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LOW-INTEREST LOANS AVAILABLE

The City of Yreka has received grant funding to provide low-interest loans to qualified individuals. There are two types of programs available: housing rehabilitation & business development. This newsletter will highlight key points of each program and provide information on how to qualify, the application process, and loan terms. Applications for both programs are available at Yreka City Hall during regular business hours. You may also request an application from Great Northern Corporation by calling (530) 938-4115.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - HOUSING REHABILITATION LOANS



BEFORE



AFTER

The City of Yreka was recently awarded a Community Development Block Grant (CDBG) for housing rehabilitation projects citywide. Unlike the last housing rehabilitation project that focused on specific areas, this program will be available to all households located within the city limits of Yreka. (Homes outside Yreka but within Siskiyou County may contact Seata Madison at the Siskiyou County Auditor's Office for more information about loan opportunities available through the County.)

The goal of this program is to provide low-interest loans to income-qualified homeowners as well as landlords so they can make necessary repairs to their homes. CDBG loan qualification for landlords is not based on their own income, but on that of their tenants. In the long run, these programs will improve the overall housing stock of Yreka.

Housing rehabilitation projects include but are not limited to:

- Roof & gutter replacement
- Foundation work
- Weatherization
- Exterior & interior paint
- Structural repairs such as porches, windows, siding, & doors
- Handicapped accessibility
- Electrical & plumbing repairs
- Heating system repairs or upgrades

Some projects may even involve tearing down an existing structure and rebuilding. Because this money is administered by the State of California, health and safety issues must be addressed at the time of rehabilitation. This includes the abatement or encapsulation of lead paint as well as asbestos siding.

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Important Numbers

**City Hall/
Water Division
(530) 841-2386**

**Fire Department
(530) 841-2383**

**Police Department
(530) 841-2300**

**Public Works
(530) 841-2370**

**Senior Program
(530) 841-2365**

Elected Officials

**Tom Amaral
Mayor**

**Jim Griffin
Mayor Pro Tempore**

**Rory McNeil
Councilmember**

**David Simmen
Councilmember**

**Jason Darrow
Councilmember**

**Liz Casson
City Clerk**

**Michael Pavlik
City Treasurer**

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - HOUSING REHABILITATION LOANS

(CONTINUED FROM PAGE 1)

Loans made under this program may be for up to 100% of appraised value. Interest rates may be 0-3% for owner occupied and 4-5% for rental units.

The chart below shows the current State-determined income limits for the City of Yreka by household size. When determining household income, you must include the gross income of all persons over the age of 18 living in the home.



Current CDBG Income Limits by Household Size							
1	2	3	4	5	6	7	8
\$30,150	\$34,450	\$38,750	\$43,050	\$46,500	\$49,950	\$53,400	\$56,850

For more information, please call Claudia Trevisan, Great Northern Corporation, at (530) 938-4115, Ext. 21.

ECONOMIC DEVELOPMENT BLOCK GRANT (EDBG) - BUSINESS START-UP/EXPANSION LOANS

The City of Yreka is also offering low-interest economic development loans to City businesses that are ready to start-up or expand. Funds are available through the Economic Development Block Grant (EDBG) program and are intended to help those who don't meet strict bank loan qualifications. These applicants may include those whose ventures are riskier than the bank wants to take on or for those businesses without a track record.

In the past, loans have ranged from \$35,000 to \$150,000, with interest rates of 3-7% and terms of up to 10 years. As a condition of this program, one full-time job must be created for every \$35,000 loaned. The created jobs will be primarily entry-level wage employment opportunities. If a business is kept afloat by EDBG loan funding, saving existing jobs, then job preservation may fill the job creation requirement.

As a second condition of the EDBG loan qualification, some matched funding from the applicant is required. This can be either in the form of financing or 'sweat equity' and equipment.

This program is designed to ensure non-competition with local, private lenders. To be eligible, an applicant must have either had their loan application denied outright by a bank or have a gap in funding between what a bank will finance and what is needed for start-up or expansion.

Great Northern Corporation (GNC), acting as the loan officer for these funds, is in charge of performing credit reviews, loan assessments, and appraisals. After GNC screening and evaluation, eligible business loan applications for are presented to a local loan review committee chosen by the Yreka City Council. The loan review committee considers each application it receives and decides whether or not to allocate loan funds. Final lending approval, however, is determined by the State of California program analysts.

Projects benefiting from this funding in Yreka include an asphalt plant, four restaurants, a health club, a financial consulting firm, and a health clinic.

For more information, please call Michael Weckler, Great Northern Corporation, at (530) 938-4115, Ext. 19.

