

RESOLUTION NO. RA 95-04

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES ESTABLISHING A DISASTER ASSISTANCE HOME REPAIR LOAN PROGRAM FOR LOW AND MODERATE INCOME HOUSEHOLDS

WHEREAS, as a result of the March, 1995 rains, San Luis Obispo County was declared a federal disaster area and several homes within the City of El Paso de Robles suffered damage sufficient to warrant applications by home owners for federal and state disaster assistance for home repair loans; and

WHEREAS, it is foreseeable that there may be, in future years, other natural disasters, such as flooding and earthquakes, which result in both the County of San Luis Obispo being declared a federal or state disaster area and in substantial damage to homes within the City; and

WHEREAS, federal and state disaster assistance home repair loan programs provide a limited amount of funds, which may not be sufficient for low and moderate income households to restore homes to a livable condition as defined by adopted building codes; and

WHEREAS, Policy 3.1 of the City's Housing Element calls for the City to "strive to ensure that all units occupied by very low, low and moderate income households remain affordable to their respective income groups"; and

WHEREAS, assistance from the City to supplement federal and state disaster assistance home repair loan funds available to individual households may be critical to the conservation of homes occupied by low and moderate income households; and

WHEREAS, Health and Safety Code Section 33334.2 provides that the Redevelopment Low and Moderate Income (LMI) Housing Fund may be used for preserving the City's supply of low and moderate income housing, available at affordable housing cost, as defined by Health and Safety Code Section 50052.5, to very low, low and moderate income households; and

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of the City of El Paso de Robles to establish the Disaster Assistance Loan Program as set forth in Exhibit A (attached).

PASSED AND ADOPTED THIS 6th day of June, 1995 by the following roll call vote:

AYES: Heggarty, Iversen, Macklin, Martin, Picanco

NOES: None

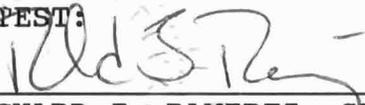
ABSENT: None

ABSTAIN: None



CHAIRMAN DUANE J. PICANCO

ATTEST:



RICHARD J. RAMIREZ, SECRETARY

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EXHIBIT A

DISASTER ASSISTANCE LOAN PROGRAM

1. Purpose: To assist Low and Moderate Income Households in the repair of homes damaged by natural disasters such as floods and earthquakes, recognizing that the amount of federal and state disaster assistance funds available to individual households are limited and often less than the amount necessary to restore damaged homes to a livable condition. In order for the program to be activated, the City must be located within a declared federal or state disaster area.
2. Form of Assistance: Funds will be provided for loans secured by a deed of trust, to take secondary or final position with the following parameters:
 - a. Principal not to exceed \$10,000 per dwelling unit;
 - b. 25 year term with due upon sale or transfer of title;
 - c. Zero-percent interest for 25 years or until sale or transfer of title;
 - d. Deferred payment (i.e., balloon payment in 25 years or upon sale)
 - e. In the event of default or on the date that the note shall become due and payable, the principal sum shall commence bearing interest at an annual rate of ten (10) percent until paid.
 - f. On a case-by-case basis, loans may be resubordinated upon refinancing, provided that refinancing is not for the purpose of expanding the dwelling unit, improving the property beyond the amount of improvements existing immediately prior to the damage, or for taking cash out of the equity.
3. Source of Funds: Redevelopment Low and Moderate Income (LMI) Housing Fund. The total amount of disaster assistance funds to be available in any fiscal year shall not exceed the amount of funds deposited into the LMI Housing fund in the previous fiscal year. The City Council may choose to direct that a lesser amount of funds be available within any fiscal year.

4. Eligibility:

a. Income/Financial Status: Applicants for assistance must:

- (1) Provide verification that they are within the moderate or lower income groups as defined by Health and Safety Code Sections 50079.5 (lower income) and 50093 (moderate income).
- (2) Have applied for all federal and state sources of disaster assistance made available through such agencies as the Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), and State Department of Social Services (e.g., for the Individual Family Grant Program).
- (3) Demonstrate that the amount of federal and state assistance is inadequate to restore their homes to a livable condition (one which meets minimum standards for health and safety as defined by adopted building codes).
- (4) Demonstrate that they have no other financial means of completing the repair of their homes.

b. Degree of Damage: The aggregate amount of damage to dwelling units and other real property improvements (e.g. retaining walls, driveways, etc.) must be equal to, or greater than, 40 percent of the estimated market value of improvements immediately prior to the disaster. Determination of amount of damage shall be conducted by City staff or agents, who may confer informally with local real estate professionals; determination will not require a formal appraisal.

5. Priority: Upon the declaration of a federal or state disaster area, the City Council may establish a time period in which to submit applications for disaster assistance loans. Should the demand for disaster assistance funds exceed the supply, priority may be given to those households exhibiting the greatest financial need.

6. Activation of Program: Although the disaster assistance loan program is to be established as an on-going program, funds will not be made available in any fiscal year until a federal or state disaster area has been declared and until the City Council adopts a resolution setting forth the amount of funds to be available and the time period for submitting applications.