



# City of Desert Hot Springs

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## CITY OF DESERT HOT SPRINGS HOUSING PROGRAMS FREQUENTLY ASKED QUESTIONS

### I. BACKGROUND

Due to the hundreds of homes that are bank-owned and in an effort to spark the economic recovery of its housing market and stabilize neighborhoods, the City of Desert Hot Springs (“City”) developed the Neighborhood Renewal Program with a mission to: 1) create private-public partnerships to restore and stabilize neighborhoods; 2) create jobs through utilization of local professionals; and 3) provide education assistance to home owners and home buyers.

The Neighborhood Renewal Program (“NRP”) was approved by the Desert Hot Springs Redevelopment Agency (“Agency”) and funded on April 13, 2009 through the issuance of housing set-aside bond funds. A total of \$5 million in bond proceeds has been earmarked for this program.

To create a significant impact on the blighting influences created by the foreclosure crisis, the City also applied for and received an award of \$2.8 million in Neighborhood Stabilization Program funds from the County of Riverside to assist with the acquisition, rehabilitation, and resale of foreclosed properties. At the time the analysis methodology to determine the most appropriate and advantageous manner in which to invest the funds in the community, revealed a total of 61 parcels as being in the pre-foreclosure process, 84 parcels in the trustee sale process, and 287 parcels in the foreclosure process.

It is the City Council’s desire these program funds initially target homes located within Block 8 & 12 of the survey area which is considered a high priority area within the City.

### II. PROGRAM DESCRIPTIONS

#### ***Neighborhood Renewal Program (NRP)***

**NRP Program Description.** The NRP provides funding to eligible households for repairs to their home.

**Eligibility.** The NRP is designed to assist owner-occupied households whose households whose incomes do not exceed 120% of the County Median Income, as adjusted by family size.

**Funding Limit.** The NRP provides \$15,000 of financial assistance for pre-approved work to be done by a licensed contractor. Property owners may also contribute their own funds without limit to the project.

**Eligible Improvements.** Eligible repairs include those to structural systems, plumbing systems, weather proofing, heating and air conditioning systems, smoke detectors, water heaters strapping, and “low flow” toilets, exterior painting and/or corrections to defective exterior painting pursuant to a Code Enforcement violation, other health and safety repairs and permit costs.

### ***Neighborhood Stabilization Program (NSP)***

**NSP Program Description.** The NSP will:

1. Identify foreclosed properties in the City owned by federal government agencies or banks;
2. Require property inspections by the City or its agents;
3. Require submitting bids on behalf of the City to purchase the properties;
4. Require the rehabilitation of the property to bring up to health and safety code standards;
5. Identify qualified homebuyers to purchase the homes;
6. Provide homebuyer education counseling services and down payment assistance funds to first time homebuyers;
7. Sell the property to qualified buyers.

**Eligibility.** NSP funds can be used to purchase foreclosed or abandoned homes and to rehabilitate, resell, demolish or redevelop demolished or vacant homes.

**Rehabilitation Plan and contractor selection.** Upon acquisition of a home by the Agency, an HRE Report will be prepared by the Agency to establish the necessary repairs and a confidential cost estimate will be established. Pre-qualified contractors will be allowed to bid on the repair work. The Agency will select a contractor whose work does not exceed 110% of the confidential cost estimate.

**Marketing and resale of home.** Local real estate professional will represent the Agency as the selling agent and a reduced commission will be negotiated. The homes will be marketed on the Multiple Listing Service (“MLS”) to achieve the maximum exposure. A full 3% commission will be offered to buyer’s agent to motivate showing the property.

**Funding Limits.** The Agency will coordinate the resale of the homes with its agent and will offer its Down payment Assistance Program to prospective buyers. The homes will be sold below market value (i.e. 80% of market area value).

**Eligible Improvements.** All interior and exterior health and safety repairs and the identification and removal of lead-based paint and asbestos will be given priority. Eligible repairs also include but are not limited to roof repair/replacement, landscaping/irrigation, HVAC system repair/maintenance, painting of interior/exterior, plumbing repairs and sewer connections, electrical repairs/upgrades and window replacement.

### **III. OBJECTIVES**

The objectives associated with the NRP and NSP programs compliment each other and will achieve similar goals. The infusion of these dollars in DHS will result in a significant reinvestment in the local neighborhoods and community. The investment of these funds will not only stimulate the local housing market but will also stabilize neighborhoods, while creating and expanding job opportunities. Most importantly, the NRP and NSP programs will address current blighting conditions, leverage local investment, promote home ownership opportunities, and create a public education campaign to create awareness of the Council's priorities.

For more detailed answers to your specific questions please contact the City of Desert Hot Springs Housing Program Manager at 760-329-6411