

# Housing Rehabilitation Program

## City of South Lake Tahoe

### What is the Housing Rehabilitation Program?

The City of South Lake Tahoe's Housing Division offers low interest rate loans for the rehabilitation of homes located within the City limits. These loans are available to homeowners whose household income level is at [80% of the area's median income level or below](#). Rehabilitation loans are also available to owners of single or multi-unit rental properties located within the City that benefit individuals and families from the same [targeted income group](#).

### What types of improvements can I make under the program?

Rehabilitation needs will be addressed in the following priority:

- A. **Health and Safety:** Examples include correcting plumbing, electrical, structural, mechanical and roof deficiencies, modifications for handicap accessibility, room additions to resolve overcrowding and any other HQS items. All units shall have working smoke detectors and carbon monoxide detectors. (Overcrowded conditions will be considered to exist when parents and children must share a bedroom, when children of the opposite sex must share a bedroom, and when a disabled person is required to share a room. A bathroom addition may be considered when five or more persons occupy a unit with a single bathroom.)
- B. **Energy Conservation:** Examples include insulation, reducing air infiltration through window and door replacement, weather-stripping and caulking, and replacing inefficient water heaters, refrigerators, clothes dryers, ovens, furnaces, and air conditioning appliances. Also the replacement of wood stoves not in compliance with the Tahoe Regional Planning Agency guidelines.
- C. **Extension of Useful Life:** Examples include repairing siding and sheet-rock, painting, new flooring, new cabinets, new interior doors, gutters, and foundation upgrades and repairs.
- D. **Converting to Current UBC and Other Standards:** All work that may bring the property into compliance with City of South Lake Tahoe Municipal Code or other code requirements is also eligible. Examples include moving bathroom access to hallways or off of kitchen, stairs and porch upgrades. Also, paving driveways and other site work, including necessary landscaping, to meet existing Best Management Practices (BMP's) of the Tahoe Regional Planning Agency (TRPA). (For landscaping to be allowed, it must be required by TRPA and not exceed \$3,000.)
- E. **General Property Improvements:** Only general property improvements that enhance the overall exterior appearance of the property will be allowed under this program. Examples include demolition of any unsightly structures, removal of debris, and repairing or replacing of fencing, carports and garages. A new garage or carport may be constructed if the property does not contain any sheltered parking. The conversion of a carport to a garage is also eligible. However, not more than fifteen percent (15%) of the rehabilitation loan may be used for general property improvements.

### How Much Can I Borrow?

The maximum loan amounts vary depending on the funding source. Currently the maximum CDBG loan amount for rehabilitation is \$100,000 for properties containing one single family dwelling unit. For properties containing two or three dwelling units, the maximum CDBG loan amount is \$75,000 per dwelling unit. For properties containing four or more dwelling units, the maximum CDBG loan amount is \$45,000 per dwelling unit. Only owner-occupied single family dwellings are qualified for CalHome loans and the maximum loan amount is \$100,000.

The loan amount may include: the construction contract (the accepted bid price for the cost of materials and labor); a construction contingency; drafting, engineering and plan preparation fees, if any; appraisal and termite inspection charges; credit report; permit fees; escrow, closing and recording fees; and title report and title insurance, title updates and/or related costs.

The actual amount of your loan will depend on the rehabilitation requirements and the amount of equity in the property to support the loan.

**What are the Loan Rates and Terms?**

The loan rates and terms vary depending on the funding source and owner status. Currently, loan interest rates range from zero to three percent (0%-3%) and terms range from fifteen to thirty (15-30) years. Deferred payment loans may be available to some qualified applicants others will receive amortized loans.

**Can I Borrow Extra Money Through this Program to Use for Other Needs?**

The Housing Rehabilitation Program loan funds can only be used for the specific types of property improvements outlined in the program guidelines. The City makes all payments directly to the contractors per the terms of the individual contracts. The loan funds can not be used for any other purpose.

**Who Will be Doing the Work on My Home?**

All contractors that do work under the Housing Rehabilitation Program are required to be licensed by the Contractors State License Board with a Home Improvement Certification and have a current City business License. In addition, contractors must maintain certain specified levels of liability insurance and they must carry Workers Compensation Insurance on any employees.

The Housing Division maintains a list of contractors that have applied to work under the program and who have submitted the necessary documentation proving that they meet the program requirements. Invitations to submit proposals will be sent to the appropriate types of contractors from this list as well as to any other qualified contractors that the loan applicant may request.

**How do I Get Started with the Application Process?**

Contact the City of South Lake Tahoe Housing Division at (530) 542-6047 to determine your eligibility to participate and to pick up an application. Application forms for owner-occupied single family dwellings are also available here (in PDF format) to be printed and submitted manually.