant to Section 4.5.5 (Homeowner Eligibility) the Housing Rehabilitation Loan Committee (HRLC) will consider applications on a case-by case-basis. The HRLC will have the discretion to consider any extenuating circumstances for a homeowner who may not meet the Homeowner

Eligibility Guidelines and may decide to approve the application a based on such extenuating circumstances.

Applicants who have defaulted on tax payments, but a payment plan has been established, and the applicant is current on those payments.

A more detailed breakdown of the project improvements and corresponding bid results are provided in the Homeowner Rehabilitation Program Summary Sheet, provided as **Attachment A**.

**FISCAL IMPACTS:**

The Homeowner Rehabilitation Program is funded through the Community Development Block Grant Revolving Loan Fund. Sufficient funds are available to fund the requested increases.

**CEQA/NEPA REQUIREMENTS:**

As per the National Environmental Policy Act and as required by the U.S. Department of Housing and Urban Development, an environmental review was prepared and completed.

**RECOMMENDED COMMITTEE ACTION:**

Motion approving a \$21,987 Homeowner Rehabilitation Loan and a \$10,000 Homeowner Rehabilitation Grant, and contingencies and related permitting fees for Sandra Starn for the property located at 139 Lee Street, Modesto, CA 95354, with an exception to the Homeowner's Rehabilitation Program Policy and Procedure tax rule. (Funding: Community Development Block Grant Revolving Loan Fund and Community Development Block Grant Entitlement Fund)

Prepared By:

\_\_\_\_\_  
Yesenia Carrasco, Housing Financial Specialist

Approved By:

\_\_\_\_\_  
Jessica Narayan, Community Development Manager

Attachments:

A. Homeowner Rehabilitation Program Summary Sheet

**ATTACHMENT A**

**Homeowner Rehabilitation Program**

**Summary Sheet - 12/26/2018**

**139 Lee Street - Starn**

**Finance Items:**

Area Median Income: 35.32%  
Loan deferred for 20 yrs at 0% interest

**Property Information:**

SFR; Bdrm(s): 2; Bath(s): 1; sq ft 790 Unit Age: 1910

PROPOSAL DETAIL				
Health and Safety	Emergency Loan	Loan	Grant	Description
Emergency	\$350.00			Shut off Valve
Emergency	\$200.00			Waste Line Repair
Health and Safety			\$ 1,000.00	Building Permit
Health and Safety			\$ 6,300.00	Drain/Waste/Vent
Health and Safety			\$ 1,500.00	Lead Based Paint Testing
Health and Safety		\$850.00	\$ 1,000.00	Water Heater
Health and Safety		\$2,180.00	\$ 200.00	Electric Service
Health and Safety		\$2,350.00		Electric Panel Relocate
Health and Safety		\$1,320.00		Supply, PEX
Health and Safety		\$630.00		Rewire to Code, Laundry Room
Health and Safety		\$770.00		GFCI Replacement (x7)
Health and Safety		\$440.00		Weatherproof Receptacle (x2)
Health and Safety		\$1,980.00		Receptacle, Wire (x18)
Health and Safety		\$75.00		Smoke Detector
Health and Safety		\$350.00		Dryer Circuit
Health and Safety		\$240.00		Entrance Light
Health and Safety		\$275.00		Washer Circuit
Health and Safety		\$6,690.00		Water Service
Health and Safety		\$410.00		Clothes Washing Machine Hook-up
12% of estimated project cost		\$3,427.00		Contingency *
	<b>\$550.00</b>	<b>\$21,987.00</b>	<b>\$ 10,000.00</b>	<b>Completed Rehab. Work</b>

\* Contingency is there for unforeseen moisture damage from roof. If not used, then will be applied back to the deferred loan or grant amount.

Bids in excess of 15% of the HRLC approved amount must be brought to HRLC for approval consideration - \$36,785