

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT  
CITY AND COUNTY OF SAN FRANCISCO



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## Roof for Seniors Program Overview

### Program Summary:

The Roof for Seniors Program is a forgivable loan program funded by the City and County of San Francisco ("City"), administered by the Mayor's Office of Housing and Community Development ("MOHCD"), to provide financial assistance of up to \$30,000 to low-income senior homeowners residing in San Francisco for roof replacement or repairs. MOHCD will select applicants on a first come, first serve basis until funds have been exhausted.

### Definitions:

The capitalized terms used in this Program overview shall have the following meanings.

**Application:** The form specified by MOHCD to apply for funds under the Program, which includes, but is not limited to, an applicant's information and supporting documents needed for MOHCD to determine the applicant's eligibility for the Program.

**Area Median Income or AMI:** The median income level as determined and published by MOHCD for San Francisco derived, in part, from the Department of Housing and Urban Development (HUD) on an annual basis for the San Francisco area, adjusted for household size, but not high housing cost area.

**Borrower:** The applicant and all other members of the Household that appear on the Program application, report their income and other qualifying information, and meet the eligibility criteria under the Program.

**C-39 Roofing Contractor:** A contractor licensed by the California Contractors State License Board (CSLB) with a specialty in roofing.

**Closeout Report:** A report provided by the Borrower upon disbursement of final payment to Borrower's contractor that lists all final invoices, permits and verification of payments made to Borrower's contractor.

**Closing Documents:** This is defined in the "Documentation and Security" section below.

**Escrow Company:** A third-party company instructed by MOHCD to open an escrow account in order to receive and disburse the loan funds in accordance with the MOHCD's written instructions.

**Household:** Any person or persons who holds title to and occupies the property as their Primary Residence for the purposes of determining the applicant's eligibility under the Program.

**Nonprofit Estate Planning Counselor:** A non-profit organization funded by the City to provide estate planning education and counseling services to San Francisco residents.

**Liquid Assets:** An asset that can be converted into cash with little or no loss in value, including but not limited to savings accounts, checking accounts, Certificate of Deposit, the total balance of any joint accounts, money market or mutual fund accounts, trust accounts (only the amount accessible with or without penalty), stocks or bonds, gifts, cash on hand, and all amounts liquidated or borrowed from a life insurance policy, Individual Retirement Account (IRA) or other types of retirement accounts, and/or other investments held by any member of an applicant's Household and custodial accounts owned by a guardian for minors.

**Notice of Completion:** A document recorded in the Official Records of the City and County of San Francisco by the property owner or their representative upon the completion of construction work or improvements on a property. Filing a Notice of Completion establishes the official end date of the project, which serves to limit the period during which contractors, subcontractors, and suppliers can file a mechanics lien against the property.

**Primary Residence:** A dwelling where Borrower resides at least ten (10) out of twelve (12) months of each calendar year.

**Project Close-out Letter:** A letter issued by MOHCD to the Borrower that includes total funds disbursed and expended by Borrower, the remaining loan balance, and the Scope of Work that was deemed completed by MOHCD in its sole discretion.

**Roof Inspection Report:** A report completed by a California C-39 Roofing Contractor detailing the overall condition of the roof, including visible damage or deterioration, estimated roof life expectancy, and if applicable, the total cost of roof replacement. The Roof Inspection Report must be dated within ninety (90) days prior to submission to MOHCD.

**Scope of Work:** A detailed description of the roof repair or replacement funded by the Program loan, including all construction costs and related expenses.

### **Eligible Work/Costs:**

**Roof Replacement or Repair:** loans are limited to the replacement of a Borrower's roof that is 15 years or older, or the cost of stabilizing, repairing, or replacing damaged or leaking roofs, roof vents, and gutters. Eligible costs include the hard costs (materials and labor), permits, fees, architectural and design services if necessary, closing costs, and a Roof Inspection Report if required by MOHCD.

### **Property Eligibility:**

1. Must be a permanent, residential structure located in the City and County of San Francisco in the following census tracts: 170, 230.01, 230.03, 231.02, 231.03, 232, 233, 234, 251, 256, 257.01, 258, 259,

260.01, 260.02, 260.03, 260.04, 261, 262.01, 262.02, 263.01, 263.02, 263.03, 264.01, 264.02, 264.03, 264.04, 310, 312.01, 312.02, 313.02, 314.01, 314.02, 352.02, 604, 605.02, 610, 612, 614.01.

2. Must meet the San Francisco Planning Department's definition of "dwelling unit" and fully conform with Planning Code compliance, and any relevant neighborhood plan controls.
3. Must be a single-family home and must be owner-occupied by the applicant.
4. Must have and maintain hazard insurance.
5. The Program loan must not violate terms of a Borrower's home mortgage or any other loans secured with the Borrower's property.
6. Must be free of liens or other circumstances that could jeopardize the City's loan security, including but not limited to:
  - Foreclosure proceedings or a number of late payments on the mortgage that would appear to be in pre-foreclosure status.
  - Bankruptcy that has not been discharged that could involve the applicant's property.
  - Delinquent property taxes, judgments, mechanics liens, or any other items that could encumber the property or could give concern to the continued ownership of the property by the applicant.
7. Properties secured by a reverse mortgage loan are allowed.

### **Applicant Eligibility:**

1. All Household members must appear on the Program application and report their income and other qualifying information.
2. All Household members must occupy the property as their Primary Residence.
3. At least one Household member must be 62 years of age or older at the time of application, and/or disabled with a documented permanent physical disability.
4. Total Household income does not exceed 80% of Area Median Income (AMI).
5. Total Household Liquid Assets do not exceed \$150,000.
6. For the purposes of determining Household income and assets, all persons on the title who do not occupy the property must agree to sign an Affidavit acknowledging approval for the assistance to be provided and that they do not occupy the property.

All Households meeting the above eligibility criteria may apply for the Program. Applications are accepted on a first-come, first-served basis until funds are exhausted.

### **Loan Terms:**

1. Maximum Loan Amount: up to \$30,000.
2. Minimum Loan Amount: \$10,000 not including non-recurring closing costs.
3. Repayment: Deferred, except in the event of default.
4. Interest Rate: No interest, except in the event of a default
5. Loan will be secured by a deed of trust recorded against the Borrower's property
6. The loan balance will be forgiven if Borrower continuously owns and occupies the property during the 5-year period after completion of the improvements.

## **Contractor Requirements:**

1. Work must be performed by a licensed and insured contractor. Contractors must meet the following criteria:
  - Possess a valid and active C-39 Roofing Contractor license with the State of California and be active and in good standing with the Contractor's License Board.
  - Undergo verification against HUD's federally debarred list of contractors. Funds will not be granted to a Contractor on this list.  
[https://www.hud.gov/program\\_offices/general\\_counsel/limited\\_denial\\_participation\\_hud\\_funding\\_disqualifications](https://www.hud.gov/program_offices/general_counsel/limited_denial_participation_hud_funding_disqualifications)
  - Maintain general liability insurance, workers' compensation insurance, and commercial auto insurance.
  - Agree to comply with all Program regulations; and
  - Be fully qualified to perform the required work outlined in the Scope of Work.
2. The contractor will be paid directly by MOHCD designated Escrow Company based on the following schedule:
  - The first disbursement shall be in an amount no greater than 50% of the total cost of the Scope of Work, unless otherwise approved by the MOHCD.
  - The final disbursement in the amount equal to the remaining balance of the total cost of the Scope of Work may be submitted upon satisfactory completion of the Scope of Work, based on the following conditions:
    - The Scope of Work shall have been completed as determined by Borrower;
    - A Notice of Completion shall have been mailed to Escrow for recordation against the Property within 15 days of completion of the Scope of Work; and
    - The mechanics lien release period shall have expired, and no unreleased mechanics' liens or stop notices shall have been recorded against the Property.
3. Three contractor bids are required.
4. Owner may not serve as his/her contractor.

## **Estate Planning Education and Counseling:**

Borrowers will have the opportunity but will not be required as a condition of a loan, to participate in estate planning education and counseling at no cost, which includes workshop(s) offered by the Nonprofit Estate Planning Counselor, and a one-on-one counseling session, either in person or by phone or online. The workshop(s) cover key documents of estate planning, including living trust, will, financial power of attorney, and health care directives. The one-on-one counseling provides an opportunity for Borrowers to ask questions specific to their situation. If requested by Borrowers, the Nonprofit Estate Planning Counselor will assist with setting up an estate plan and provide certain document preparation services charged on a scaling scale.

## **Documentation and Security:**

The following documents (collectively, “Closing Documents”) must be executed by Borrower to secure a loan after satisfaction of all requirements for funding:

- Loan Agreement, executed between the Borrower and the City, setting out the terms and conditions of the loan and improvements to the property.
- Promissory Note, executed by Borrower made to the order of the City. The Note provides the amount of the loan and the repayment terms.
- Deed of Trust, executed by Borrower for the benefit of the City to secure the Promissory Note. The Deed of Trust will be subordinate to the first deed of trust, if any, and any other loans approved by the City.
- Request for Copy of Notice of Default, executed by Borrower on behalf of the City.
- Notice of Right to Cancel, executed by Borrower, allowing Borrower 3 business days following the signing of a loan document package to review the terms of the loan and cancel the loan.

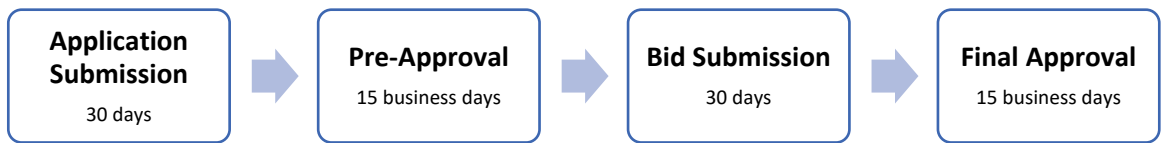
### Escrow Account for Funds Disbursement and Title Insurance

The escrow account will be opened with MOHCD’s designated Escrow Company for disbursement of funds held in the account. Loan funds will be deposited by the City into the escrow account at loan closing to pay the closing costs (which include escrow and title insurance fees associated with the loan), and the remaining funds will be held in the escrow account throughout the rehab period. Escrow will release funds to pay contractors only after MOHCD approves the work as specified in its escrow instructions. Upon disbursement of funds to contractors, any remaining balance in the escrow account will be returned to City and applied towards reduction of loan principal. After all funds are withdrawn, the escrow account will be closed.

Title insurance in the amount of the loan is required at the loan closing.

### Application Process and Timeline:

Below is the process and an estimated timeline for obtaining a Roof for Seniors loan and completing the roof repair or replacement. The entire process may take up to ten (10) months after the application period opens. All times listed are approximate; the processing times can vary depending on many reasons including additional information required to determine an applicant’s eligibility, the Scope of Work, and contractor’s availability.





**Application Submission:** The Program will be available on a first-come, first-served basis until funds have been exhausted. Interested applicants must submit to MOHCD a completed application packet with all required supporting documentation, as follows:

- Complete the **Application Packet:**
  1. Application: Completed, signed and dated Roof for Seniors Application form. One form per household.
  2. Copy of photo identification for all applicants.
  3. Copy of most recent mortgage statements for all existing mortgages.
  4. Copy of current homeowner’s insurance declarations.
  5. Proof of Income, including:
    - a. Benefit award letter for all applicable sources of income.
    - b. Pension award letter for all applicable sources of income.
    - c. 2 most recent, consecutive paystubs and/or income statements if applicable.
    - d. For self-employed employees, a Self-employed Declaration form included in the application must be submitted with most recent and current year-to-date Profit and Loss statement.
  6. Proof of evidence confirming the roof is at least 15 years old. One of the following forms of documentation is acceptable:
    - a. Building permits (MOHCD may assist in obtaining) or inspection reports issued at the time of roof installation or replacement;
    - b. Invoices or receipts from a licensed roofing contractor;
    - c. Manufacturer or contractor warranties indicating the installation date; or
    - d. Roof Inspection Report dated within ninety (90) days prior to submission to MOHCD.
- Upload completed application using this secure [Box link](#). All files should be renamed to include property address.

**Pre-Approval:** MOHCD will review the application packet in the order they are received. If the applicant is determined to be eligible for the Program, MOHCD will issue a pre-approval letter with any applicable conditions and invite the applicant to obtain 3 project bids from licensed and bonded California C-39 Roofing Contractors (as detailed below under *Notes*).

**Bid Submission:** Applicants will have up to 30 days to submit 3 project bids and any applicable conditions to MOHCD for final approval. Applicants must identify their first-choice bid and include evidence of the contractor’s insurance for General Liability, Workers’ Compensation and Commercial Auto Insurance. Once MOHCD reviews the bids and determines the amount needed for the performance of the Scope of Work, MOHCD will issue loan disclosures reflecting the Roof for Seniors loan amount and costs associated with the loan.

**Final Approval:** Within 15 business days upon receipt of the executed loan disclosures, MOHCD will issue a final approval letter (“**Commitment Letter**”) that expires after 30 days and includes the Program loan amount as well as instructions to complete a pre-closing appointment.

**Pre-Closing Appointment:** At the pre-closing appointment the applicant will have a chance to review a draft copy of the Closing Documents.

**Contract Execution:** Upon completion of the pre-closing appointment, the applicant will select a contractor pursuant to this Roof for Seniors Program Overview and deliver to MOHCD for approval of a draft copy of the contract between the applicant and the applicant’s contractor for the performance of the Scope of Work. Upon approval of the draft contract by MOHCD, the applicant will execute the contract and submit a fully executed contract to MOHCD.

**Docs Signing/Loan Funding:** Once MOHCD receives and approves the executed contract, MOHCD will instruct the Escrow Company to contact the applicant to schedule an appointment for executing the Closing Documents. Upon approval of the executed Closing Documents, MOHCD will deposit loan funds into the escrow account (as described above under *Escrow Account for Funds Disbursement and Title Insurance*)

**Scope of Work Period:** The period to complete the roof replacement or repair will vary depending on the Scope of Work but shall take no more than 90 days (with an extension to 150 days if approved by MOHCD). During this period, Borrower will oversee the construction project and verify such project follows the Scope of Work and process. Borrower will provide MOHCD with confirmation that all items outlined in the Scope of Work have been completed to the Borrower’s satisfaction by signing and submitting a Closeout Report and Final Disbursement Approval Request form to MOHCD upon completion of the project.

**Project Closeout:** Escrow will be open for no more than 6 months after the date of these instructions, unless extended by MOHCD in writing. Upon disbursement of final payment to the contractor, MOHCD will receive from Borrower a Closeout Report listing all final invoices, permits and verification of payments made to contractor. Upon review and verification of the Closeout Report, MOHCD will provide a Project Close-Out Letter to Borrower with information regarding the total funds used and remaining loan balance. Any remaining loan balance will be returned to MOHCD and applied towards a reduction of the principal loan amount. The escrow account will close after all funds are withdrawn or returned to MOHCD.

### **Rules Not Applicable:**

1. Borrower’s credit
2. Debt-to income ratio
3. Assets test

#### 4. LTV/CLTV ratio