

# Mt. Shasta Community Development Block Grants

The City of Mt. Shasta participates whenever possible in the State of California Community Development Block Grant Program. The Federal Department of Housing and Urban Development (HUD) makes funds available to the states for housing and employment programs. The State of California then makes these funds available to local jurisdictions through a competitive grant program.

The City of Mt. Shasta has been successful in several of these grant applications, and although there is no guarantee that the programs will be in place continuously, the City tries to keep the programs operating whenever possible.

These grants fund programs for job creation or retention through a Business Assistance Loan Program and a Micro-Enterprise Loan Program. The City also funds programs for Housing Rehabilitation and First Time Homebuyer Assistance to improve the housing stock of the community. These programs are designed to assist low-to-moderate income residents, defined as those making less than 80% of the median income for their family size — the [Targeted Income Group \(TIG\)](#). The funding from these grants is intended to help boost residents out of poverty.

These programs are currently administered for the City by [Great Northern Corporation](#) and interested persons can contact them for details at [\(530\) 938-4115](tel:5309384115).

## Business Assistance Loan Program

Under the previous grants seven loans have been made creating 26 jobs for local residents. Money repaid from these loans goes into a Revolving Loan Account and the City will continue to make loans from this account as loans are repaid.

The main purpose of the Business Assistance Loan funding is job creation and borrowers are expected to create at least one job for every \$35,000 they borrow. In some cases jobs could also be retained, such as saving a failing business, but all loans must meet this 1 job to \$35,000 ratio. The jobs created must be for Targeted Income Group people.

The funding is best used to fill a financing “gap” in a given project. For example, if a client has a \$100,000 project and can only get bank and private financing totaling \$65,000, a Business Assistance Loan can fill that gap. Most loans are in the \$35,000 to \$70,000 range. The City requires security for these loans, and a repayment schedule just as a commercial lender would.

If you are interested read the [Program Requirements](#). These programs are currently administered for the City by [Great Northern Corporation](#) and you can contact them for further assistance at [\(530\) 938-4115](#).

## **Micro Enterprise Loan Program**

This program is similar to the Business Assistance Loan Program, except that these will be smaller loans, and the job creation can be satisfied with the business entrepreneur being a targeted income group member. These loans would probably be in the \$3,000 to \$10,000 range, and there is limited funding available for these loans in each grant cycle.

## **Housing Rehabilitation Program**

The Housing Rehabilitation Program makes loans available to Targeted Income Group persons who live in substandard housing. The program utilizes licensed local contractors to repair and rehabilitate housing that does not meet minimal habitability standards. The primary focus of this program has been the low income elderly, and repayment of these loans is often deferred for as long as they remain in the house. The program is also available for rental housing rehabilitation based on need and the availability of funds. Energy efficiency, weatherization, and foundations are some of the key criteria for evaluating potential loans.

These programs are currently administered for the City by [Great Northern Corporation](#) and you can contact them for further assistance at [\(530\) 938-4115](#). There is usually a waiting list for the housing rehabilitation program.

## **First Time Homebuyer Program**

The First Time Homebuyer Program is a relatively new program that is directed toward facilitating the process of Targeted Income Group people acquiring their own homes. The program primarily works by providing otherwise qualified home purchasers who cannot meet a private lender's down payment requirements with a down payment financed by a deferred second mortgage.

## **Micro-Enterprise Technical Assistance Program**

The City also has funded a Micro-Enterprise Technical Assistance Program that provides technical training and business planning and consulting services through the Jefferson Economic Development Institute (JEDI). If you are interested in this program, please contact [JEDI](#) directly at [\(530\) 926-6670](#).

# The Targeted Income Group

The Targeted Income Group is defined as those persons whose household income is less than 80% of the County median income. These income limits are calculated based on a Housing and Urban Development income limits table that is used for the Section 8 Housing Assistance Program.

As of March 15, 2013, the 2013 Income Limits for Siskiyou County are \$45,850 for a family of four, with adjustments for varying family sizes. A single person household has an income limit of \$32,100, and a six person household would have a limit of \$53,200. Further information for the California limits can be found at the [California Department of Housing and Community Development](#) web page.