



THE CITY OF SAN DIEGO

City Heights Redevelopment Housing Rehabilitation Loan Program FACT SHEET

Program Overview: The City of San Diego's Redevelopment Agency has created a \$1,835,000 housing rehabilitation loan program using City Heights tax increment housing set-aside monies to fund a housing rehabilitation program for very-low and low-income owner occupied units within the City Heights Redevelopment Project Area. The program includes Home Repair Loans of up to \$15,000 and Exterior Enhancement Loans of up to \$10,000, or a combination of the two, to City Heights Redevelopment Project Area owner-occupants of one- and two- unit properties. Adequate existing City Heights Redevelopment tax increment housing set-aside funds are currently available for the program.

The Housing Subcommittee was established by the City Heights Redevelopment Project Area Committee to determine the best use of housing set-aside funds for the area. The first priority for the subcommittee was to establish the "Home in the Heights" first-time homebuyer program, implemented in November 2001 to assist the residents of City Heights buy their first home. As a result, 60 new families are first-time home owners in the community.

Program Goals

- Assist qualified residents of City Heights to improve the interior and exterior conditions of their homes.
- Repair health and safety hazards that fail housing quality standards and threaten health and safety.
- Address exterior conditions of a property to rehabilitate, repair and install improvements, including those not eligible in other existing programs such as fencing, sidewalks and landscaping.
- Enhance the exterior of the property and instill pride in the neighborhood so other property owners will be encouraged to make improvements.
- Combine the City Heights Rehabilitation Program funds with other home repair assistance programs.
- Encourage and require the property to be maintained for the length of the loan.

Area of Availability

The City Heights Redevelopment Project Area includes the City Heights, Normal Heights, and Kensington-Talmadge planning areas – encompassing a total of 1,984 acres. Redevelopment projects reflect the goals of removing blight and improving education, transportation, affordable housing, retail and office space, as well as community beautification.

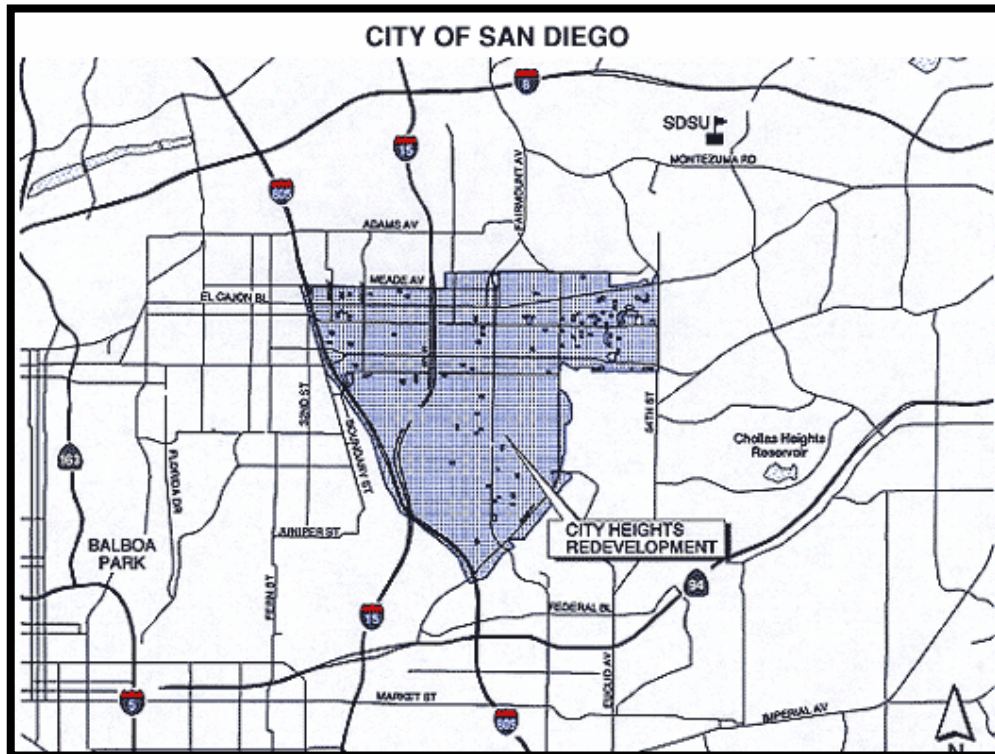
Location

The City Heights Redevelopment Project Area is bounded by Euclid Avenue and 54th Street on the east, Meade and Monroe Avenues on the north, Home Avenue on the south, and Interstate 805 on the west.

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City Heights Redevelopment Project Area Map



Program Guidelines

Home Repair Loans

A one-time only Home Repair Loan up to \$15,000 at an annual simple interest of three percent to make interior and exterior improvements and to repair health and safety hazards is available to City Heights Redevelopment Project Area owner-occupants of one- and two-unit properties, whose gross household income is no greater than 100% of the Median Area Income, as adjusted annually. The required first priority use of these loan funds will be to address interior or exterior conditions that cause a unit to fail housing quality standards and threatens the health and safety of the occupant(s).

The administrator of the program shall inspect the housing unit and develop a prioritized list of health and safety hazards. The loan funds must be used to address these hazardous conditions first. The loan may be supplemented with an Exterior Enhancement Loan described below. If the loan is not sufficient to address all health and safety needs, the applicant should be encouraged to apply for other available rehabilitation programs.

A 10-year deed restriction will be imposed as a condition of the loan. The deed restriction will require that the owner maintain residence at the property for not less than 10 years, or limits sale of the property to persons who will occupy the property and whose gross household income at the time of the sale is no greater than 100 percent of the Median Area Income, as adjusted annually. In the event of a default of the deed restriction (including the failure of the borrower to maintain the property at the level of quality achieved by the rehabilitation), the Redevelopment

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Agency may, at its sole discretion, require the repayment of the unforgiven portion of the loan and accrued interest amount as set forth below, should such default not be cured within thirty (30) days following written notice from the Agency. In the event of a default, the loan shall be repaid as follows:

Within Applicable Year	Percent of Principal & Interest to be Repaid
1	100
2	100
3	100
4	100
5	100
6	80
7	60
8	40
9	20
10	0

Exterior Enhancement Loans

A one-time only Exterior Enhancement Loan of up to \$10,000 at an annual simple interest rate of 3% shall be made available to City Heights Redevelopment Project Area owner-occupants of one-unit and two-unit properties, whose gross household income is no greater than 100% of the Median Area Income. This loan will be used to address exterior conditions of a property to rehabilitate, repair and install improvements, including improvements not eligible in existing rehabilitation programs such as fencing, sidewalks and landscaping, to enhance the appearance of the property. This loan program may be combined with the Home Repair Loan Program described above as well as other rehabilitation programs such as those offered by San Diego Housing Commission.

A five-year deed restriction will be imposed as a condition of the loan. The deed restriction will require that the owner maintain residence at the property for not less than five years, or limits sale of the property to persons who will occupy the property and whose gross household income at the time of sale is no greater than 100% of the Median Area Income, as adjusted annually. The deed restriction shall also provide for certain maintenance measures, specifically to maintain the property at the level of quality achieved by the rehabilitation. In the event of a default of the deed restriction (including the failure of the borrower to maintain the property at the level of quality achieved by the rehabilitation), the Redevelopment Agency may, at its sole discretion, require the repayment of the unforgiven portion of the loan and accrued interest amount as set forth below, should such default not be cured within thirty (30) days following written notice from the Agency. In the event of a default, the loan shall be repaid as follows:

Within Applicable Year	Percent of Principal & Interest to be Repaid
1	100
2	80
3	60
4	40
5	20
6	0

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Project Administrator

The San Diego Housing Commission is the administrator. The Housing Commission has administered rehabilitation programs for more than 20-years and can use its programs to supplement the City Heights Rehabilitation Program. The City Heights Rehabilitation Program is unique because the funds can be used for outside rehabilitation of fencing, sidewalks, painting, landscaping, and can be used for residents earning up to 100 percent Median Area Income where San Diego Housing Commission programs are limited to 80 percent Area Median Income.

Success of the Program

As of October 2006, there have been 56 completed home rehab projects (either using home repair or exterior enhancement loans). The City Heights community, the Redevelopment Agency, and development partners have received numerous awards for innovative planning, smart growth design and community revitalization.

Funding

This \$1,835,000 loan program is funded by City Heights Redevelopment Project Area tax increment affordable housing set-aside funds. Of the \$1,835,000 allocated to the program, \$970,223 is from housing set-aside bond proceeds and \$864,777 is from tax increment housing set-aside funds.

For more information on the City Heights Redevelopment Housing Rehabilitation Program please contact the **City of San Diego Redevelopment Agency**, City Planning and Community Investment Department, at **(619) 533-4233** or visit the City's Web site at **www.sandiego.gov/redevelopment-agency**.

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The City of San Diego Redevelopment Agency eliminates blight from designated areas, as well as achieves the goals of development, reconstruction and rehabilitation of residential, commercial, industrial, and retail districts. Redevelopment is one of the most effective ways to breathe new life into deteriorated areas plagued by social, physical, environmental or economic conditions that act as a barrier to new investment by private enterprise. **The City of San Diego Redevelopment Agency consists of three divisions:** the City Redevelopment Division (which provides overall agency management and is housed in the City of San Diego's City Planning and Community Investment Department), the Centre City Development Corporation and the Southeastern Economic Development Corporation.

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