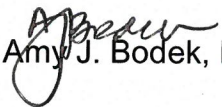


## M E M O R A N D U M

**DATE:** October 21, 2015

**TO:** Board of Directors  
The Long Beach Community Investment Company

**FROM:**   
Amy J. Bodek, President

**SUBJECT:** CalHome Single Family Rehabilitation Loan – 5888 Lewis Ave. (CD 9)

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### **RECOMMENDATION:**

Approve a CalHome loan in the amount of \$57,000 to Christopher Maiava for the rehabilitation of the property at 5888 Lewis Ave., and authorize the President to approve change orders within the approved budget.

### **DISCUSSION**

The CalHome Owner-Occupied Rehabilitation Loan Program (CalHome Program) is designed to provide financial assistance to very low and low-income homeowners to make property improvements. The loans must be used first and foremost to correct all building code, health and safety, and property maintenance deficiencies. Other improvements may also be included if funds are available. The maximum assistance per household is \$57,000. The term of the loan is 30 years at 0% interest and payments are deferred for the term of the loan. Loans are due upon sale or transfer of the property, when the property ceases to be owner-occupied, or upon the loan maturity date.

### **DESCRIPTION OF PROPERTY**

The property at 5888 Lewis Ave. is a 832 square foot single-family home on a 4,579 square foot lot. The home includes 2 bedrooms and 1 bathroom, and is in poor condition. A site map and photographs of the property are attached (Attachment A).

### **DESCRIPTION OF PROPOSED REHABILITATION**

Comprehensive Housing Services (CHS) inspected the property and prepared a work write-up. The borrower received a contractor bid in the amount of \$52,800 from Foster Construction (Attachment B). The proposed rehabilitation includes the following:

- Replace the electrical receptacles found in the bathrooms and kitchen and exterior locations within 6' of the water source with new GFCI receptacles.
- Remove and dispose of those existing windows, which have not been upgraded. Provide and install new retrofit, dual pane, low E, windows in the same locations
- Provide and install a new smoke alarms in the west bedroom.
- Provide and install a new laminate floor including plastic under-layer in the above rooms including closets. Provide and install new base trim around all walls, and all floor transitions from new laminate floor to any other surface.
- Remove and properly dispose of all of the existing fixtures from the bathroom including tub, toilet, sink etc. Provide and install the following per approval by owner: new shower and shower door, ceramic tile wall surround. New vanity cabinet with one piece sink/countertop, new Delta or equal faucet in the same locations. Provide new under sink plumbing, including flex lines, angle stops, and drain assembly. New American Standard or equal toilet in the same location. New ceramic or porcelain floor tile and prime paint walls.
- The existing front & back porch roof structures are badly deteriorated and need to be replaced. Remove and dispose of the porches roof structure. Frame new porches roof including rafters, post & beam, sheathing.
- Remove and dispose of the existing rear door. Rework opening if necessary and provide and install a new pre-hung, solid core, door in same location complete with new threshold, deadbolt, lock-sets, strike-plates, door stops, and weather stripping.
- Prime and paint exterior of property.
- Remove and dispose of the existing roof on the house and garage. Replace any deteriorated sheathing as necessary. Provide and install a new modified torch down roof on the house and garage.
- Provide and install a new ductless heating and cooling system by Mitsubishi or equivalent. New system to be of adequate size to service the entire house.
- Provide and install new blown-in insulation in space above ceiling of house.
- Permits.

A contingency of \$3,801 is available for any required change orders, which must be approved by the President.

### **PROPERTY INDEBTEDNESS**

The qualified low-income applicant, currently owns the property and carries existing mortgage debt in the amount of \$244,421. The total debt including the \$57,000 CalHome loan is \$301,421. The after-rehabilitation value is estimated at \$365,000 and the resulting debt to value is 83%, which is below the 105% allowed by the CalHome Program. A comparable sales analysis indicating the property value is attached (Attachment C).

This proposal supports the implementation of the City's Certified Housing Element Program 3.1 (Home Rehabilitation Owner-Occupied), and is therefore supported by staff.

**SUGGESTED ACTION:**

Approve Recommendation.

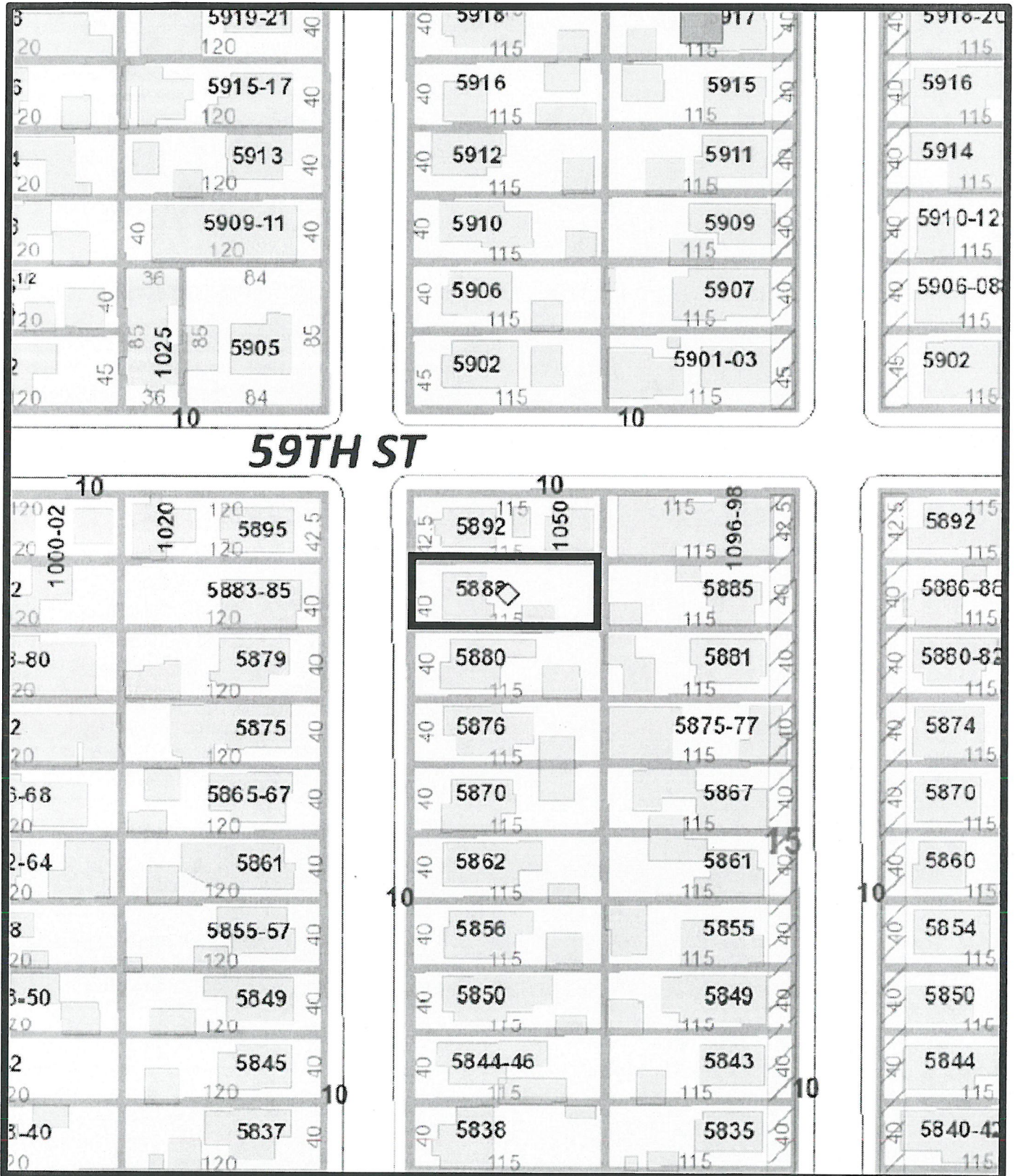
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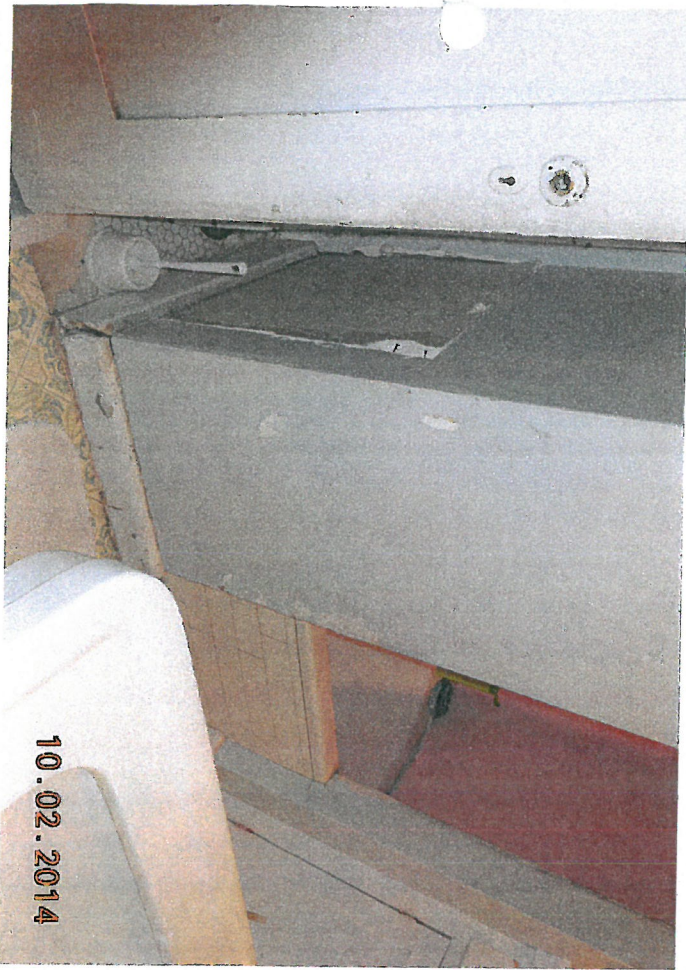
- A. Site Map and Photograph
- B. Work Write-Up
- C. Comparable Sales Analysis

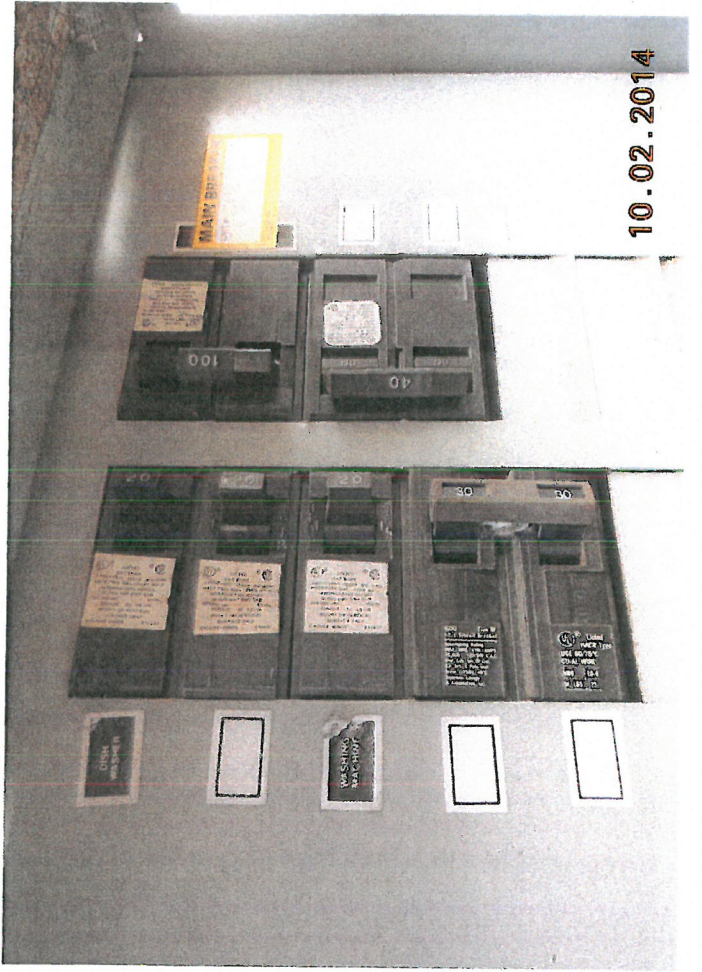
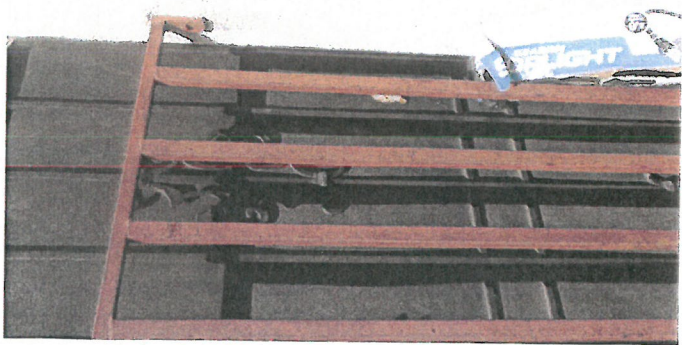
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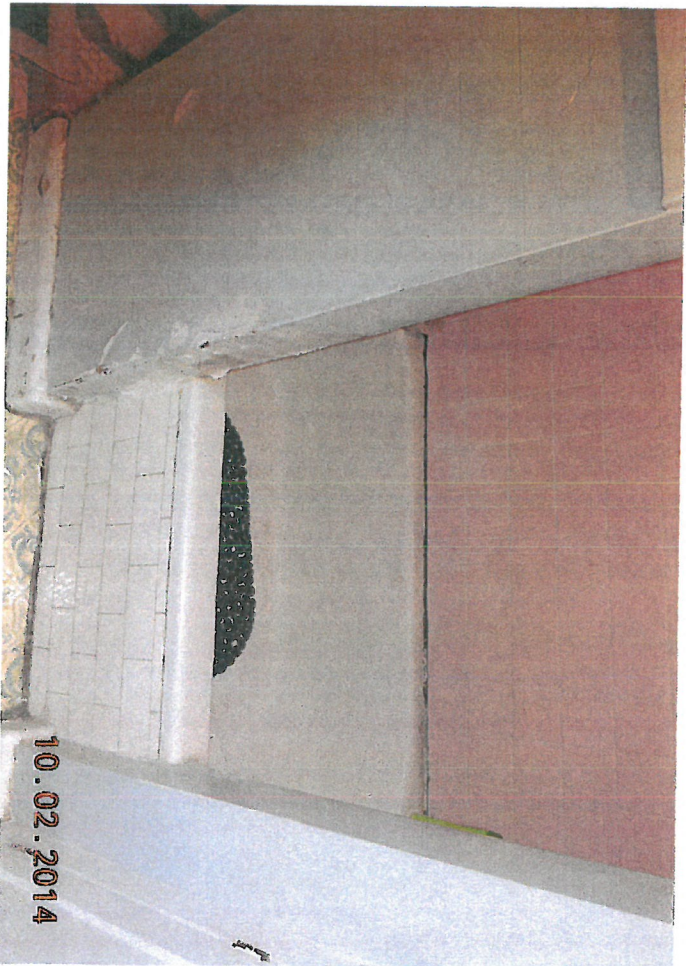
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5888 Lewis Avenue









# Long Beach Housing Development Company

333 W Ocean Blvd. 3rd Floor - Long Beach, CA 90802  
(562) 570-6040 - (562)-570-6215 Fax

## WORK SPECIFICATION- CONTRACTOR BID PROPOSAL

Property Owner: Christopher Malava  
Address of Property: 5888 Lewis Avenue  
Zip Code: Long Beach, CA 90802  
Owner's Phone Number: 562-682-1534

Inspection Date: 10/10/2014  
Inspected by: Bob Levin  
Charge Point:  
Loan Officer

Year Built:  
Contractor: FOSTER CONST.  
Address: 2761 FANWOOD AVE  
LONG BEACH, CA 90815  
Telephone: 562-607-4066

The undersigned Contractor hereby submits  
a lump sum bid in the amount of:

State Contractor License Number: 759d90

Expiration Date: 2-28-2017

Tax ID # or

Social Security #: [REDACTED]

Ethnicity: W

\$ 52,800

### Acceptance of attached Work Specification and Bid Proposal

[Signature] 07.17.15  
Date

Owner Date

[Signature] MAY 11, 2015  
Contractor Date

Reviewed and Approved

Date

All work to be performed shall be in conformance with Long Beach City Codes and Ordinances. Contractor is responsible for property line designation, properly designed plans, securing building permits, certifications and paying fees, if applicable. Contractor shall verify all dimensions on the job site. Owner shall select colors and patterns of materials where applicable. All lead inspection and controls to be performed by State certified company or individual and it is the responsibility of the contractor to provide all documentation to satisfy this requirement from initial inspection through clearance.

\* NOTE: The unit # 19 is not in compliance with building code and health and safety codes not meeting minimum size requirements for studio apt. The kitchen does not have the required 30 inches of clear working space in front of each appliance and sink and the total size of the unit is less than the required 220 Sq ft. Also the hallway is 22 inches in width not complying with the required 30 inch minimum width. Residential use of this unit must be discontinued or bring it into compliance with current code.

THE SCOPE OF WORK LISTED BELOW SHALL APPLY TO ALL 10 UNITS IN THE REAR BUILDING PROVIDED UNIT #19 IS BROUGHT INTO COMPLIANCE. NUMBERS 9, 10, 11, 12, 14, 15, 16, 17, 18, AND SHALL ALSO INCLUDE # 19 IF IT IS BROUGHT INTO COMPLIANCE. THE NUMBER 13 IS NOT

Work categorized in priority as:

- Priority Code A - Enforced/Mandatory
- Priority Code B - Incident Condition
- Priority Code C - Home Improvement
- Priority Code GP1 - General Property Improvement

1. Contractor hereby agrees to comply with all conditions and requirements of the Bid and Contract documents. If so requested by the City of Long Beach (City) or Owner, the Contractor further agrees to submit additional information regarding the Contractor's qualifications and financial status.
2. The City will deliver a copy of the Owner and Contractor Rehabilitation Contract containing the effective date, which shall serve as the Notice to Proceed.
3. Contractor shall procure and maintain at Contractor's expense, for the duration of this Contract, from an insurance company that is authorized to write insurance in the State of California or that is an eligible surplus lines insurer in the State of California with a minimum rating of or equivalent to an A: VIII by A.M. Best Company, the following insurance:
  - a. Commercial general liability insurance (equivalent in coverage scope to ISO CGL CG 00 01) naming the City of Long Beach, its officials, employees, and agents as additional insureds (equivalent in coverage scope to ISO CG 20 10 11 85) from and against claims, demands, causes of action, expenses, costs, or liability for injury to or death of persons, or damage to or loss of property arising out of activities performed by or on behalf of the Contractor in an amount not less than One Million Dollars (US \$1,000,000) per occurrence and Two Million Dollars (US \$2,000,000) in aggregate.
  - b. Workers' compensation coverage as required by the Labor Code of the State of California and Employer's liability insurance with minimum limits of One Million Dollars (US \$1,000,000) per accident.
  - c. Automobile liability insurance (equivalent in coverage scope to ISO CA 00 01) in an amount not less than Five Hundred Thousand Dollars (US \$500,000) combined single limit (CSL) per accident for bodily injury and property damage covering owned, non-owned, and hired automobiles.

Any self-insurance program or self-insurance retention must be approved separately in writing by City and shall protect the City of Long Beach, its officials, employees, and agents in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention provisions. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, or canceled by either party except after thirty (30) days prior written notice to City (ten (10) days for nonpayment of premium), and shall be primary and not contributing to any other insurance or self-insurance maintained by City.

Any subcontractor which Contractor may use in the performance of this Contract shall be required to maintain insurance in compliance with the provisions of this section.

Contractor shall deliver to City certificates of insurance and original endorsements for approval as to sufficiency and form prior to the start of performance hereunder. The certificates and endorsements for each insurance policy shall contain the original signature of a person authorized by that insurer to bind coverage on its behalf.

"Claims-made" policies are not acceptable unless City Risk Manager determines that "Occurrences" policies are not available in the market for the risk being insured. If a "Claims-made" policy is accepted, it must provide for an extended reporting period of not less than one hundred eighty (180) days.

Such insurance as required herein shall not be deemed to limit Contractor's liability relating to performance under this Contract. City reserves the right to require complete certified copies of all said policies at any time. Any modification or waiver to the insurance requirements herein shall be made only with the approval of City Risk Manager.

The procuring of insurance shall not be construed as a limitation on liability or as full performance of the indemnification provisions of the Contract.

4. Owner shall select within "Builder's Line" (standard) quality, all colors, patterns and styles of material not already specified by this Work Specification, with exception of plumbing fixtures, which shall be in all cases white.
5. All measurements whether supplied or not shall be verified or obtained by the contractor. Where a discrepancy of supplied measurement differs from that of the Contractor, the Contractor shall indicate their own measurement on the applicable Work Specification item and base the item bid amount on their own measurement.
6. All work as described by this Work Specification shall be completed by the Contractor in accordance with standard building practices and shall comply with all Long Beach building Codes and Ordinances.
7. All items whether installed or replaced shall be provided by the Contractor and be unused prior to installation. Items removed for replacement, unless specified in writing, shall become the property of the Contractor.
8. The only additions to this Work Specification, which may be considered, are those, which are necessary due to an unforeseen condition at the time of initial inspection of this property by the City representative. Additional work items, or changes, require a fully executed "CHANGE ORDER" or "ADDENDUM" and must be approved by the City representative prior to the implementation of the requested addition or change.

## **THE USE OF LEAD BASED PAINT IS PROHIBITED**

NOTE: Each line item below must be filled in for this bid to be valid. Line items are not to be grouped together. Each line item is subject to deletion as necessary to fit in the project budget. Any questions about the individual line item should be directed to the owner and should be addressed before bid submission. By submitting this bid, the contractor certifies an understanding of each specific line item as intended by the spec writer. Suggestions for more efficient use of funds with equal satisfactory results are welcome but should be submitted on a separate sheet complete with prices for completion. Suggestions submitted by the contractor do not relieve the contractor from the responsibility of filling out this entire scope of work completely. Substandard materials are not acceptable on this project and materials and products such as appliances, fixtures, flooring, paint etc. that meet only the minimum standards may be subject to replacement or cost adjustment. All visible materials shall have owner's approval before installation. Any items in the below work specification marked with asterisks \* are either a violation of building codes or health and safety codes and are not to be removed from this scope of work unless corrected before contract signing.

(1)	A	<p><b>GFCI RECEPTACLES</b></p> <p>Replace the electrical receptacles found in the bathrooms and kitchen and exterior locations within 6' of the water source with new GFCI receptacles. They need not be replaced provided they are protected by a GFCI receptacle upstream. New GFCI receptacles are to be UL approved and installed according to current code and manufacturer's specifications.</p>	\$ 500
(2)	A	<p><b>SMOKE DETECTOR</b></p> <p>Provide and install a new smoke alarm in the west bedroom. Provide 1st set of batteries and ensure proper operation. Smoke Alarm is to be U.L. listed and installed according to current code and manufacturer's specifications.</p>	\$ 500
(3)	B	<p><b>WINDOWS</b></p> <p>Remove and dispose of those existing windows which have not been upgraded. Provide and install new retrofit, dual pane, low E, windows in the same locations. Match existing windows as near as possible. Repair any damage to interior or exterior walls and texture to match the existing surfaces. Ensure windows meet egress where required and the glass is tempered if required. All windows to open and close freely and latch securely. Owner to approve of style and color of windows before installation. All work to be according to manufacturer's specifications, and current code requirements.</p>	\$ 5,000
(4)	A	<p><b>LAMINATE FLOOR</b></p> <p>Prep the living room, bedrooms and hallway for a new laminate floor. Provide and install a new laminate floor including plastic under-layer in the above rooms including closets. Provide and install new base trim around all walls, and all floor transitions from new laminate floor to any other surface. Ensure installation according to manufacturer's specifications and that entire floor area is flat even and consistent. Measure entire area and calculate to ensure the least amount of cut pieces appear at noticeable areas. Owner to select material, color, and style before ordering and installation.</p>	\$ 6,500

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<p>(5)</p>	<p>A BATHROOM REMODEL</p>	<p>\$ 19,000</p>
<p>Remove and properly dispose of all of the existing fixtures from the bathroom including tub, toilet, sink etc. Remove the walls surrounding the tub. Provide and install the following per approval by owner.</p> <ol style="list-style-type: none"> <li>1. New shower and shower door in the location previously occupied by the tub. Fir out walls if necessary for an even finish and installation. Install ceramic tile wall surround. Tile to be selected by owner.</li> <li>2. New vanity cabinet with one piece sink/countertop selected by owner.</li> <li>3. New Delta or equal faucet in the same locations. Provide new under sink plumbing, including flex lines, angle stops, and drain assembly. New faucet to be approved by the owner before installation. Install according to manufacturer's specifications.</li> <li>4. New American Standard or equal toilet in the same location. Installation of new toilet to include consideration of proper separation from walls, tub and/or cabinet fixture. Include new flush kit, wax ring, and bolts. Owner to approve of toilet before installation. Install according to applicable code and manufacturer's specifications.</li> <li>5. New ceramic or porcelain floor tile to be selected by owner.</li> <li>6. Prime and paint. Paint sheen and color to be selected by owner.</li> </ol>		
<p>(6)</p>	<p>A REAR DOOR</p>	<p>\$ 800</p>
<p>Remove and dispose of the existing rear door. Rework opening if necessary and provide and install a new pre-hung, solid core, door in same location complete with new threshold, deadbolt, lock-set, strike-plates, door stops, and weather stripping. New door to be mounted plumb, and to open and close freely and latch securely. Installation to be according to manufacturer's specifications. New door to be selected by homeowner.</p>		
<p>(7)</p>	<p>A FRONT &amp; BACK PORCH (REBUILD ROOF)</p>	<p>\$ 8,000</p>
<p>The existing front &amp; back porch roof structures are badly deteriorated and need to be replaced. Remove and dispose of the porches roof structure. Frame new porches roof including rafters, post &amp; beam, sheathing. New roof structures to be raised to match the existing adjacent roof. Install red roof tile to match the adjacent roof tiles. Ensure roof is properly flashed and installed properly to prevent leaks. All materials and installation of all materials to be according to current code and manufacturer's specifications.</p>		

NOTE: Each line item below must be filled in for this bid to be valid. Line items are not to be grouped together. Each line item is subject to deletion as necessary to fit in the project budget. Any questions about the individual line item should be directed to the owner and should be addressed before bid submission. By submitting this bid, the contractor certifies an understanding of each specific line item as intended by the spec writer. Suggestions for more efficient use of funds with equal satisfactory results are welcome but should be submitted on a separate sheet complete with price for completion. Suggestions submitted by the contractor do not relieve the contractor from the responsibility of filling out this entire scope of work completely. Substandard materials are not acceptable on this project and materials and products such as appliances, fixtures, flooring, paint etc. that meet only the minimum standards may be subject to replacement or cost adjustment. All visible materials shall have owner's approval before installation. Any items in the below work specification marked with asterisks \* are either a violation of building codes or health and safety codes and are not to be removed from this scope of work unless corrected before contract signing.

(6)	A	<p><b>ROOF (TORCH DOWN)</b></p> <p>Remove and dispose of the existing roof on the house and garage. Replace any deteriorated sheathing as necessary. Provide and install a new modified torch down roof on the house and garage. Include new metal flashing capping all parapet walls. Provide and install all new roof jacks and caps as necessary. All materials and installation of all materials are to be installed according to any and all applicable current code specifications.</p>	\$ 1,500
(9)	B	<p><b>PAINT EXTERIOR</b></p> <p>Pressure wash or scrub wash all exterior surfaces of the house and garage, to include siding and all trim surfaces (wood, stucco, or other painted material), exterior side of doors and door frames/frames, window trim, etc. Protect all openings to building from water penetration into structure and let dry completely prior to patch and repair. Replace or repair any damaged wood. Patch all areas of damaged stucco by scraping out damaged area, applying glue approved for stucco patch, and new stucco patch. Texture to match the existing surrounding surface. Prime all wood surfaces and apply two coats of paint and ensure a full and even coverage over all surfaces. NOTE: Apply two coats of primer sealer around the base perimeter of the house 3 feet high. Owner to select color and sheen from samples provided by the contractor.</p>	\$ 7,000
(10)	A	<p><b>HVAC</b></p> <p>Current heating system is not functional. Provide and install a new ductless heating and cooling system by Mitsubishi or equivalent. New system to be of adequate size to service the entire house. All work to be done according to current code and manufacturer's specifications.</p>	\$ 5,500
(11)	A	<p><b>Permits</b></p> <p>Provide copy of permits upon request for first progress payment and upon final.</p>	\$ 1,500
<b>PROJECT TOTAL</b>			\$ 57,800



333 W. Ocean Blvd., 3rd Floor • Long Beach, CA 90802 • 562.570.6949 • lbcic.org

### PROPERTY PROFILE - COMPARABLE SALES ANALYSIS

**Property Address** : 5888 Lewis Ave - Long Beach, CA 90805-4161

**Assessor Parcel No.** : 7124-027-002

**Owner** : Christopher Maiava

#### General Description

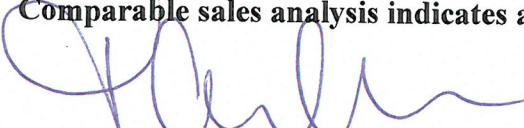
The property at 5888 Lewis Ave., Long Beach, CA 90805 is a 832 square foot single family home on a 4579 square foot lot. The home includes 2 bedrooms and 1 bathroom and is in poor condition.



<u>Subject Property</u>	<u>Sqft</u>	<u>Stories</u>	<u>Rms</u>	<u>BR</u>	<u>BA</u>	<u>Gar</u>	<u>Condition</u>
5888 Lewis Ave.	832	1		2	1		Poor

<u>Comparable Properties</u>	<u>Sqft</u>	<u>Stories</u>	<u>Rms</u>	<u>BR</u>	<u>BA</u>	<u>Gar</u>	<u>Cond</u>	<u>Price</u>	<u>Date Sold</u>	<u>Distance (miles)</u>
5943 Falcon Ave.	902	1		2	1		Good	\$360,000	09/2015	.32
5950 Brayton Ave.	1001	1		2	1		Good	\$370,000	09/2015	.26
6141 Cerritos Ave	881	1		2	1		Good	\$374,000	08/2015	.33

Comparable sales analysis indicates a value "after rehabilitation" of \$365,000.

  
 \_\_\_\_\_  
 Teresa Cerda  
 Community Program Specialist

October 7, 2015