RESOLUTION NO. 37-2009

Adopted April 21, 2009

AMENDING THE MODEL BLOCK REHABILITATION LOAN PROGRAM TO CLARIFY THE ALLOWABLE USE OF LOAN FUNDS, ESTABLISH ASSET ELIGIBILITY CRITERIA, AND RAISE THE MAXIMUM ELIGIBLE INCOME TO 120% OF AREA MEDIAN INCOME; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On June 21, 2005, by Resolution No. 112-2005, the Redevelopment Agency of the City and County of San Francisco (“Agency”) designated the 1700 Block of Newcomb Avenue as a Pilot Block for participation in the Loan Program.

2. On June 1, 2006, the San Francisco Board of Supervisors adopted the Bayview Hunters Point Redevelopment Plan (“Redevelopment Plan”).

3. On April 17, 2007, by Resolution No. 32-2007, the Agency Commission established the Model Block Home Improvement Loan Program (“Loan Program”) to improve the quality of life for existing homeowners and residents of the Bayview Hunters Point Redevelopment Project Area (“Project Area”) and to preserve the existing housing stock in the Project Area. The Agency Commission: (1) adopted the standards, qualifications and criteria for making and approving Model Block loans; (2) authorized and approved the Loan Program; (3) authorized the Executive Director to execute individual loans and ancillary documents in accordance with the Loan Program; and (4) authorized the expenditure of an amount not to exceed One Million Dollars ($1,000,000) to implement the Loan Program. The Loan Program is listed as a housing activity in the five year Implementation Plan for the Redevelopment Plan.

4. Based on market conditions, applications and feedback from Model Block residents, staff is proposing to update the Loan Program guidelines to: (a) serve the maximum number of qualified residents, (b) clarify the priorities of use of the loan funds; (c) prioritize the scope of work to be completed with loan proceeds; (d) clarify that loan-to-value ratios will be confirmed with an appraisal; (e) establish an asset eligibility criterion; and (f) increase the household income eligibility based to 120% of area median income.

5. The Loan Program is categorically exempt from the California Environmental Quality Act (“CEQA”), pursuant to CEQA Guidelines Section 15301(a). The alterations to existing facilities would not have a significant physical effect on the environment.
RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

The Loan Program is amended in the form attached to this Resolution with the following changes:

1. Loan proceeds are available to rehabilitate privately owned, residential properties on the Model Block in the following areas, in order of priority: environmental and life safety issues, corrections of current code violations of the City and County of San Francisco Housing Codes and/or Building Codes, energy efficiency, water conservation repairs, electrical, plumbing and heating upgrades, roofing, window repair or replacement, exterior painting, and accessibility modifications or seismic upgrades.

2. The maximum loan-to-value ratio for a debt on the property including the Agency loan cannot exceed 95%. The Agency will order an appraisal, paid for by the borrower unless waived by the Agency, to determine the total loan-to-value ratio.

3. Homeowners can retain up to $25,000 of liquid assets and still qualify for a loan. For the purpose of the asset test, the homeowner’s primary residence will not be considered liquid assets. Retirement funds held in any pension account or retirement funds, including but not limited to the following: 401k plan, 403b plan, or similar asset that is not available for liquidation, such as a 529 plan or other government approved college savings plans, are exempt from the asset test.

4. To be income eligible, the borrower’s household income must not exceed 120% of area median income adjusted for household size.

APPROVED AS TO FORM:

[Signature]
James B. Morales 1/15/05
Agency General Counsel

Attachment A - Model Block Home Improvement Loan Program