

# SECTION 8 READINESS & RENOVATION REQUIREMENTS

## SUPPLEMENT – 83298 ARGUS AVE, TRONA, CA

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### PROPERTY RENOVATION STATUS OVERVIEW

The subject property consists of **four (4) residential buildings totaling 36 units** currently undergoing phased renovation and repositioning.

#### Current Status:

- **Two (2) buildings have recently completed roof replacements**
  - **Two (2) buildings require new roof installation**
  - **Front building (first row):**
    - Two (2) units fully completed and rent-ready
    - Seven (7) units near completion, requiring only minor finishing work (final fixtures, touch-ups, and readiness items)
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### PHASED LEASE-UP STRATEGY

The property is designed to be stabilized through a **phased lease-up approach**, allowing income generation while renovations are ongoing.

- Completed units may be **immediately leased**
  - Remaining units may continue renovation concurrently
  - This strategy allows:
    - Early cash flow
    - Reduced holding costs
    - Accelerated stabilization timeline
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### CONSTRUCTION & SAFETY COMPLIANCE REQUIREMENTS

To legally operate and lease units while renovations are ongoing, **construction areas must be properly secured and isolated.**

### **REQUIRED:**

- Active construction zones must be **completely restricted from tenant and public access**
- Physical barriers must be installed (fencing, locked gates, or boarding)
- Clear separation between:
  - Occupied units
  - Construction/renovation areas

### **IMPORTANT:**

This is **not optional** — failure to properly secure construction areas may:

- Result in **failed inspections**
- Create **liability exposure**
- Prevent Section 8 approval or tenant occupancy

✓ **Yes**

Construction areas **must not be accessible to the public or tenants.**

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## **SECTION 8 (HQS) COMPLIANCE REQUIREMENTS**

All units must pass **Housing Quality Standards (HQS)** inspections prior to lease-up under Section 8.

Inspections are typically conducted by the

👉 **Housing Authority of the County of San Bernardino**

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## **FULL INSPECTION CHECKLIST (WHAT INSPECTORS LOOK FOR)**

Below is a **comprehensive breakdown** of what inspectors evaluate:

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## 1. ELECTRICAL SYSTEMS

- Working outlets in all habitable rooms
  - No exposed or unsafe wiring
  - Properly installed light fixtures
  - GFCI outlets in kitchens and bathrooms
  - Electrical panel properly secured
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## 2. HEATING REQUIREMENTS

- Permanent heating system required (wall heater or central HVAC)
  - Must be operational and capable of maintaining adequate temperature
  - Portable heaters are NOT permitted
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## 3. PLUMBING & WATER SYSTEMS

- Hot and cold running water
  - No leaks (fixtures, pipes, or drains)
  - Fully functional:
    - Toilet
    - Sink
    - Shower/tub
  - Water heater properly installed and secured (California code compliant)
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## 4. DOORS & SECURITY

- All exterior doors must:
    - Close properly
    - Be weather-tight
    - Have working locks (deadbolts)
  - Interior doors must function properly where required
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## 5. WINDOWS & EGRESS

- All windows must be intact (no cracks or broken glass)
  - Must open, close, and lock properly
  - Screens required
  - Bedrooms must have proper emergency egress
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## 6. LIFE SAFETY REQUIREMENTS

- Smoke detectors (required in all sleeping areas and common areas)
  - Carbon monoxide detectors
  - No fire hazards present
  - Safe exits and unobstructed pathways
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## 7. INTERIOR CONDITION

- No peeling or chipping paint
  - No holes or major wall damage
  - Safe, even flooring (no trip hazards)
  - Clean and sanitary condition
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## 8. EXTERIOR & SITE CONDITIONS

- No debris, trash, or hazardous materials
  - Safe walkways and access points
  - Proper drainage (no standing water issues)
  - Railings installed where required (stairs, elevated walkways)
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## 9. STRUCTURAL INTEGRITY

- Roof must be watertight
- No major structural deficiencies
- Stairs, porches, and railings must be secure

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## 10. KITCHEN REQUIREMENTS

- Functional sink
- Space for refrigerator
- Working stove/oven (if provided)
- Proper electrical/plumbing connections

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## 11. HEALTH & HAZARD CONDITIONS

- No mold, pest infestation, or contamination
- No lead-based paint hazards (especially pre-1978 structures)
- No exposed sharp edges, nails, or unsafe materials

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## 12. OCCUPANCY & CONSTRUCTION SEPARATION

- No active construction in occupied units
- Renovation areas must be:
  - Physically separated
  - Clearly restricted
  - Non-accessible to tenants

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## INVESTOR GUIDANCE

To bring the property to full compliance and maximize Section 8 eligibility, buyers should:

- Complete all roof replacements on remaining buildings
  - Finalize interior renovations on near-complete units
  - Install required life-safety items (smoke/CO detectors)
  - Ensure all units have compliant heating systems
  - Secure all construction zones prior to occupancy
  - Perform a full pre-inspection prior to submitting for Section 8 approval
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## **CONCLUSION**

This asset presents a **value-add, phased lease-up opportunity** with strong upside through Section 8 stabilization. By completing remaining renovations and adhering to Housing Quality Standards, a buyer can rapidly transition the property into a **cash-flowing, stabilized multifamily investment**.