

Eligible Repairs

HMIP funds must be used to repair the property and/or replace worn out and broken building components. Repairs are subject to CEDA's Residential Lending and Rehabilitation Services approval and the availability of sufficient funds to achieve satisfactory completion of the work. The loan and grant funds are to be used to correct deficiencies according to the following criteria and priorities:

- Category A - Mandatory work items. Those items that threaten the health and safety of residents (e.g., basic structural, mechanical, electrical and plumbing systems) and those items which constitute other program specific requirements (e.g. exterior painting).
- Category B – Those items that are code deficiencies, but are not threatening health and safety, or that are incipient health, safety and life threatening hazards. An example might be a hot water heater that is properly vented, but is within a year or two of its life expectancy.
- Category C – Those items that are not code deficiencies, but instead, are improvements preferred by the owner. These items improve the basic habitability of the premises. The cost of Category C items should not exceed 40% of the total rehabilitation cost. Category c items may only be addressed if sufficient funds are available after doing all Category A and B items.

If sufficient funds are not available to do all of the desired required and eligible repairs, priority will be given to bring the habitable areas of the property and the basic building systems into compliance with the City of Oakland Housing Code. If available funds are insufficient to correct all hazardous code, health and safety violations, the property will not be eligible for an HMIP loan.

Eligible repairs and replacements shall consist of items that preserve the basic integrity of the residential structure and update inadequate systems, or otherwise meet the eligibility criteria listed below. A repair/replacement shall be a permanent and integral part of the building.

All rehabilitation work completed with program loans and grants must be under permits and meet applicable building codes and standards. If the residential structure is not in full compliance with applicable codes or has been deemed a public nuisance, the available loan funds must be sufficient to achieve full compliance, or the property owner must demonstrate that the additional funds required have been secured for that purpose. These additional funds must be placed in an escrow account administered by RLS prior to the issuance of a Notice to Proceed.

Program loan proceeds cannot be used to rehabilitate buildings with existing illegal improvements unless all said improvements are brought into full compliance with the Housing Code.

Ineligible Repairs

The following improvements are ineligible under HUD and program regulations:

1. Barbecue pits;
2. Bathhouses;
3. Exterior or interior hot tubs, spas, and whirlpool baths;
4. Flower boxes;
5. Sprinkler systems and fire extinguishers, unless triggered by repairs or required by code;
6. Swimming pools;
7. Television antennae and satellite dishes;
8. Tennis courts;
9. Equipment and tool purchases;
10. New fireplace construction; and
11. Repairs to buildings, units or additions that have been altered or installed in whole or in part without permits, unless funds are used to bring these structures into compliance with the Housing Code.

Loan funds may not be used to finance public improvement assessments, such as sidewalk repair or reconstruction mandated by the installation of underground power lines. However, reconstruction may be made to public improvements such as curbs, sidewalks and sewers.

Program loan and grant funds may not be used to reimburse the homeowner for any work begun or completed prior to the date of the Notice to Proceed or for work not specified by a contractor and Residential Lending and Rehabilitation Services' approved Change Order.

Illegal Units and Rooms

Program loans and grants cannot be used to fund rehabilitation on buildings that contain illegal units. Illegal units, as defined by the City of Oakland Building and Housing Codes, are units where work has been performed without the required permits.

In most cases, program funds may not be used to perform work on illegal rooms or additions. HMIP funds, however, may be used to bring illegal units into conformance with City of Oakland Code requirements if all other code and health and safety requirements are also met.