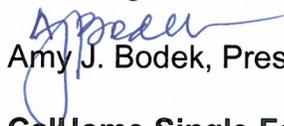


M E M O R A N D U M

DATE: September 17, 2014

TO: Board of Directors
The Long Beach Community Investment Company

FROM: 
Amy J. Bodek, President

SUBJECT: CalHome Single Family Rehabilitation Loan – 6961 Eureka Ave.
(CD 9)

RECOMMENDATION:

Approve a CalHome loan in the amount of \$57,000 to Erika Medina for the rehabilitation of the property at 6961 Eureka Ave.

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 loans 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 6961 Eureka Ave. includes a 1,348 square foot single-family home on a 4,351 square foot lot. The home includes two bedrooms and one bathroom, and is in good condition. A site map and photograph of the property are attached (Attachment A).

DESCRIPTION OF PROPOSED REHABILITATION

The property was inspected by Comprehensive Housing Services (CHS), and a work write-up was prepared (Attachment B). The proposed rehabilitation includes the following:

- Remove wood siding from the entire exterior of the house. Provide insulation in attic and exterior walls.
- Install proper approved vapor barrier over all exterior of house except brick areas. Provide and install new horizontal cement lap siding over the same areas.
- Remove and dispose of the existing windows found throughout the house and provide and install new retrofit, dual pane, low E, windows in the same location.
- Provide and install a new high efficiency energy star HVAC.
- Remove and dispose of all roofing down to sheathing on the house. Install a 30-year dimensional, Class A fire rated composition shingle roof to current code and manufacturer's specifications.
- Replace the electrical receptacle found in the laundry room with a new GFCI receptacle.

PROPERTY INDEBTEDNESS

The qualified low-income applicant, currently owns the property, and carries existing mortgage debt in the amount of \$207,172. The total debt including the \$57,000 CalHome loan is \$264,172. The after-rehabilitation value is estimated at \$370,000 and the resulting debt to value is 71%, which is far 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.

AJB:PU:tc

Attachments:

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

6961 Eureka 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: Erika Medina
Address of Property: 6961 Eureka Avenue
Zip Code: Long Beach, CA 90805
Owner's Phone Number: 562-449-8111

Year Built: 1924

Contractor: **Aaron Lafortune**
Address: 2988 San Francisco Ave.
Telephone: 562 221-8545

Inspection Date: 12/29/2013

Inspected by: Bob Levin

Charge Point:

Loan Officer Marie P. Nguyen

State Contractor License

Number: **B-918673**

Expiration Date: **31-Jul**

Tax ID # or

Social Security #: **2E+08**

Ethnicity: **white**

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

\$ 54,875.00

Acceptance of attached Work Specification and Bid Proposal

_____ Date

_____ Date



8/28/2014

_____ Date

Contractor

_____ Date

Reviewed and Approved

All work to be performed shall be in conformance with Long Beach City Codes and Ordinances. Contractor is responsible for property line designation, property 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 USED.

Work categorized in priority as:

Priority Code A – Enforced/Mandatory

Priority Code B – Incipient Condition

Priority Code C – Home Improvement

Priority Code GPI – 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 rising 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 "Occurrence" 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.

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.

		6961 Eureka Avenue: SCOPE OF WORK		Contractor's Bid
	Code			
(1)	A	EARTHQUAKE RETROFIT & INSULATION	Remove wood siding from the entire exterior of the house. Provide and install R-13 batt insulation in all exterior walls and R-30 batt insulation in attic. Provide and install plywood or OSB shear wall around the exterior perimeter of the house with nailing 2inches on center. Provide and install shear wall with same nailing schedule on piers under house. Ensure 1/2 inch anchor bolts are installed securing plate to foundation spaced a maximum 4 feet on center around the entire foundation.	\$16,800.00
(2)	B	EXTERIOR (CEMENT SIDING	Install proper approved vapor barrier over all exterior of house and garage except brick areas. Provide and install new horizontal cement lap siding over the same areas following the completion of item #1. Ensure framing is intact before installation of new siding, and repair or replace any framing if necessary. Apply caulking as necessary in all areas to ensure waterproofing. Owner to approve of color and type of siding before installation. Install according to manufacturer's specifications.	\$16,000.00
(3)	B	WINDOWS	Remove and dispose of the existing windows found throughout the house and provide and install new retrofit, dual pane, low E, windows in the same location. 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 where required. Owner to approve of style and color of windows before installation. All work to be according to manufacturer's specifications, and current code requirements. PERMIT REQUIRED	\$6,500.00
*(4)	A	HVAC	The heating system is broken and provides no heating or cooling and cannot cost effectively be repaired to operable condition. Provide and install a new high efficiency energy star HVAC system complete with forced air heating unit and condenser for cooling. Seal all metal work, provide a new solid state thermostat, and rework gas line and electric if necessary for a complete installation. New system to be of adequate size to service the entire house. All work to be according to current code and manufacturer's specifications. PERMIT REQUIRED	\$8,500.00
(6)	B	ROOF (COMP SHINGLES)	Remove and dispose of all roofing down to sheathing on the house and the attached garage. Inspect and replace any damaged sheathing with new plywood. Install two new layers of 15# felt over entire roof with a "bleeder" layer down all valleys, and a full lap of felt across valley from both directions. Install a new 30 year dimensional, Class A fire rated composition shingle roof to current U.B.C. Code Chapter 15 and manufacturer's specifications. Install ridge caps along all ridges, hips and gable ends. Include new flashing, roof jacks, edge-metal, and vent caps and paint to match color of shingles as close as possible. Ensure new drip-edge fully covers existing fascia paint, or prime and paint exposed unpainted fascia as necessary. Owner to approve of roof shingles prior to installation. PERMIT REQUIRED	\$7,000.00

6961 Eureka Avenue

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.

	Code	6961 Eureka Avenue: SCOPE OF WORK	Contractor's Bid
*(7)	A	GFCI RECEPTACLE (LAUNDRY ROOM) Replace the electrical receptacle found in the laundry room with a new GFCI receptacle. The GFCI is required to be UL approved and installed according to current code and manufacturer's specifications.	\$75.00
PROJECT TOTAL			\$54,875.00

PROPERTY PROFILE - COMPARABLE SALES ANALYSIS

Property Address : 6961 Eureka Ave.-- Long Beach, CA 90805-1824
Assessor Parcel No. : 7113-009-012
Owner : Erika Medina

General Description

The property at 6961 Eureka Ave., Long Beach, CA 90805 is a 1348 square foot single family home on a 4351 square foot lot. The home includes 2 bedrooms and 1 bathroom and is in good condition.



Subject Property

<u>Sqft</u>	<u>Stories</u>	<u>Rms</u>	<u>BR</u>	<u>BA</u>	<u>Gar</u>	<u>Condition</u>
1348	1		2	1		Good

6961 Eureka Ave.

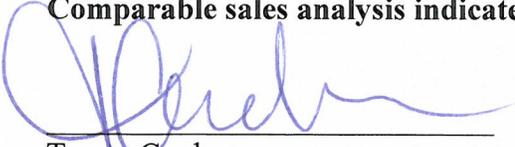
Comparable Properties

<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>
1066	1		2	1		Good	\$363,500	03/2014	.83
1296	1		3	2		Good	\$355,000	05/2014	.46
1414	1		3	2		Good	\$375,000	5/2014	.68

1716 E. 65th St.
 6821 Indiana Ave.
 3144 E. Coolidge St.

Comparable sales analysis indicates a value "after rehabilitation" of \$370,000.

August 25, 2014


 Teresa Cerda
 Community Development Specialist