

MEMORANDUM



The
**Long Beach
Housing
Development
Company**

DATE: January 20, 2010
TO: Board of Directors
The Long Beach Housing Development Company
FROM: Programs Committee
PREPARED BY: Robin Grainger, Housing Rehabilitation Services Officer
SUBJECT: **Approval of "Over Limit" Single-Family
Rehabilitation Loan – 1033 Alamitos Ave. (CD 6)**

RECOMMENDATION

Approve a \$12,800 increase to the previously approved single-family rehabilitation loan to Darlene Anderson, resulting in a new loan amount not to exceed \$70,300.

BACKGROUND

On May 7, 2009, the Programs Committee approved a Homeowner Rehabilitation Loan to Ms. Anderson in the amount of \$57,500, to address numerous building code deficiencies. During rehabilitation of the property, structural deterioration of the single car detached garage roof, and settling problems at the rear concrete/brick porch and foundation, which was not apparent during initial inspection, was discovered and requires corrective action. Additionally, although the owner told staff during the initial property inspection that the roof on her home did not leak, and that it was less than 10 years old, she contacted staff on January 13, 2010 to say that her roof had leaked during recent rains. Upon closer inspection by staff, the roof, which appeared to be in fair condition, was not installed properly and will require removal and replacement.

Staff established the "after-rehabilitation" value of this property at \$250,000, based on comparable sales analysis of properties recently sold in the area. Using the "after rehabilitation" value and taking into consideration total property debt (including this proposed loan), the combined loan-to-value ratio computes to 73.5%, which is within the program guideline maximum of 85%. Funds for this loan will come from Federal HOME funds.

Approval of this loan increase would allow an exception to the current Program loan limit of \$60,000, and increase the total loan by \$12,800. The new loan amount would be \$70,300.

The Programs Committee reviewed this request for loan increase at its January 14, 2010 meeting and recommended Board review and approval.

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**MAKING
AFFORDABLE
HOUSING
HAPPEN**

AGENDA ITEM NO. 6

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