



AGENDA
November 14, 2019
8:00 am

Committee Members

Carmen Pascual

Tahir Naim

Staff

Jonathan Veach, Housing & Community Services Division Manager

Kathy Flood, Staff Analyst (Staff Liaison)

Carlos Azcona, Building/Housing Inspector

Jennifer Carvalho, Office Specialist

1. Call to Order
2. Public Presentations
This portion of the meeting is reserved for persons to address the Housing Rehabilitation Loan Committee on any matter not on the agenda. The law does not permit Housing Rehabilitation Loan Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. Commissioners or the staff liaison may briefly respond to statements made or questions posed and may request staff to report back at a subsequent meeting. Please limit your remarks to 3 minutes.
3. Introduction of new Committee Member
4. Review of Minutes from June 6, 2019
5. Items for Discussion:
 - A. Review Budget Status Reports
 - B. Program Status
 - i. Completed Projects
6. Items For Action:
 - A. Approved Project Funding for Committee Review
 - B. Pending Project Funding for Committee Review and Action
7. Other Business
 - A. Joint Dinner Meeting with Council scheduled for December 17, 2019, at 5 pm.
8. Adjournment - Next meeting: **pending**



**MINUTES OF THE HOUSING REHABILITATION
LOAN COMMITTEE**

City Manager's Staff Conference
Room 1500 Warburton Ave, Santa Clara,
CA, 95050

**MEETING MINUTES
June 6, 2019 8:00 A.M.**

Committee Members Present:

Carmen Pascual
Bianca Wilczoch

Others in Attendance:

Teresa O'Neill – Council Member

Committee Member Not Present:

Mike Ferrito

Staff:

Andrew Crabtree, Community Development Director
Jonathan Veach, Housing Division Manager
Kathy Flood, Staff Analyst (Staff Liaison)
Carlos Azcona, Building/Housing Inspector
Jennifer Carvalho, Office Specialist

1. Call to Order/Roll Call

Meeting was called to order at 8:00 A.M.

2. Public Presentations

None

3. Review of Approved Minutes from November 15, 2018

4. Items for Discussion

A. Review of Budget Status Reports

Budget reports were reviewed and discussed, data reviewed dated through March 30. Division Manager Veach pointed out the overall increase to the NCIP budget. General discussion on how the funding works, program income, and 'timeliness' of spending HUD funds. Director Crabtree addressed that we have returned HOME funds in the past and it could happen again because the funds are too restricted in their use. Committee Member Pascual asked if the Loan Committee can be notified about pending timeliness deadlines. Division Manager Veach indicated that HUD reports compiled by our Housing Development Officer, Eric Calleja, could be given to the Committee. Division Manager Veach discussed our recent NOFA that nobody replied to. He also discussed the possibility of utilizing HOME funds on the Gianara Street property the City owns.

B. Program Status

i. Completed Projects

Before and after photos were displayed of recent completed projects. Committee was pleased to see the quality of the work.

ii. Client Evaluations/Notes

The Committee reviewed the client evaluations and expressed high satisfaction with the great work the Housing team is providing to Santa Clara residents.

5. Items For Action

A. Projects Pending Review and Action

Client #10412

Motion: Approve an amount up to **\$100,000** for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.

Motion approved 2-0

Client #10562

Motion: Approve an amount up to **\$100,000** for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.

Motion approved 2-0

Client #10566

Motion: Approve an amount up to **\$100,000** for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.

Motion approved 2-0

Client #10568

Motion: Approve an amount up to **\$100,000** for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.

Motion approved 2-0

B. Projects For Committee Review

Client #10541

Client was approved for a loan totaling \$87,500 on May 11, 2017. Due to unforeseen repairs requiring change orders, additional funding was needed to complete the project. Division Manager approved an amount of \$15,000 on May 3, 2019 so that the project could continue without stopping for committee approval at the next meeting. Total now has not to exceed maximum of \$102,500.00.

6. Other Business

- A. General discussion about the status of the Committee and possible restructuring.
- B. HUD audit at the end of the month; Division Manager Veach discussed the 'intentional risk' being worth the outcomes as opposed to only doing 'curb-cuts' in order to avoid audit findings -easier to manage than NCIP and Public Service Contracts.
- C. Gratitude expressed to Committee Member Wilczoch for her 8 years of service.
- D. Informed Committee Members about the July 16, 2019 dinner with City Council at 5:00pm.

7. Adjournment – Next meeting scheduled for August 8, 2019 at 8:00 A.M.

Meeting was adjourned at 9:10 A.M.

NCIP FY2019-20 Budget Status Reports
Budget Summary as of 10/31/19

HUD Grant	CDBG	HOME	TOTAL
FY2018-19 Total HUD Grant	\$ 968,933.00	\$ 444,587.00	\$ 1,413,520.00
FY2019-20 Total HUD Grant	\$ 987,798.00	\$ 395,531.00	\$ 1,383,329.00
Source of NCIP Funds			
	CDBG	HOME	TOTAL
FY2018-19 Remaining Program Allocation	\$ 567,551.02	\$ -	\$ 567,551.02
FY2019-20 Program Allocation (includes estimated \$350K PI)	\$ 866,992.00	\$ -	\$ 866,992.00
FY2019-20 Approved NCIP Activity Delivery Cost Allocation	\$ 216,747.00	\$ -	\$ 216,747.00
FY2019-20 Program Income-Loan Payments (PI) over budgeted \$437,500*		\$ -	\$ -
Total NCIP Source of Funds	\$ 1,651,290.02	\$ -	\$ 1,651,290.02
20% set aside from current FY CDBG PI for FY2019-20 admin over \$437,500	\$ -	\$ -	\$ -
15% set aside from current FY CDBG PI for FY2020-21 Public Services over \$437,500	\$ -	\$ -	\$ -
Total NCIP Available Source Funds	\$ 1,651,290.02	\$ -	\$ 1,651,290.02
Use of Funds			
	CDBG	HOME	TOTAL
FY2019-20 Loan Expenditures	\$ 211,476.05	\$ -	\$ 211,476.05
FY2019-20 Grant Expenditures (AP, Direct Charges & Burden)	\$ 36,765.83	\$ -	\$ 36,765.83
Total Use of Funds	\$ 248,241.88	\$ -	\$ 248,241.88
Available Source Minus Use Balance	\$ 1,403,048.14	\$ -	\$ 1,403,048.14
Current NCIP Activity			
	CDBG	HOME	TOTAL
Balance remaining on projects in progress - Executed loans w/contingency	\$ 754,137.34	\$ -	\$ 754,137.34
Estimated remaining soft cost expenditures of executed loans	\$ 75,413.73	\$ -	\$ 75,413.73
Total	\$ 829,551.07	\$ -	\$ 829,551.07
NCIP Approved Activity - Pending			
	CDBG	HOME	TOTAL
Approved loans not yet executed	\$ -	\$ -	\$ -
Estimated soft cost expenditures of approved loans	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -
Total of recommended loans w/contingency	\$ 636,250.00	\$ -	\$ 636,250.00
Total	\$ 636,250.00	\$ -	\$ 636,250.00
Available Source Balance	\$ 1,403,048.14		
Total Current and Pending NCIP Activity	\$ (1,465,801.07)		
Available for new projects	\$ (62,752.93)		

*\$437,500 - 20% = \$350,000

source data:
CSC Account Activity Detail Query

NCIP FY2019-20 Financial Status
Program Income as of 10/31/19

Client/Source	CDBG	HOME	Total
00224	\$ 52,986.58	\$ -	\$ 52,986.58
00434	\$ 42,532.42	\$ -	\$ 42,532.42
00498	\$ 35,600.33	\$ -	\$ 35,600.33
00747	\$ 33,244.95	\$ -	\$ 33,244.95
00874	\$ -	\$ 1,000.00	\$ 1,000.00
00988	\$ 34,104.32	\$ -	\$ 34,104.32
10061	\$ 300.00	\$ 600.00	\$ 900.00
10064	\$ 15,228.32	\$ -	\$ 15,228.32
10108	\$ 6,019.29	\$ -	\$ 6,019.29
10214	\$ 3,725.75	\$ 88,663.13	\$ 92,388.88
10218	\$ 107,583.70	\$ -	\$ 107,583.70
10390	\$ -	\$ 47,737.81	\$ 47,737.81
10470	\$ -	\$ 5,780.05	\$ 5,780.05
Program Income to Date	\$ 331,325.66	\$ 143,780.99	\$ 475,106.65

Fiscal Year	CDBG/HOME
2014/15	\$ 544,733.00
2015/16	\$ 581,303.00
2016/17	\$ 594,999.72
2017/18	\$ 591,571.72
2018/19	\$ 520,416.21
2019/20 to date	\$ 475,106.65
Total	\$ 3,308,130.30

NCIP FY2019-20 Financial Status
Loan Expenditures as of 10/31/19

Client Number	Prior Loan Amount	Loan Amount FY2019-20	Prior Years CDBG Expenditures	Current Year CDBG Expenditures	Remaining Loan Balance	Remaining Estimated Grant Costs
10164	\$ -	\$ 12,000.00	\$ -	\$ 4,680.00	\$ 7,320.00	\$ 732.00
10412	\$ 125,000.00	\$ -	\$ -	\$ 10,613.00	\$ 114,387.00	\$ 11,438.70
10541	\$ 99,626.00		\$ 86,226.00	\$ 13,400.00	\$ -	\$ -
10542	\$ 125,000.00	\$ -	\$ 93,398.38	\$ -	\$ 31,601.62	\$ 3,160.16
10543	\$ 100,000.00	\$ -	\$ -	\$ -	\$ 100,000.00	\$ 10,000.00
10550	\$ 125,000.00	\$ 5,000.00	\$ 48,264.33	\$ 60,087.00	\$ 21,648.67	\$ 2,164.87
10562	\$ 125,000.00	\$ -	\$ -	\$ 88,622.57	\$ 36,377.43	\$ 3,637.74
10563	\$ 125,000.00	\$ -	\$ 18,423.00	\$ 1,180.47	\$ 105,396.53	\$ 10,539.65
15064	\$ 125,000.00	\$ -	\$ 4,700.90	\$ 1,621.33	\$ 118,677.77	\$ 11,867.78
10566	\$ 125,000.00	\$ -	\$ -	\$ 14,223.35	\$ 110,776.65	\$ 11,077.67
10568	\$ 125,000.00	\$ -	\$ -	\$ 17,048.33	\$ 107,951.67	\$ 10,795.17
Totals		\$ 1,216,626.00	\$ 251,012.61	\$ 211,476.05	\$ 754,137.34	\$ 75,413.73

Recommended Loans	CDBG
10164	\$ 30,000.00
10562	\$ 25,000.00
10570	\$ 125,000.00
10572	\$ 125,000.00
10573	\$ 81,250.00
10574	\$ 125,000.00
10575	\$ 125,000.00
Total	\$ 636,250.00

NCIP FY2019-20 Financial Status
Grant Expenditures as of 10/31/19

Borrower/Indirect Labor	CDBG Grant	CDBG Direct Charges	TOTAL
10081		\$ 789.94	\$ 789.94
10101	\$ 1,907.64	\$ 225.70	\$ 2,133.34
10164	\$ -	\$ 1,184.87	\$ 1,184.87
10412	\$ 230.00	\$ 1,072.03	\$ 1,302.03
10415	\$ 3,800.00	\$ 902.78	\$ 4,702.78
10541	\$ 315.00	\$ 1,410.59	\$ 1,725.59
10542	\$ 135.94	\$ 1,805.56	\$ 1,941.50
10543	\$ -	\$ 1,072.03	\$ 1,072.03
10550	\$ -	\$ 2,031.27	\$ 2,031.27
10562	\$ 5.00	\$ 1,579.85	\$ 1,584.85
10563	\$ -	\$ 1,128.46	\$ 1,128.46
10564	\$ -	\$ 1,636.27	\$ 1,636.27
10565	\$ 2,824.20	\$ 1,015.61	\$ 3,839.81
10566	\$ 5.00	\$ 1,128.46	\$ 1,133.46
10567	\$ -	\$ 282.12	\$ 282.12
10568	\$ 415.86	\$ 1,241.32	\$ 1,657.18
10569	\$ 1,806.25	\$ 789.92	\$ 2,596.17
10570	\$ 577.50	\$ 846.35	\$ 1,423.85
10571	\$ -	\$ 1,072.04	\$ 1,072.04
10572	\$ 989.25	\$ 959.19	\$ 1,948.44
10573	\$ -	\$ 620.64	\$ 620.64
10574	\$ -	\$ 451.38	\$ 451.38
10575	\$ -	\$ 507.81	\$ 507.81
Expenditures to date	\$ 13,011.64	\$ 23,754.19	\$ 36,765.83

Approved Project Funding For Committee Review

1. Client #10164

Eligibility <50% of County Median Income
Household Number 2

Background Returning client. Client was unable to use furnace as ducting was compromised and needed to be replaced. Division Manager approved an amount of \$12,000.00 so that the repairs could be done before winter approaches.

Approved Loan \$12,000 approved by Division Manager on September 16, 2019
Approved Scope Furnace ducting replacement and possible mold remediation

Brings current loan total to \$87,084.71 (not including today's request for an additional \$30,000.00).

2. Client #10550

Eligibility <30% of County Median Income
Household Number 4

Background Client was approved for a loan totaling \$125,000.00 on August 19, 2018. Due to unforeseen repairs requiring change orders, additional funding was needed to complete the project. Division Manager approved an amount of \$5,000.00 so that the project could continue without having to stop for committee approval at the next meeting.

Approved Loan \$5,000 approved by Division Manager on September 19, 2019
Approved Scope Replacement of damaged foundation support beams

Total loan not to exceed maximum \$130,000.00

Pending Project Funding for Committee Review and Action Additional Work Requested

1. Client #10164

Eligibility	<50% of County Median Income
Household Number	2
Requested Work	Minor electrical work in kitchen, rewiring of switches, GFI near sinks; inspection of attic wiring for safety hazards; installation of battery operated smoke detectors; reseal bathroom shower door; caulk and repair vanity -hall bath. Replace damaged locks and interior hinges on exiting doors. Removal of discoloration of several walls in house by chemical means using specialized contractor trained in mold abatement; possible demo of chimney; partial interior re-pipe.
Staff Estimate	\$30,000.00
Staff Recommendation	Approve an additional amount of \$30,000.00 for identified work, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed total loan maximum of \$120,000.00
Existing loan:	\$87,084.71

2. Client #10562

Eligibility	<80% of County Median Income
Household Number	4
Requested Work	Client as approved for \$125,000.00 in funding for foundation work on June 6, 2019. The foundation work that was completed has caused significant damage to the interior wall/ceiling and exterior wall systems along with some plumbing issues and cabinet damage in the kitchen. Additional funding needed to address these items.
Staff Estimate	\$25,000.00
Staff Recommendation	Approve an additional amount of \$25,000.00 for identified work, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed total loan maximum of \$150,000.00
Existing loan:	\$125,000.00

New Work Requested

1. Client #10570

Eligibility	<80% of County Median Income
Household Number	4
Requested Work	Kitchen rehab; kitchen, bedroom and living room electrical repair; hall bath plumbing repair; shower door repair both baths; new main waterline/partial interior re-pipe; furnace/AC replacement.

Staff Estimate	\$100,000.00
Staff Recommendation	Approve an amount up to \$100,000.00 for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.00
2. Client #10572	
Eligibility	<50% of County Median Income
Household Number	1
Requested Work	Water heater and furnace replacement; repair of damaged floor throughout house; repair of non-permitted wiring in kitchen; full kitchen rehabilitation, sewer line repair; whole house re-pipe; exterior paint, new laundry hookups, removal of dead trees, window replacements, full bathroom rehabilitation, (also accessibility work through grant program).
Staff Estimate	\$100,000.00
Staff Recommendation	Approve an amount up to \$125,000.00 for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.00
3. Client #10573	
Eligibility	<80% of County Median Income
Household Number	2
Requested Work	Roof replacement; water heater and furnace repair to code; repair of damaged floor throughout house; repair of non-permitted wiring in kitchen; sewer line repair; whole house re-pipe; exterior paint. (also, accessibility work through grant program).
Staff Estimate	\$65,000.00
Staff Recommendation	Approve an amount up to \$65,000.00 for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$81,250.00.00
4. Client #10574	
Eligibility	<50% of County Median Income
Household Number	2
Requested Work	Demo of non-permitted wiring in patio room; full interior re-pipe; install new service panel; repair exterior outlets to code; water service line replacement; bring water heater and enclosure to code; repair rear yard damaged concrete; bathroom modification for accessibility (also, misc. accessibility repairs through grant program).
Staff Estimate	\$100,000.00
Staff Recommendation	Approve an amount up to \$100,000.00 for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.00

5. Client #10575

Eligibility	<80% of County Median Income
Household Number	2
Requested Work	Legalize non-permitted bath addition; roof replacement; replace existing knob and tube wiring in attic; install attic installation; interior electrical upgrade; remove dangerous wiring at exterior rear; partial kitchen rehab with flooring and countertops; interior painting; repair of damaged concrete; bring water heater and furnace to code; plumbing repairs; remodel hall bath for handicap accessibility; (also, misc. accessibility work through grant program)
Staff Estimate	\$100,000.00
Staff Recommendation	Approve an amount up to \$100,000.00 for identified work, plus a 25% contingency loan, 3% interest and twenty-year deferred payment. Loan is subject to availability of program funds. Not to exceed maximum \$125,000.00