

**Investment Property
1-10 Units
Loan Program**



**Sacramento
Housing &
Redevelopment
Agency**

**Development Services Department
630 I Street, 2nd Floor
Sacramento, CA 95814
916 – 440 -1328
916 – 442- 6736 (fax)**



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Redevelopment
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INVESTMENT PROPERTY 1-10 UNITS LOAN PROGRAM

Dear Applicant:

Thank you for your interest in the Agency's Investment Property 1-10 Units Loan Program. This package contains the following documents in the order listed. The first six documents are for your information, with the remaining documents to be completed and returned to the Agency as listed in the attached Loan Document Checklist.

- ✓ Investment Property 1-10 Units Loan Document Checklist
- ✓ Program FACT Sheet – City and County wide projects
- ✓ Program FACT Sheet – Target area projects
- ✓ Maps of Target areas
- ✓ Income and Affordability Chart
- ✓ Rehabilitation Standards and Housing Quality Standards
- ✓ Schedule of Real estate Owned
- ✓ Authorization to Release Information Form
- ✓ Rental Property Proforma
- ✓ Fannie Mae Form 1003-Loan Application
- ✓ Qualifications Disclosure Form

If you have any questions about the program or the application, please call SHRA Development Services Department at (916) 440-1328.

**INVESTMENT PROPERTY
1-10 UNITS LOAN PROGRAM**
Application Checklist

Please submit the following information:

- Schedule of Real Estate Owned (included in package)
- Authorization to Release Information Form (included in package)
- Rental Property Proforma (included in package)
- Fannie Mae Form 1003 Loan Application (included in package)
- Qualifications Disclosure Form (included in package)
- Copy of two years income tax return and last two pay stubs
- If self-employed – currently dated balance sheet and profit/loss statement
- Management Plan
Must include procedure for selecting tenants, certification of income, maintenance program and “house rules”
- Relocation Plan (if applicable)
If existing tenants reside in the dwelling at the time of application and will be displaced permanently or temporarily, it is the owner’s responsibility to prepare and submit a relocation plan indicating how the relocation will be accomplished and cost estimate of same (Federal and State Uniform Relocation Regulations will apply).
- Copy of contractor bid and scope of work
Contractor must have a current license and must carry worker’s compensation and minimum general liability coverage of \$1,000,000.
- Copy of current pest report
- Status of planning entitlements
Attach a written statement indication City or County approvals required for the rehabilitation (design review, building permit, etc.) and the status of the approvals. Please attach copies of applications or relevant correspondence.
- Source of owner equity contribution (10%)
- Other lender commitments
- After rehabilitation appraisal
- Homeowner insurance policy information

For acquisition and rehabilitation projects:

- Current (6 months) title report
- Purchase agreement



Investment Property 1-10 Units Loan Program Program Guidelines – City and County Projects

Investment Program:	<p>The Investment Property Improvement Loan is designed to provide low-interest rate financing for acquisition and rehabilitation or rehabilitation only of investment property between one and 10 units. Properties containing more than 10 units may be considered under this program in special circumstances.</p> <p>Agency funds are intended as “gap” financing. Applicants are expected to secure the maximum amount of private financing available. Agency funds are loaned to fill the difference between such financing and total project development costs up to the maximum amount per unit.</p>
Maximum Amount:	<p>up to \$15,000 per unit for “Tier One” improvements up to \$10,000 per unit for “Tier Two” improvements up to \$25,000 per unit for “Tier One, Tier Two and Tier Three” improvements combined</p> <p>Projects must meet “Tier One” standards to receive any “Tier Two” or “Tier Three” funding.</p> <p>\$25,000 PER UNIT MAXIMUM LOAN AMOUNT</p>
Interest Rate:	<p>(current) 2.00% fixed rate, simple Program interest rate is adjusted annually.</p>
Term:	<p>20 years. After 10 years of compliance, borrower may request to re-pay outstanding principal balance and accrued interest and remove the corresponding restrictions from the property. Re-payment is contingent on:</p> <ul style="list-style-type: none">▪ Problem free management▪ Physical condition of the property▪ Payment history on Agency loan <p>and is subject to Agency approval.</p>
Borrower Equity:	<p>10% cash or 20% non-cash (i.e. value of property) contribution</p>
Maximum Loan to Value:	<p>90% of after rehabilitation value</p>
Repayment:	<p>Agency can defer payments during the construction period up to five years if needed to assist in project feasibility. After 10 years of payments, borrower may request to re-pay the loan and remove affordability restrictions.</p>
Maximum Total Debt Ratios:	<p>Per Agency Underwriting Guidelines</p>

Credit Standards:

Per Agency Underwriting Guidelines

Use of Funds:

“Tier One” – Funds may only be used to finance real property improvements that substantially protect the basic livability of the property. Examples of work done under Tier One include plumbing repairs, electrical repairs, heating, and roof repairs.

“Tier Two” – Tier Two funding and improvements may not be approved unless the property meets “Tier One” property standards or is performing “Tier One” improvements as part of the overall loan. Funds for Tier Two improvements may only be used to finance real property improvements that substantially improve the basic livability or utility of the project. Examples of work done under Tier Two include installation of new windows, new floor coverings, installation of new appliances, and upgrades to an existing cooling system.

“Tier Three” – Tier Three improvements include additional exterior beautification, such as landscaping, driveway repair, and fencing. Tier Three improvements can be made in conjunction with Tier One and Two improvements as a part of Tier Two funding.

Detailed descriptions of Tier One, Two and Three property standards can be found in the Agency Investment Property Loan Program Rehabilitation Standards.

Lead-Based Paint:

If the building was built before 1978, a lead-based paint risk assessment will be required. The applicant will be required to cover the cost of the risk assessment as part of the application process.

The Agency may allow a grant of up to \$5,000 per unit not to exceed \$40,000 per project to address lead-based paint hazards, including testing. The applicant will be reimbursed for these expenses only if a loan is provided.

Eligible Properties:

Rental housing properties between one and 10 units in the City and unincorporated County of Sacramento. Property size restrictions may be waived in some circumstances.

Rental & Income Restrictions:

Units will be restricted proportionally to the amount of Agency funding invested in the property. At a minimum, 20% of the units will be income and rent restricted. For properties with four or fewer units, all affordable units will be restricted at 60% of median income, and for properties five units or larger, 20% of the affordable units must be restricted at 50% of median income.

Please see income and affordability chart for current rent and income limits.

Regulatory Term:

20 years with the option to remove the restrictions after ten years.



Investment Property 1-10 Units Loan Program Program Guidelines – Target Areas

Investment Program:	The Investment Property Improvement Loan is designed to provide low-interest rate financing for the rehabilitation of investment rental properties between one and 10 units. Properties containing more than 10 units may be considered under this program in special circumstances.
Maximum Amount:	up to \$15,000 per unit for “Tier One” improvements up to \$10,000 per unit for “Tier Two” improvements up to \$25,000 per unit for “Tier One and Tier Two” improvements combined up to \$5,000 per unit for “Tier Three” improvements <i>only</i> in conjunction with a minimum \$10,000 Tier One and/or Two loan. Projects must meet “Tier One” standards to receive any “Tier Two” funding. Tier Three funds are provided as a forgivable loan, with no payments due while property is in compliance. \$30,000 PER UNIT MAXIMUM LOAN AMOUNT
Interest Rate:	(current) 2.00% fixed rate, simple interest. Program interest rate is adjusted annually.
Term:	20 years. After 10 years of compliance, borrower may request to re-pay outstanding principal balance and accrued interest (less any Tier Three funds) and remove the corresponding restrictions from the property. Re-payment is contingent on: <ul style="list-style-type: none">▪ Problem free management▪ Physical condition of the property▪ Payment history on Agency loan and is subject to Agency approval.
Borrower Equity:	10% cash or 20% non-cash (i.e. value of property) contribution
Maximum Loan to Value:	90% of after rehabilitation value
Repayment:	Agency can defer payments during the construction period up to five years if needed to assist in project feasibility. After 10 years of payments, borrower may request to re-pay the loan and remove affordability restrictions.
Maximum Total Debt Ratios:	Per Agency Underwriting Guidelines
Credit Standards:	Per Agency Underwriting Guidelines

Use of Funds:

“Tier One” – Funds may only be used to finance real property improvements that substantially protect the basic livability of the property. Examples of work done under Tier One include plumbing repairs, electrical repairs, heating, and roof repairs.

“Tier Two” – Tier Two funding and improvements may not be approved unless the property meets “Tier One” property standards or is performing “Tier One” improvements as part of the loan. Funds for Tier Two improvements may only be used to finance real property improvements that substantially improve the basic livability or utility of the project. Examples of work done under Tier Two include installation of new windows, new floor coverings, new appliances, and upgrades to an existing cooling system.

“Tier Three” – Tier Three funding is only in conjunction with a Tier One and/or Two loan. Tier Three improvements include additional exterior beautification, such as landscaping, driveway repair, and fencing.

Detailed descriptions of Tier One, Two and Three property standards can be found in the Agency Investment Property Loan Program Rehabilitation Standards.

Lead-Based Paint:

If the building was built before 1978, a lead-based paint risk assessment will be required. The applicant will be required to cover the cost of the risk assessment as part of the application process.

The Agency may allow a grant of up to \$5,000 per unit not to exceed \$40,000 per project to address lead-based paint hazards, including testing. The applicant will be reimbursed for these expenses only if a loan is provided.

Eligible Properties:

Rental housing properties between one and 10 units in identified target areas of the City and unincorporated County of Sacramento. Property size restrictions may be waived in some circumstances.

The target area loan program is intended to be used as a part of an overall neighborhood strategy in certain pre-identified target areas. Please see maps showing eligible target areas.

Rent & Income Restrictions:

Units will be restricted proportionately to the amount of Agency funding invested in the property. At a minimum, 20% of the units will be income and rent restricted. For properties with four or fewer units, all affordable units will be restricted between 60% and 80% of median income (depending on funding source). For properties five units or larger, 20% of the affordable units must be restricted at 50% of median income.

Please see income and affordability chart for current rent and income restrictions.

Regulatory Term:

20 years with the option to remove the restrictions after ten years.

Investment Property 1-10 Units Loan Program Income and Affordability Chart

Income Limits:

Families living in the rent restricted units cannot make a gross annual income greater than:

Family Size	Low Income Limits (60% AMI)	Very Low Income Limits (50% AMI)
1 person	\$26,940	\$22,450
2 people	\$30,780	\$25,650
3 people	\$34,620	\$28,850
4 people	\$38,460	\$32,050
5 people	\$41,520	\$34,600
6 people	\$44,640	\$37,200
7 people	\$47,700	\$39,750
8 people	\$50,760	\$42,300

* AMI = Area Median Income (as determined annually by the US Department of Housing and Urban Development)

Rent Limits:

Current approximate net rent* allowed on the rent restricted units are as follows:

Unit Size	Low Income Rent (60% AMI)	Very Low Income Rent (50% AMI)
Studio	\$624	\$512
1 Bedroom	\$672	\$552
2 Bedroom	\$807	\$663
3 Bedroom	\$913	\$747
4 Bedroom	\$995	\$809

* Net rent is based on gross allowable rent (1/12th of 30% of gross monthly income) less an estimated utility allowance. Utility allowances are based on type of unit and type of heating (gas or electric) and may change for unique projects.



Investment Property 1-10 Units Loan Program Rehabilitation Standards

The Investment Property Loan Program contains three “Tiers” of financing that coincide with levels of rehabilitation. All properties under the program must meet the requirements of Tier One to be eligible for any financing. Tier One improvements are considered improvements to the mechanical envelope of the building, and are necessary to ensure the basic livability of the units. Tier One also includes Housing Quality Standards (HQS) required through the use of federal funding. Tier Two funding allows for more cosmetic improvements and improvement to the comfort and utility of the unit. Tier Three improvements can only be made in conjunction with a Tier One and/or Tier Two loan. Tier Three funds are to be used for exterior cosmetic improvements such as landscaping, irrigation, driveway repairs, and fencing.

All repairs must be performed by a licensed general contractor carrying the Agency minimum insurance requirements. If the property contains four or more units, as part of the Tier One improvements, the property must meet federal Americans with Disabilities Act (ADA) requirements. If the property was originally constructed prior to 1978, as a part of the Tier One improvements, the property must ensure that the property is free of lead based paint hazards, or as a part of the scope, must remedy these hazards. If the total rehabilitation scope of work is equal to 25% of the after rehabilitation appraised value, the property must be brought up to the energy standards set forth by the California Energy Commission Title 24, Part 6 of the California Code of Regulations.

The following describes the rehabilitation standards of the three Tiers of funding. All properties must meet, at a minimum, Tier One standards to be considered for any other funding.

I. Tier One Improvements

A. Lead Based Paint:

All buildings constructed prior to 1978 must comply with Section 401 of the Lead-Based Paint Poisoning Prevention Act.

B. ADA Requirements:

All buildings with four or more units must comply with the Americans with Disabilities Act (ADA).

C. Program Repair Requirements:

1. Substandard Buildings: Buildings which have previously been determined to be substandard under the rules and regulations of the local authority having jurisdiction, shall be brought up to the standards as mandated by that authority.
2. Outstanding Permit Work and Correction Notices: Properties or buildings which have prior incomplete work under permit, outstanding correction notices, nuisance abatement citations or similar related notices for corrective action, shall be brought up to the standards as mandated by that authority.
3. Incomplete Construction Not Under Proper Permit: Properties which have incomplete work for which the proper permits were not issued shall be inspected by the authority having jurisdiction, and shall be brought up to the standards as mandated by that authority.
4. Termite Reports and Related Work: All properties receiving assistance under the loan program shall have a Structural Pest Control Inspection, by a licensed Pest Control Company. All structural deficiencies and infestation listed in Part 1 and Part 2 of the report shall be corrected. Upon completion of the work, one or both of the following documents shall be provided to the Agency prior to final disbursements:
 - a. an "Original Structural Pest Control Report" showing the property free and clear of all infestation and infection; or
 - b. a "Notice of Work Completed and Not Completed" showing all work completed as listed on a referenced "Original Report" and associated "Limited Reports" if any, for the subject property.
5. Smoke Detectors: All dwelling units shall have hard wired smoke detectors in bedroom or bedroom corridor entries and battery units in each sleeping area.

6. Housing Quality Standards: All dwelling units shall meet Housing Quality Standards (attached) as determined by the US Department of Housing and Urban Development.

D. Critical Code:

All buildings on the property, or portions thereof, which have any of the following deficiencies to the point that they endanger the life, limb, health, safety or welfare of the public or the occupants thereof, or the threat of imminent collapse or failure, shall be corrected under permit and in accordance with the appropriate construction Code, Zoning and Use Requirements, and Historical Preservation Requirements. Deficiencies shall include the following:

1. Structural Deficiencies:
 - a. Deteriorated or inadequate foundations.
 - b. Defective, deteriorated, insufficiently sized, or missing sub-flooring or floor supports.
 - c. Defective, deteriorated or insufficiently sized members of walls, partitions or other vertical support that split, lean, list, or buckle due to the loads imposed.
 - d. Defective, deteriorated or insufficiently sized members of ceilings, roofs, ceiling and roof supports, which sag, split, or buckle due to the loads imposed.
 - e. Large holes, severe bulging or large areas of failing wall covering materials such as sheet-rock or plaster.
 - f. Fireplaces or chimneys which list, bulge or have visible loose bricks.
 - g. Defective, deteriorated, loose or missing stairs, landings, handrails, guard rails.
2. Exterior Envelope - Weather Protection / Security:
 - a. Defective or ineffective waterproofing of dwelling exterior roof or walls, including doors and windows, which allows the penetration of moisture to the interior of the dwelling.
 - b. Defective or lack of reasonable security to dwelling including

doors and windows and associated locking devices.

- c. Excessive moisture in habitable rooms due to seepage or drainage.

3. Hazardous Electrical:

- a. Main service, sub-panels, connection or fixture boxes with missing or ineffective covers or anchorage.
- b. Incorrect breaker or fuse size for the wire being serviced.
- c. Double lugging or over loading of circuits.
- d. Improper grounding of electrical system.
- e. Overhead service wiring below the minimum height requirements of SMUD and/or the National Electric Code.
- f. Exposed, loose or sparking wiring and connections.
- g. Lack of adequate electrical outlets.
- h. Ground Fault Circuit Interrupter receptacles shall be provided to all existing kitchen and bathroom outlets.

4. Hazardous Plumbing and Waste Disposal:

- a. Lack of hot and cold running water to plumbing fixtures.
- b. Polluted domestic water wells.
- c. Improper cross connections with municipal water supply.
- d. Leaking domestic water supply of distribution lines.
- e. All conditions which cause open liquid waste or sewage including: overwhelmed, broken, defective or leaking building drain and sewer lines, or private sewage disposal system.
- f. Lack of connection to required sewage disposal system.
- g. Plumbing vents that terminate or are broken within the building envelope or substructure area.
- h. Lack of the following minimum plumbing facilities, in working order, per dwelling unit:

- 1) one water closet
- 2) one lavatory
- 3) one bathtub or shower
- 4) one kitchen sink

- i. Fuel gas piping which is broken or leaking or defective or in such condition as to endanger life or property.

5. Hazardous Mechanical Equipment:

- a. Improperly vented or unvented gas or wood burning appliances.
- b. Improperly installed or defective mechanical equipment that is in such condition as to endanger life or property.

6. Hazardous Site Conditions:

- a. Open abandoned septic tanks, cesspools, water-wells and dry wells.
- b. Trenches and large open pits or holes near public or private walkways.

7. All other deficiencies that in the opinion of the inspecting Property Rehabilitation Specialist poses a significant threat to life and property.

II. Tier Two Improvements

- A. All deficiencies listed in the previous Tier One Improvements section that are not in a condition that they may endanger the life, limb, health, safety or welfare of the public or the occupants thereof or pose the threat of imminent collapse or failure shall be corrected.
- B. All properties shall be brought to the minimum standards of the Uniform Housing Code, including Space and Occupancy Standards, Structural Requirements, Mechanical Requirements, and Exits and Fire Protection. All existing conditions which fall into the Substandard Buildings Definitions of this code shall be abated.
- C. General Services and Facilities:

Utilities for normal occupancy shall be provided for or upgraded for each property as follows:

1. Operating connection with a municipal water supply when

available at curb, sized to adequately meet or exceed the fixture demand.

2. Sanitary facilities connected with municipal sewage system where available at curb.
3. Facilities for domestic hot water with a reasonable life expectancy.
4. Heating and cooling facilities adequate for healthful and comfortable living conditions.
5. A minimum of a 100 amp electrical service (breaker type) for each unit or UBC load calculations for multi-family units.
6. Water supply and distribution piping that allows for adequate water pressure and volume for normal usage.
7. Sewer lines that are properly graded, structurally sound and free from persistent clogging and intrusion by roots.

D. Access to Property and Dwelling:

1. Each structure shall be provided with dust free vehicular access to and from the property at all times by an abutting public or private street.
2. Safe and durable walks and steps shall be provided for convenient all weather access to the structure.

E. Site Improvements:

1. Site development of each property shall:
 - a) Provide for the immediate diversion of water away from buildings and disposal from the lot.
 - b) Prevent soil saturation detrimental to the structures.
2. Fences shall be repaired or replaced when found to be dilapidated or hazardous.
3. All exterior appurtenances or accessory structures which are in a deteriorated condition and which are not economically feasible for repair shall be removed or replaced in kind.

4. All overgrown shrubbery and / or vegetation shall be removed or trimmed trees to clear roof by a minimum of 6 feet vertically.
5. All trash, junk, debris, abandoned vehicles or appliances shall be removed from the property.
6. All units must be provided with at least one off street parking space per unit where feasible unless previously approved.
7. All areas of parcel/lot not having structures, parking, or specific use improvements, will be improved with lawns, flower beds, or decorative surface material such as boarded areas with decomposed granite or decorative rocks, etc. Designated lawn and shrub areas will be provided with permanent irrigation systems.

F. Roof Covering:

All roofs shall have a suitable covering free of holes, cracks or excessively worn surfaces, which will prevent the entrance of moisture into the structure interior and provide reasonable durability and longevity. Roofs shall have a controlled method of disposal of water from roof. All existing gutters and downspouts shall be in good repair. Third layer roofs not allowed. Roofs should have a minimum of 5 years life remaining.

G. Exterior Openings:

1. Exterior windows shall be equipped with screens.
2. Existing doors and windows shall be repaired unless deteriorated to the point of being unrepairable, or if the cost of replacement with new doors or windows is less than the cost to repair.
3. Provide viewers, dead bolts, keyed latch assemblies, and 2-inch screws in strike plate on front doors.
4. On multiple dwelling units sharing a common corridor, when walls are required to be of one-hour fire-resistive construction by Section 1004.J.4 (g), every door opening shall be protected by a tight-fitting smoke and draft-control assembly having a fire-protection rating of not less than 20 minutes when tested in accordance with U.B.C. Standard No. 43-2. Said doors shall not have louvers. The door and frame shall bear an approved label or other identification showing the rating thereof, the name of the manufacturer and the

identification of the service conducting the inspection of materials and workmanship at the factory during fabrication and assembly. Doors shall be maintained self-closing or shall be automatic-closing by actuation of a smoke detector in accordance with Section 1005.3.3.5. Smoke- and draft-control door assemblies shall be provided with a gasket so installed as to provide a seal where the door meets the stop on both sides and across the top.

H. General Interior:

1. Properly hung doors with workable hardware shall be provided to each bedroom, closet, bathroom or toilet compartment.
2. Finish floors shall be provided that are appropriate for the use of the space and in such a condition so as not to pose a tripping hazard.
3. All stairs, landings and corridors shall be arranged to permit adequate headroom and the passage of furniture and equipment.
4. All interior finish surfaces that are disturbed as a result of other work called for in the required or Housing Quality improvements sections shall be painted or repainted to the degree necessary to provide a quality finished project. Existing wall and ceiling surfaces shall provide for durability and relative economy of maintenance. Areas subject to moisture wall surfaces shall be painted with a non-absorbent type paint.

I. Kitchen Facilities:

1. Each living unit shall have a specific kitchen space with chip free sink, hot and cold running water and a non-absorbent counter for the preparation of food.
2. All kitchen floor covering shall be of a water-impervious material, vinyl sheet goods or equal.
3. Counter top work space shall be a minimum of 6 lineal feet for a one or two bedroom living unit, and 10 lineal feet for a three or four bedroom living unit.
4. Storage shelving shall be a minimum of 30 square feet. Drawer area shall be a minimum of 5 square feet. (Storage and drawer facilities in pantries, sink or range complexes may be counted as part of the required storage space.)

5. Existing cabinets with broken or missing components or permeable surfaces due to a defective protective finish, shall be repaired and / or refinished unless deteriorated to the point of being unrepairable, or if cost of replacement with new cabinets is less than the cost to repair.
6. Kitchens should be provided with a mechanical exhaust or charcoal filter system to expel smoke and or fumes associated with cooking.
7. Defective built-in or free-standing ranges and ovens shall be repaired or replaced.

J. Bath Facilities:

1. All bath and toilet room floor coverings shall be of a water impervious material, vinyl sheet goods or equal.
2. A locking device shall be provided to each bathroom door.
3. All plumbing fixtures and appurtenances shall be in good working condition and properly connected to hot and / or cold running water as applicable.
4. Each bathroom shall contain a medicine cabinet, two towel bars and a toilet tissue holder.
5. Bathrooms shall be provided with a mechanical exhaust system to expel moisture laden air to the exterior when no means of natural ventilation exist.
6. Bathtub or shower enclosures shall have suitable wall coverings free of voids or cracks to prevent the penetration of moisture into the wall cavity and provide ease of maintenance, reasonable durability and longevity. Plastic surfaced hardboard and fiberglass less than 1/8 inch thick is not acceptable enclosure material.

K. Bedrooms:

Clothes closet space shall be provided within each room being used as a bedroom. Closets shall be provided with a shelf and clothes pole.

L. Laundry Facilities:

Provisions for the installation of laundry facilities (utility hook-ups only) shall be provided on the premises, one connection for each 5

units in a multiple unit complex.

M. Weatherization / Energy Conservation:

1. The attics of conditioned areas shall be insulated to a minimum of R-19 with an acceptable insulation material.
2. Weather-stripping shall be applied as needed around all exterior doors and windows of conditioned areas. Foam and coil types should not be utilized.
3. Any exterior walls of conditioned areas that are opened down to the studs during the course of rehabilitation shall be insulated to a minimum of R-19 with an acceptable insulation material.
4. All joints in the building envelope shall be caulked or sealed and loose or brittle caulking shall be replaced.
5. Supply and return heating and air-conditioning ducts shall be insulated where they run through unconditioned spaces.
6. Water heaters shall have an insulation rating or insulation blanket with a rating of no less than a R-6.
7. When replacing windows, new windows may be dual paned at owners option.
8. Attics shall be provided with natural ventilation to prevent excessive heat in attics.

N. All other corrections that in the opinion of the inspecting Property Rehabilitation Specialist will prevent the precipitous deterioration of the property.

Tier Three Improvements

Tier Three Improvements are meant to allow exterior beautification, including, but not limited to:

- A. Landscaping and irrigation – installation or repair in both front and rear yards
- B. Fencing – installation or repair in both front and rear yards
- C. Driveway and/or sidewalk improvements
- D. Building/repair of common dumpster surrounds
- E. Exterior lighting improvements or installation
- F. Exterior painting

G. Addition/repair of exterior awnings, trellises or porches

Any improvements requested under Tier Three must be approved by the Sacramento Housing and Redevelopment Agency, and must be done in conjunction with Tier One and Tier Two improvements as described above.

Investment Property 1-10 Units Loan Program Housing Quality Standards (HQS)

**From the Federal Register 24 CFR Section 982.401
Housing Quality Standards (HQS).**

- (a) Performance and acceptability requirements.
- (1) This section states the housing quality standards (HQS) for housing assisted in the programs.
- (2) (i) The HQS consist of:
- (A) Performance requirements; and
 - (B) Acceptability criteria or HUD approved variations in the acceptability criteria.
- (ii) This section states performance and acceptability criteria for these key aspects of housing quality:
- (A) Sanitary facilities;
 - (B) Food preparation and refuse disposal;
 - (C) Space and security;
 - (D) Thermal environment;
 - (E) Illumination and electricity;
 - (F) Structure and materials;
 - (G) Interior air quality;
 - (H) Water supply;
 - (I) Lead-based paint;
 - (J) Access;
 - (K) Site and neighborhood;
 - (L) Sanitary condition; and
 - (M) Smoke detectors.
- (3) All program housing must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.
- (4) (i) In addition to meeting HQS performance requirements, the housing must meet the acceptability criteria stated in this section, unless variations are approved by HUD.
- (ii) HUD may grant approval for the HA to use acceptability criteria variations that are based on local codes or national standards that satisfy the purposes of the HQS.
- (iii) HUD may approve acceptability criteria variations because of local climatic or geographic conditions.
- (iv) HUD will not approve acceptability criteria variations that will unduly limit the amount and types of available rental housing stock.
- (b) Sanitary facilities
- (1) Performance requirements. The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition, and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.
- (2) Acceptability criteria.
- (i) The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.

- (ii) The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
 - (iii) The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.
 - (iv) The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).
- (c) Food preparation and refuse disposal
 - (1) Performance requirement.
 - (i) The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
 - (ii) There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g, garbage cans).
 - (2) Acceptability criteria
 - (i) The dwelling unit must have an oven, and a stove or range, and refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. The equipment may be supplied by either the owner or the family. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
 - (ii) The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.
 - (iii) The dwelling unit must have space for the storage, preparation, and serving of food.
 - (iv) There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).
- (d) Space and security
 - (1) Performance requirement. The dwelling unit must provide adequate space and security for the family.
 - (2) Acceptability criteria.
 - (i) At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
 - (ii) The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
 - (iii) Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
 - (iv) The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.
- (e) Thermal environment
 - (1) Performance requirement. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.
 - (2) Acceptability criteria.

(i) There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.

(ii) The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

(f) Illumination and electricity

(1) Performance requirement. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

(2) Acceptability criteria.

(i) There must be at least one window in the living room and in each sleeping room.

(ii) The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.

(iii) The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

(g) Structure and materials

(1) Performance requirement. The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.

(2) Acceptability criteria.

(i) Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.

(ii) The roof must be structurally sound and weathertight.

(iii) The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.

(iv) The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.

(v) Elevators must be working and safe.

(h) Interior air quality

(1) Performance requirement. The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.

(2) Acceptability criteria.

(i) The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.

(ii) There must be adequate air circulation in the dwelling unit.

(iii) Bathroom areas must have one openable window or other adequate exhaust ventilation.

(iv) Any room used for sleeping must have at least one window. If the window is designed to be openable, the window must work.

(i) Water supply

- (1) Performance requirement. The water supply must be free from contamination.
- (2) Acceptability criteria. The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

(j) Lead-based paint performance requirement

(1) Purpose and applicability.

(i) The purpose of paragraph (j) of this section is to implement section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. Paragraph (j) of this section is issued under 24 CFR 35.24 (b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.

(ii) The requirements of paragraph (j) of this section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.

(2) Definitions.

Chewable surface. Protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.

Component. An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall.

Defective paint surface. A surface on which the paint is cracking, scaling, chipping, peeling, or loose.

Elevated blood lead level (EBL). Excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.

HEPA means a high efficiency particle accumulator as used in lead abatement vacuum cleaners.

Lead-based paint. A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm²), or 0.5 percent by weight or 5000 parts per million (PPM).

(3) Requirements for pre-1978 units with children under 6.

(i) If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part), must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph (j)(6) of this section.

(ii) The HA may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph (j)(2) of this section. For purposes of this section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.

- (iii) Treatment of defective paint surfaces required under this section must be completed within 30 calendar days of HA notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the 30 day period, treatment as required by paragraph (j)(6) of this section may be delayed for a reasonable time.
- (iv) The requirements in this paragraph (j)(3) apply to:
 - (A) All painted interior surfaces within the unit (including ceilings but excluding furniture);
 - (B) The entrance and hallway providing access to a unit in a multi-unit building; and
 - (C) Exterior surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
- (4) Additional requirements for pre-1978 units with children under 6 with an EBL.
 - (i) In addition to the requirements of paragraph (j)(3) of this section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.
 - (ii) Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph (j)(6) of this section is required, and treatment shall be completed within the time limits in paragraph (j)(3) of this section.
 - (iii) The requirements in paragraph (j)(4) of this section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age:
 - (A) Within the unit;
 - (B) The entrance and hallway providing access to a unit in a multi-unit building; and
 - (C) Exterior surfaces (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garage and sheds).
- (5) Treatment of chewable surfaces without testing. In lieu of the procedures set forth in paragraph (j)(4) of this section, the HA may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph (j)(6) of this section.
- (6) Treatment methods and requirements. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
 - (i) A defective paint surface shall be treated if the total area of defective paint on a component is:
 - (A) More than 10 square feet on an exterior wall;
 - (B) More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls; or

(C) More than 10 percent of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, window sills, baseboards and trim.

(ii) Acceptable methods of treatment are: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydroblasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joints and edges sealed and caulked as needed to prevent the escape of lead contaminated dust.

(iii) Prohibited methods of removal are: open flame burning or torching; machine sanding or grinding without a HEPA exhaust; uncontained hydroblasting or high pressure wash; and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totalling no more than twenty square feet on exterior surfaces.

(iv) During exterior treatment soil and playground equipment must be protected from contamination.

(v) All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.

(vi) Waste and debris must be disposed of in accordance with all applicable Federal, state and local laws.

(7) Tenant protection. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.

(8) Owner information responsibilities. Prior to execution of the HAP contract, the owner must inform the HA and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.

(9) HA data collection and recordkeeping responsibilities.

(i) The HA must attempt to obtain annually from local health agencies the names and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, the HA must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint the HA must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this section, the family must be issued a certificate or voucher to move.

(ii) The HA must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, the HA must keep the test results indefinitely and, if applicable, the owner certification of treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces in the units have been treated. If records establish that certain chewable surfaces were tested or treated in accordance with the standards prescribed in this section, such chewable surfaces do not have to be tested or treated at any subsequent time.

(k) Access performance requirement. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

(l) Site and Neighborhood

(1) Performance requirement. The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.

(2) Acceptability criteria. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

(m) Sanitary condition

(1) Performance requirement. The dwelling unit and its equipment must be in sanitary condition.

(2) Acceptability criteria. The dwelling unit and its equipment must be free of vermin and rodent infestation.

(n) Smoke detectors performance requirement

(1) Except as provided in paragraph (n)(2) of this section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).

(2) For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993 in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

[60 FR 34695, July 3, 1995, as amended at 61 FR 27163, May 30, 1996; 63 FR 23861, Apr. 30, 1998]

SCHEDULE OF REAL ESTATE OWNED

* Status: (S-Sold, PS – Pending Sale, R – Rental)
 ** Type: (COM – Commercial, SFR – Single Family Residential, APT – Apartment, UND – Undeveloped Land)

Borrower(s) Name: _____
 Date: _____

Please attach additional sheets as necessary.

	Property #1	Property #2	Property #3
Property Address			
Status of Property *			
Year Purchased & Purchase Price			
Type of Property **			
Percentage Owned			
Current Market Value			
Amount of Mortgages & Liens on Property			
Gross Monthly Income			
Mortgage Loan Payment (P&I only)			
Monthly Taxes & Insurance			
Other Operating Expenses			
Lien Holder(s) Name and Address			

Please provide copies of ALL current rental agreements for all rental properties acquired since most recent income tax return filing.

AUTHORIZATION TO RELEASE INFORMATION FORM

I hereby authorize the Sacramento Housing and Redevelopment Agency (SHRA) to make written inquiry relating to any information necessary to determine my eligibility for financing assistance.

Any information obtained by Sacramento Housing and Redevelopment Agency will be used solely for the purpose of assisting me in obtaining financing offered by SHRA.

I understand that the information provided will be kept strictly confidential and that this authorization will be in effect for 12 months from the following date.

Date: _____

Signature of Applicant

Name of Applicant (Printed)

Social Security Number

Date of Birth

Residence Address:

Street

City, State, Zip

Name of Business or Corporation

Previous Residence Address:

Street

City, State, Zip

Business Address:

Street

City, State, Zip

**INVESTMENT PROPERTY
1-10 UNITS LOAN PROGRAM**
Rental Property Proforma

I. Borrower Information

Name	
Address	
City/State/Zip	
Phone	
Borrower Is (check one):	<input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Public Agency <input type="checkbox"/> Non Profit Corporation <input type="checkbox"/> For Profit Corporation <input type="checkbox"/> Other (explain):
Proposed Contractor:	
Proposed Property Manager:	

II. Property Information

Property Address:		
Ownership (check one):	<input type="checkbox"/> Borrower owns property <input type="checkbox"/> Property under contract <input type="checkbox"/> Borrower has option on property <input type="checkbox"/> Other (explain):	
Date of Purchase:		
Age of Property:		
Estimated Value:	\$	
Number of Units:	Before Rehabilitation	After Rehabilitation
Studio		
1 Bedroom		
2 Bedroom		
3 Bedroom		
4 Bedroom		
Description of property, including construction type: (attach separate page if necessary)		

III. Proposed Sources and Uses

Sources:		
Developer Equity	\$	
Loan Funds	\$	
SHRA Loan Funds	\$	
Other:	\$	
TOTAL	\$	
Uses:		
Construction <small>* in most cases, construction costs must be bid at federal Davis-Bacon wage rates</small>	\$	
Contingency	\$	
Relocation	\$	
Lead Testing/Abatement	\$	
Title/Escrow	\$	
Loan Costs	\$	
Other:	\$	
Other:	\$	
TOTAL	\$	

*** Please attach contractor's bid and commitment letters for other financing.**

IV. Existing Indebtedness on Property

	First Mortgage	Second Mortgage
Lender's Name:		
Original Loan Amount:	\$	\$
Interest Rate & Term:	% years	% years
Unpaid Balance:	\$	\$
Monthly P&I Payment:	\$	\$
Balloon Payment:	<input type="checkbox"/> yes - due <input type="checkbox"/> no	<input type="checkbox"/> yes - due <input type="checkbox"/> no
Impound Account:	<input type="checkbox"/> yes <input type="checkbox"/> no	<input type="checkbox"/> yes <input type="checkbox"/> no

*** For additional liens on property, please attach separate page explaining type of lien, financing information, and security.**

V. Owner Investment in Property

1. Original Purchase Price:	\$
2. Downpayment Amount:	\$
3. Improvement(s) Value:	\$
4. Additional Owner Cash Investment for Proposed Rehabilitation:	\$
5. Total Cash Investment (2 + 3 + 4)	\$

VI. Rental Rate Information

Current Rents:			
Unit Type	Number of Units	Monthly Rent/Unit	Total Monthly Rent
Studio		\$	\$
1 Bedroom		\$	\$
2 Bedroom		\$	\$
3 Bedroom		\$	\$
4 Bedroom		\$	\$
Total			\$
Proposed After Rehabilitation Rents:			
* See Income and Affordability Chart for affordable rents			
Unit Type	Number of Units	Monthly Rent/Unit	Total Monthly Rent
Studio		\$	\$
1 Bedroom		\$	\$
2 Bedroom		\$	\$
3 Bedroom		\$	\$
4 Bedroom		\$	\$
1. Total			\$
2. Vacancy Factor		% x 1(above) =	\$
3. Other Monthly Income (laundry, garage, etc.)			\$
4. Total Gross Effective Monthly Income			\$
5. Total Gross Effective Annual Income (1- 2 + 3 + 4)			\$

VII. Operating Expenses After Rehabilitation

	Paid by Tenants	Paid by Owner
Administration		
Advertising		\$
Management		\$
Other:		\$
TOTAL		\$
Operations		
Water	\$	\$
Gas	\$	\$
Electricity	\$	\$
Garbage	\$	\$
Insurance	\$	\$
Supplies	\$	\$
Other:	\$	\$
TOTAL	\$	\$
Maintenance		
Repairs & Upkeep (including wages)		\$
Grounds Maintenance		\$
Other:		\$
Taxes & Licenses		\$
Operating Reserves		\$
TOTAL ANNUAL OPERATING EXPENSES		\$

VIII. Cash Flow Analysis

1. Gross Effective Annual Income (VI – 5)	\$
2. Less Annual Operating Expenses (VII)	\$
3. Net Annual Income Before Debt Service (1 – 2)	\$
4. Existing Annual Debt Service (IV)	\$
5. Annual Cash Flow (3 – 4)	\$

IX. Relocation Information

Is property currently vacant?	<input type="checkbox"/> yes <input type="checkbox"/> no (if yes, skip remainder of this section)
Total number of households currently residing in property:	
Is Tenant Survey Form attached?	<input type="checkbox"/> yes <input type="checkbox"/> no (if no, indicate when form will be provided:)
Total number of units after rehabilitation	
Total number of units to be occupied by low income households after rehabilitation	
Percentage of units to be occupied by low income households after rehabilitation	
Number of households that will be <u>temporarily</u> displaced as a result of the rehabilitation	
Number of households that will be <u>permanently</u> displaced as a result of the rehabilitation	

* Please attach "Tenant Survey Form" for properties which currently have any tenants. The Tenant Survey Form must include the following information for all occupied units: unit number, family name, number of people in household, and gross annual income of household.

BORROWER'S CERTIFICATION:

I/We certify that the above information and statements are true, accurate and complete to the best of my/our knowledge.

Signature

Date

Signature

Date

Qualifications Disclosure

Please respond to each question. If a question does not apply to the discipline of the Firm, insert "NA". The Firm may be requested to submit documentation to verify or explain its responses to these questions during the proposal review process. This form must be signed by an officer or principal of each Firm that is part of the Proposer's team.

The term "Affiliate" means a parent or subsidiary corporation and an organization (such as a partnership, limited liability company, or professional corporation) that is currently, or in the past five years has been, related to the Firm by means of either (a) financial support; (b) the same or substantially similar: general, managing or limited partners, members, investors, or shareholders; or (c) by other means of control. The term "Officer" means a member of the Firm's or an Affiliate's governing board. The term "Principal" encompasses all persons and entities with at least 10% ownership interest in the Firm or an Affiliate.

Operating and Financial Capacity – Current Status:	Yes	No
1. DOES THE FIRM POSSESS VALID AND CURRENT BUSINESS AND PROFESSIONAL LICENSES REQUIRED TO DEVELOP AND OPERATE THE PROJECT PROPOSED?		
2. DOES THE FIRM POSSESS A GENERAL LIABILITY INSURANCE POLICY WITH A MINIMUM POLICY LIMIT OF AT LEAST \$1 MILLION PER OCCURANCE AND WORKERS COMPENSATION INSURANCE COVERAGE AS REQUIRED BY CALIFORNIA LAW?		
3. CAN THE FIRM OBTAIN PERFORMANCE AND PAYMENT BONDS FROM AN ADMITTED SURETY EQUAL TO THE ESTIMATED PROJECT CONSTRUCTION COST?		
4. DOES THE FIRM HAVE RETAINED EARNINGS OR DOES ONE OF ITS PRINCIPALS HAVE A NET WORTH EQUAL TO AT LEAST 10% OF THE ESTIMATED TOTAL PROJECT COST?		
Background Information – Within the Last 10 Years:	Yes	No
LITIGATION		
5. HAS THE FIRM, AFFILIATE, OR ANY OFFICER OR PRINCIPAL BEEN INVESTIGATED, ARRESTED, CONVICTED, FOUND LIABLE, ENTERED INTO A SETTLEMENT AGREEMENT, OR PAID A PENALTY FOR FRAUD, PERJURY, FORGERY, THEFT, EMBEZZLEMENT, FALSE CLAIMS, MATERIAL MISREPRESENTATION, OR ANY SIMILAR CRIME OR CIVIL ACTION?		
6. IS THE FIRM OR AFFILIATE CURRENTLY A PARTY TO ANY CIVIL ACTION, THE OUTCOME OF WHICH COULD MATERIALLY AND ADVERSELY AFFECT ITS FINANCIAL CONDITION?		
PENALTIES AND CITATIONS		
7. HAS THE FIRM OR AFFILIATE BEEN DEBARRED, SUSPENDED, OR OTHERWISE BEEN DEEMED INELIGIBLE TO BID ON CONTRACTS BY ANY LOCAL, STATE OR FEDERAL AGENCY?		
8. HAS THE CONTRACTORS LICENSE BOARD ISSUED A FINAL DECISION OR ORDER AGAINST THE FIRM OR AFFILIATE RELATED TO A CITATION OR DISCIPLINARY ACTION?		
9. HAS THE DEPT OF INDUSTRIAL RELATIONS (DIR) FOUND THAT THE FIRM OR AFFILIATE VIOLATED ANY PROVISION OF THE LABOR CODE, A DIR REGULATION, OR A WAGE AND HOUR ORDER, OR ENTERED INTO A SETTLEMENT AGREEMENT RELATED TO SUCH VIOLATIONS?		
10. HAS CAL OSHA CITED AND ASSESSED PENALTIES AGAINST THE FIRM OR AFFILIATE FOR ANY SERIOUS, WILFUL OR REPEAT VIOLATIONS OF HEALTH AND SAFETY STANDARDS?		
11. HAS THE FIRM OR AFFILIATE BEEN ISSUED A CODE ENFORCEMENT CITATION RELATED TO ANY BUILDING OWNED OR OPERATED BY THE FIRM OR AFFILIATE FOR VIOLATION OF HEALTH AND SAFETY REGULATIONS OR BUILDING CODES?		
FINANCIAL		
12. HAS THE FIRM OR AFFILIATE FILED FOR, OR BEEN THE SUBJECT OF THE INVOLUNTARY INITIATION OF, BANKRUPTCY, REORGANIZATION, INSOLVENCY, DISSOLUTION OR RECEIVERSHIP PROTECTION?		
13. HAS THE FIRM OR AFFILIATE DEFAULTED ON ANY LOAN OR HAS ANY PROPERTY OWNED BY THE FIRM OR AFFILIATE BEEN FORECLOSED AGAINST?		
14. HAS A SURETY COMPLETED A CONTRACT OR MADE PAYMENT ON BEHALF OF THE FIRM OR AFFILIATE DUE ITS DEFAULT OF A CONTRACTUAL OBLIGATION?		

FIRM AND AFFILIATE INFORMATION

Please provide the following information:

1. Firm Organization status: CA Corporation _____ Corporation Professional Corporation
 General Partnership Limited Partnership Limited Liability Company Sole Proprietor (d.b.a.)

2. How many years has the Firm been in business? _____ Years

3. Firm Contractor's License No. (if applicable): _____

4. Is the Firm a subsidiary, parent, holding company or Affiliate (as defined above) of another firm?
_____ Yes _____ No If Yes, please list below the names and relationship of each Affiliate firm:

5. Has the ownership of any of the Principals in the Firm changed by more than 25% during the last three years? _____ Yes _____ No If Yes, please provide a brief explanation below or in an attachment:

6. Does the Firm or an Affiliate currently own any property in Sacramento County, other than its business office location(s) or the personal residences of Officers or Principals of the Firm or Affiliate?
_____ Yes _____ No If Yes, please list the addresses below or in an attachment:

I hereby certify that the foregoing responses are true and correct:

Signature

Date

Name

Phone Number

Title

Firm Name

Address