



Greater Needs

REBUILDING FOR HEROES PROGRAM



Housing

Apartment LOAN PROGRAM

Program Purpose

The **Greater Needs Program** offers technical and financial assistance to apartment owners interested in renting one or more apartments to homeless veterans. In return, owners may receive no-interest, deferred payment loans of up to **\$200,000** for essential repairs, basic improvements, and significant capital upgrades such as energy efficiency enhancements to their apartment building(s). The portion of loan funds used to make repairs to the proposed veterans apartment(s) is forgivable over a seven (7) year period.

Eligible Applicants

Program eligibility is based on the tenant's income; not the owners income. To qualify, at least 51% of the buildings apartments must be occupied by households earning 80% or less of the Area Median Income (AMI). Please refer to the [Eligibility Criteria](#) sheet for eligible income levels.

Eligible Properties

Apartment buildings must be located within the City of San José. Properties must be in good standing with the City's Code Enforcement Division. The veteran's apartment must meet all Housing Quality Standards (HQS) before the apartment can be occupied by the new tenant. The City loan can be used to fund repairs required to bring the apartment(s) to current code standards.

Loan Limits

The maximum loan amount available for this program is **\$200,000**. However, the loan amount will depend on the actual cost of repairs or improvements.

Terms

- Loan funds are paid directly to a licensed contractor after work is complete.
- Maximum Loan-to-Value Ratio may not exceed 90%.
- Veterans apartment must be vacant prior to start of construction.
- One (1) veteran apartment must be restricted for seven (7) years for every \$100,000 borrowed.
- The portion spent directly on veterans apartments will be forgiven over a seven (7) year restriction period.
- The repairs and improvements will be prioritized by City staff based on the health and safety needs of the property.
- Properties constructed prior to 1978 must be tested for lead-based paint.
- Prevailing Wage will be required if property contains eight (8) or more units.
- Repairs and improvements must be competitively bid.

Eligible Repairs

The goal of this program is to provide apartment owners with resources necessary to upgrade their property and ensure a safe and healthy living environment for their tenants. Examples of eligible repairs include:

- | | | |
|--------------------------|--------------|------------------------------------|
| ■ Accessibility Upgrades | ■ Heating | ■ Roof repair/replacement |
| ■ Paint | ■ Plumbing | ■ Kitchen and/or bathroom upgrades |
| ■ Window Replacement | ■ Electrical | ■ Energy efficiency upgrades |





Greater Needs

REBUILDING FOR HEROES PROGRAM



Housing

Apartment LOAN PROGRAM

Ineligible Repairs

Certain improvements/repairs are not eligible under this program. Examples of such improvements/repairs include: spas or hot tubs, outdoor cooking facilities, storage sheds, free-standing appliances, furniture, draperies, or other improvements not attached to the property.

Security for City's Loan

The borrower will be required to execute a Promissory Note and Deed of Trust. The loan will be recorded as a lien against the property and will be due upon maturity of the loan, at sale, refinance or transfer of the property. The term of the loan will be 15 years from recordation of the loan documents.

Tenant Selection

The Rebuilding For Heroes program is operated in collaboration with [Destination: Home](#) and the [All the Way Home](#) campaign to end veteran homelessness. City staff will connect owners with Destination: Home to begin the tenant selection process once the grant application is approved. Apartment owners who participate in the All the Way Home campaign program can [benefit from a variety of incentives](#) including guaranteed rental income for their veteran tenants.

Tenant Protection

The designated veteran apartment must be vacant prior to start of construction. Owner must provide evidence that the previous tenant vacated the unit voluntarily or was not displaced to create a vacant apartment to participate in this program. Owner must complete a tenant protection questionnaire in conjunction with the program application.

Rent Limits

Rents on the veterans apartment will be restricted to the Fair Market Rent (FMR) standard set by the subsidy (voucher) limits. Additionally, rent may not be increased for a period of one year from the completion of the improvements to ensure that existing tenant(s) are not adversely effected by this program.

Application Process

Property owners interested in this program can call the Rehabilitation Program line below for questions about the program and to pre-screen for program eligibility. Prior to submitting an application, the owner may choose to meet with a Building Rehabilitation Inspector at the subject property to gain a better understanding of the program, project scope, and process. This is a voluntary assessment at which point the property owner may elect to continue or discontinue with the application process.

After submitting an application, City staff will fully evaluate the application for eligibility. Once approved, the Building Rehabilitation Inspector will work with the property owner to complete the pre-development process, develop a final scope of work, and prepare a packet for bid solicitation. The Building Rehabilitation Inspector will provide both owners and contractors with technical guidance throughout the bidding and construction process.



Rehabilitation Loan Program
200 E. Santa Clara Street
San Jose, CA 95113

408-975-4440
Sanjoseca.gov/VHIP