

Housing Preservation Loan Program











A large percentage of the housing stock within the city has matured and is now in need of a face-lift. The Housing Preservation Loan Program (HPP) focuses on preserving homes within the City of West Covina. It was adopted to protect, preserve, and improve the single-family housing stock in the City. The Community and Economic Development (CED) division makes loans available to moderate-income homeowners that need exterior improvements.

PROGRAM GUIDELINES

The HPP program provides West Covina homeowners a no- interest home improvement loan of up to \$25,000.

BASIC REQUIREMENTS

-  A single-family home must be the primary residence.
-  Homeowner must have resided in the home for a minimum of twelve (12) months.
-  Must be a homeowner residing within the City of West Covina.
-  Maximum loan of \$25,000.
-  Homeowners are required to execute promissory note secured by a deed of trust.
-  A licensed contractor must be used.
-  Income must meet qualifying income guidelines:

 Types of eligible improvements include:

- Exterior Building
- Landscaping
- Garage Doors
- Front Doors
- Roofing
- Stucco/Siding
- Driveways
- Windows
- Exterior Lighting
- Fences/Block Walls
- Porches/Balconies
- Building Code Violations
- Central Heating, Ventilation, Air Conditioning (HVAC) Repair/Replacement/Installation
- Water Heater Repair/Replacement
- Energy Conservation Improvements: Solar (Panels/Battery)
- Americans with Disabilities Act (ADA) Accessibility Improvements



2023

MAXIMUM INCOME LIMIT

FAMILY SIZE	1	2	3	4	5	6	7	8
ANNUAL INCOME	\$70,650	\$80,750	\$90,850	\$100,900	\$109,000	\$117,050	\$125,150	\$133,200

(BASED ON CURRENT EFFECTIVE MEDIAN INCOME OF LOS ANGELES COUNTY. REVISED ANNUALLY AS SET FORTH IN 25 CAL. CODE REGS. SECTION 6932). AS OF 2023.

FINANCING PROVISIONS

-  Maximum Loan Amount | **\$25,000**
-  Interest Rate | **0%**

-  Fees to Borrower | **\$50 bank processing fee**
\$340 lead-based paint inspection fee*
\$150 lead-based paint clearance fee*

All payments will be made to contractors upon completion of work. Monthly loan payments will begin after year 5.

PROGRAM PHASES

* These steps are required for certain loans based on funding.

Phase One: Loan Application

- Application Submittal
- Pre-Qualification/Denial
- Property Inspection by City Staff
- Lead-Based Contractor Inspection*
- Certification of Approved List of Improvements
- Homeowner Obtains Bids

Phase Two: Loan Funding







- Execution of Loan Documents
- Authorization to Start Construction

Phase Three: Construction Monitoring

- Completion of Construction
- Improvements/Remediation* Are Completed
- Lead-Based Paint Clearance of Property*
- Homeowners Satisfaction Statement
- Payment of Contractors

Phase Four: Loan Repayment

The loan is to be repaid when any one of the following occur:

-  When the property is sold or title is transferred (includes transfer within family);
-  Upon the death of the Title Holder(s) of the property the homeowner(s);
-  Upon the homeowner refinancing their primary loan(s) or take-out financing;
-  If the homeowner is in default of the loan agreement;
-  When the property fails to be maintained according to City building codes;
-  When the homeowner no longer resides in the house.

RESTRICTIONS

Homeowners with an existing loan through Housing Preservation Loan Program (HPP) will be able to obtain a second loan totaling up to, but not to exceed the new loan maximum amount of \$25,000. The second loan will have the newly instituted loan terms. Please note homes with reverse mortgages do not qualify.

