

El Dorado County

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

August 15, 2008

APPLICATION

ORIGINAL



Submitted to:
STATE OF CALIFORNIA,
Department of Housing and Community Development
1800 Third Street, Suite 390-3
P.O. Box 952054
Sacramento, California 94254-2054
Phone: (916) 322-0356; Fax (916) 322-2904
Web Site: <http://www.hcd.ca.gov/fa/home>
E-mail address: HOME@hcd.ca.gov

Submitted by:
El Dorado County
Department of Human Services
Housing and Economic Development
937 Spring Street
Placerville, California 95667
Phone: (530) 642-7150; Fax: (530) 295-2598
Web Site: <http://www.co.el-dorado.ca.us>
E-mail address: jaldrich@co.el-dorado.ca.us



Application Summary

HOME Investment Partnerships Program

I.A. Applicant Information

Applicant

Name: EL DORADO COUNTY

Address: 937 SPRING STREET

City: PLACERVILLE

County: EL DORADO

Zip Code: 95667

Entity Type: CHDO City/County
 PJ/Consortia Member

Applicant's

Website Address jaldrich@co.el-dorado.ca.us

I.B. Authorized Representative Information

Mr. Ms. Mrs. Other _____

First Name: DOUG

MI: _____

Last Name: NOWKA

Job Title: DIRECTOR OF HUMAN SER'

Check if the information in this area is the same as Applicant and go to the next section

Address: _____

City: _____

Zip Code: _____

Phone: 530-621-6300

Ext: 6163

Fax: 530-295-2597

E-mail address nowka@co.el-dorado.ca.us

I.C. Applicant Contact Information

Check if the same as Authorized Representative and go to next section

Mr. Ms. Mrs. Other _____

First Name: JOYCE

MI: _____

Last Name: ALDRICH

Job Title PROGRAM MANAGER

Contact's

Organization HUMAN SERVICES DEPARTMENT HOUSING DIVISION

Address: 937 SPRING STREET

City: PLACERVILLE

Zip Code: 95667

Phone: 530-621-6276

Ext: _____

Fax: 530-295-2597

Email: jaldrich@co.el-dorado.ca.us

**Part A
APPLICATION SUMMARY**

II. Requested Funding by Activity

A. Activity	B. Census Tract #, Rural Only (See Note 1)	C. Activity Funds Amount (See Note 2)	D. Administration Amount (See Note 3)	E. Activity Total (See Note 4)
Programs				
Owner-Occupied Rehabilitation Program		\$0.00	\$0.00	\$0.00
Tenant-Based Rental Assistance Program		\$0.00	\$0.00	\$0.00
First-Time Homebuyer Program Census tract #'s 306, 309, 310, 311, 312, 313, 314, 315	Census Tracts 306+	\$780,000.00	\$20,000.00	\$800,000.00
American Dream First-Time Homebuyer Program - PJ/Consortium Applicants Only		\$0.00	Not Eligible to Receive Admin	\$0.00
Total:	N/A	\$780,000.00	\$20,000.00	\$800,000.00

F.

Program Income Balance as of June 30, 2008: \$ 0.00

Program Income Balance as of August 15, 2008: \$ 0.00

1. Complete this section only if your activity is located in a rural area. The Department reserves the right to assign zero rural points if a census tract is not listed.
2. This is for Activity funds. This number includes Activity Delivery amounts. (Activity Delivery funds are not listed separately on this form.) Do not include Administrative funds/CHDO Operations funds in this column. **Do not enter information in this column. Instead, enter information in Column E**
3. All applicants may request up to 2.5% of the total application amount for Administrative funds (for State Recipient applicants), or CHDO Operations (for CHDO applicants). TBRA applicants may request up to an additional 12% of the total application amount for administration, for a total of 14.5% for Administration. **Do not enter information in this column. Instead, enter information in Column E.** Note: due to budget constraints, the total amount of administration for TBRA is \$200,000. If there is more demand for TBRA Administration funds than available, only the highest rated TBRA applicants will receive Administration funds in addition to the regular 2.5% allocation. All TBRA applicants will receive at least the basic 2.5% amount for Administration.
4. Sum of "Activity Funds Amount" and "Administration Amount". **Enter the total amount requested by activity in this column, and columns C and D will auto-calculate.**

III. Proposed Other Funding Sources

A. Name of HOME Activity	B. Name of Source (Union Bank, County of Santa Cruz Redevelopment Agency, CalHome, etc.)	C. Funding Source Code*	D. Source Type (City or County, Redevelopment Agency, State HCD, State Other, Private, or Other (Specify))	E. Match Yes, No, or Partial	F. Total Dollar Amount
First Time Homebuyer Program	County of El Dorado Human Services/Housing Division Revolving Loan Program	9	County (CDBG) Revolving Loan Program	no	\$100,000
First Time Homebuyer Program	Owner Contribution	S	Private - Down Payment \$2,500 or 2% x 10	no	\$25,000
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
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					\$
					\$
					\$
Proposed Other Funding Total					\$125,000

* See Exhibit A3 Funding Source Codes.

**PART A
APPLICATION SUMMARY**

IV. Unit Information

A. Activity	B. Home Assisted Units	C. Total Units	D. Target Population¹
Owner-Occupied Rehabilitation Program			
Tenant-Based Rental Assistance Program			
First-Time Homebuyer Program ²	10	10	# 7

¹ From the list in Table VI, enter the designated number for any target populations that will be served by your project.

2. This includes the American Dream Program

**PART A
APPLICATION SUMMARY**

V. Legislative Representative Information

	District #	First Name	Last Name
Assembly	4	Ted	Gaines
Senate	1	Dave	Cox
Congress	4	John	Doolittle

	District #	First Name	Last Name
Assembly			
Senate			
Congress			

	District #	First Name	Last Name
Assembly			
Senate			
Congress			

VI. Target Populations

- | | |
|---|---|
| 1. <input type="checkbox"/> Physically Disabled | 9. <input type="checkbox"/> Seniors |
| 2. <input type="checkbox"/> Persons with AIDS | 10. <input type="checkbox"/> Mentally Ill |
| 3. <input type="checkbox"/> Youths | 11. <input type="checkbox"/> Veterans |
| 4. <input type="checkbox"/> Single Adults | 13. <input type="checkbox"/> Victims of Domestic Violence |
| 5. <input type="checkbox"/> Single Men | 12. <input type="checkbox"/> Substance Abusers |
| 6. <input type="checkbox"/> Single Women | 14. <input type="checkbox"/> Dually-Diagnosed |
| 7. <input checked="" type="checkbox"/> Families | 15. <input type="checkbox"/> Homeless |
| 8. <input type="checkbox"/> Farmworker | 16. <input type="checkbox"/> Other |

**EXHIBIT A1
APPLICANT CHECKLIST**

Check if Applicable	Check if Included	Part, Exhibit. #	Part, Section, or Exhibit Title
x	x	Part A	Summary Application Sections I - VIII
x	x	Part A. VIII	Applicant Certification and Commitment Of Responsibility
x	x	A2	Governing Board Resolution--Applicant
		A4	RESERVED FOR FUTURE USE
x	x	A5	Rural Area Map (if applicable)
x	x	Part B	Project Application
x	x	B1	FTHB Marketing Plan
		B2	CHDO Role Documentation
x	x	B3	Prior Experience – same as proposed activity
x	x	B4	Prior Experience – different than proposed activity
x	x	B5	Green Building Self-Certification Checklist
x	x	B6	First-Time Homebuyer Program Feasibility
x	x	B7	Program Guidelines Checklist










U.S. Census Bureau

American FactFinder





EXHIBIT A5

Legend

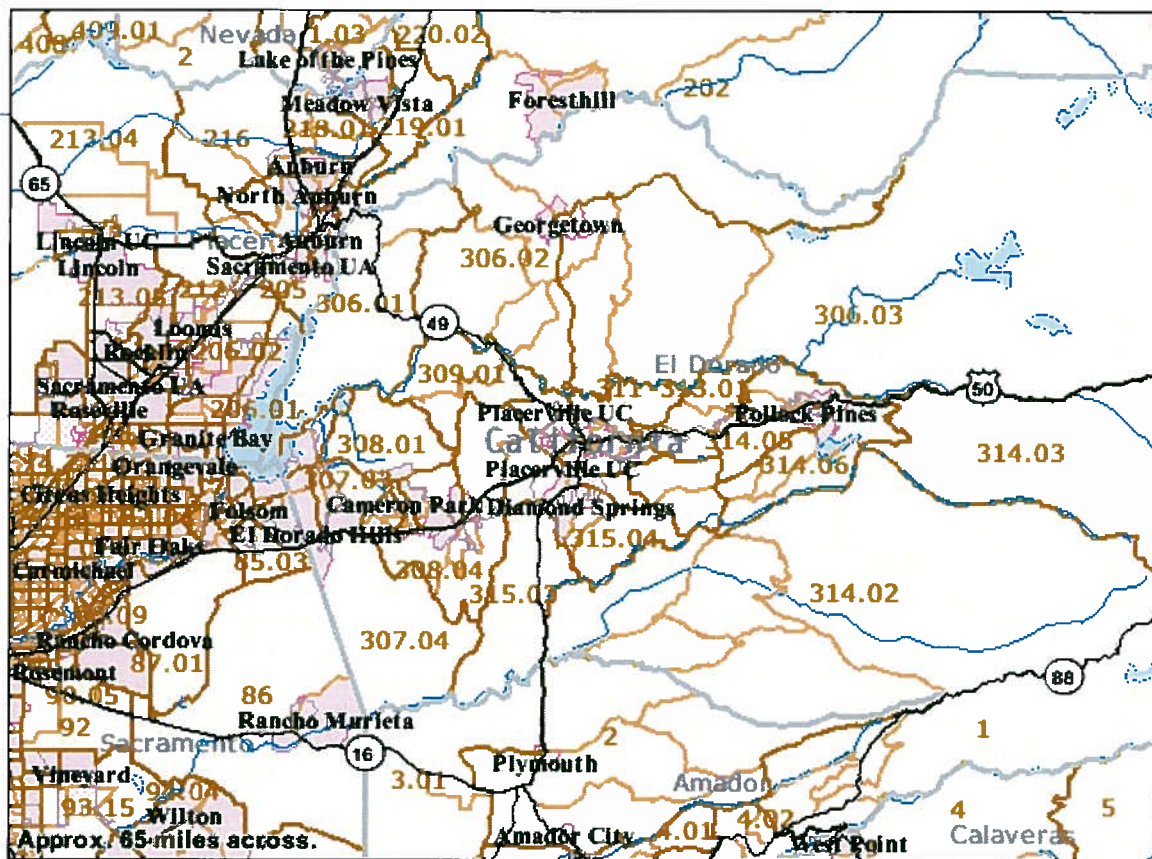
Boundaries

-  State
-  '00 County
-  '00 Census Tract
-  '00 Block Group
-  '00 Block
-  '00 Place
-  '00 Place
-  '00 Urban Area
-  '00 Urban Area

Features

-  Major Road
-  Street
-  Stream/Waterbody
-  Stream/Waterbody

Items in gray text are not visible at this zoom level





Committed to the Future of Rural Communities



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PREVIOUS

Eligibility

▶ [Home](#)

Property Eligibility Programs

- ▶ [Single Family Housing](#)
- ▶ [Multi Family Housing](#)
- ▶ [Business Programs](#)

Income Eligibility Programs

- ▶ [Single Family Housing](#)

Income Limits Single Family Housing

- ▶ [Direct](#)
- ▶ [Guaranteed](#)

Loan Program Basics Single Family Housing

- ▶ [Direct](#)
- ▶ [Guaranteed](#)

Contact Us Single Family Housing

- ▶ [Direct](#)
- ▶ [Guaranteed](#)

Business Programs

- ▶ [Direct and Guaranteed](#)

El Dorado County, California

Overview

In all of El Dorado County, only a small area around the city of South Lake Tahoe is classified as non-rural. Placerville, Cameron Park and El Dorado Hills are all still classified as rural.

South Lake Tahoe

Starting where the California state line meets Lake Tahoe, the rural/non-rural boundary follows the shoreline west past Tahoe Keys to the western South Lake Tahoe city line. Leaving the lakeshore, the rural line follows the city boundary and jogs first south, then west, then south ~ 2 miles to the NE corner of section 7. From here, depart from the city boundary and take a diagonal path to the southwest tip of the Lake Tahoe Airport runway. Proceed along the end of the runway, continuing past the southeast tip of the runway to the edge of the airport property. Follow the airport boundary northeast to the midpoint (N/S) of section 9. Turn directly east along and continue to Pioneer Trail. At Pioneer Trail, turn due south and go ~ 1/4 mile (to a point even with the southern edge of the subdivision to the east), then proceed due east for ~1 mile (even with Lake Rd). Go north and connect with the South Lake Tahoe city boundary line. Follow the city boundary north then east. Just past the end of Ski Run Blvd, where the city boundary makes several oblique turns to the north, continue straight east. Once even with the north/south trending city boundary in section 35, turn north, then follow the city boundary back to Lake Tahoe and the beginning point.

**E-1: City/County Population Estimates with Annual Percent Change
January 1, 2007 and 2008**

State/County/City	Total Population		Percent Change
	1/1/2007	1/1/2008	
Contra Costa	1,037,580	1,051,674	1.4
Antioch	99,684	100,361	0.7
Brentwood	48,677	50,614	4.0
Clayton	10,730	10,784	0.5
Concord	122,951	123,776	0.7
Danville	42,457	42,629	0.4
El Cerrito	23,086	23,320	1.0
Hercules	23,864	24,324	1.9
Lafayette	23,841	23,962	0.5
Martinez	36,018	36,144	0.3
Moraga	16,099	16,138	0.2
Oakley	31,755	33,210	4.6
Orinda	17,434	17,542	0.6
Pinole	19,143	19,193	0.3
Pittsburg	62,712	63,652	1.5
Pleasant Hill	32,964	33,377	1.3
Richmond	103,351	103,577	0.2
San Pablo	30,822	31,190	1.2
San Ramon	57,766	59,002	2.1
Walnut Creek	65,085	65,306	0.3
Balance Of County	169,141	173,573	2.6
Del Norte	29,216	29,419	0.7
Crescent City	7,742	7,683	-0.8
Balance Of County	21,474	21,736	1.2
El Dorado	177,766	179,722	1.1
Placerville	10,187	10,271	0.8
South Lake Tahoe	23,582	23,725	0.6
Balance Of County	143,997	145,726	1.2
Fresno	914,893	931,098	1.8
Clovis	91,836	94,289	2.7
Coalinga	18,007	19,064	5.9
Firebaugh	6,658	6,812	2.3
Fowler	5,267	5,573	5.8
Fresno	478,808	486,171	1.5
Huron	7,460	7,554	1.3
Kerman	13,527	13,880	2.6
Kingsburg	11,183	11,259	0.7
Mendota	9,383	9,788	4.3
Orange Cove	10,496	10,775	2.7
Parlier	13,017	13,326	2.4
Reedley	24,793	25,587	3.2
Sanger	24,796	25,404	2.5
San Joaquin	3,851	4,062	5.5
Selma	23,086	23,286	0.9

Part B

PROGRAM APPLICATION

Applicant Name EL DORADO COUNTY

Section I. Program Activity

Complete a separate Part B Program Application for each different proposed activity. Submit HOME FTHB and American Dream activities on the same Part B application form.

Chart 1

Select activity you are applying for:	
<input type="checkbox"/> Tenant Based Rental Assistance (TBRA)	<input checked="" type="checkbox"/> First-Time Homebuyer Program
<input type="checkbox"/> Owner Occupied Rehabilitation	<input checked="" type="checkbox"/> Homebuyer Assistance
	<input type="checkbox"/> Infill New Construction
	<input type="checkbox"/> American Dream FTHB Program (PJ and Consortia can only apply for American Dream funds)

Section II. Program Description

A. Provide a brief narrative below describing the proposed activity and how the funds will be used, (location, use of funds, units proposed, income levels, funding sources, type of loan).

Chart 2

Activity Description: The County of El Dorado will use \$800,000 to assist approximately 10 first-time homebuyers to purchase new and existing homes in target areas within the unincorporated areas of El Dorado County. It is anticipated that 10% of the homebuyers will be LTIG, with the remaining falling within the 80% TIG guidelines. The funds will be used to provide deferred loans with 3% simple interest to qualified low income homebuyers. El Dorado County continues to experience a tremendous need demonstrated by the size of the waiting list (215+) with more applying to be placed on the housing acquisition waiting list daily. There is an ever increasing and urgent need to supplement a first-time home buyer in El Dorado County with a HOME deferred loan of up to \$80,000 per unit. The County will also use Community Development Block Grant Revolving Loan Program funds of up to \$10,000 per unit to ensure families success of home purchase. The median sales price of homes that meet the criteria set forth in the HOME application over the last 12 months is \$261,200 for the target areas as set forth in the HOME application and according to the Market Statistics Report from the El Dorado County Association of Realtors. The County of El Dorado will market the program county wide. The Program will utilize HOME and CDBG Revolving Loan Funds to achieve the goal of providing approximately 10 families the opportunity to become a first-time home buyer.

B. All Applicants for FTHB Funds

Prepare a marketing plan and attach as Exhibit B1. The marketing plan must include but is not limited to the following:

- Description of the planned use of HOME funds
- Plan for community-wide marketing, including targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other families assisted by public housing agencies.
- Description of actions taken to ensure suitability of families receiving HOME assistance to undertake and maintain homeownership.

Section III. Program Team

- A. Identify all program development/implementation team members and their roles and responsibilities to implement the proposed program. Members include, but are not limited to, the applicant, administrative subcontractor, rehabilitation specialist, loan underwriters, and program service instructors. Include the person's phone number and e-mail address. Check the box in the last column if that person is acting as an administrative subcontractor.

Chart 3

Name(s)	Roles/responsibilities	Phone Number	Email Address	Administrative Subcontractor
Joyce Aldrich	Program Manager Supervisory Tasks	530-621-6276	jaldrich@co.el-dorado.ca.us	no
Sharon Guth	Department Analyst Contract management, underwriting	530-621-6376	sguth@co.el-dorado.ca.us	no
Amanda Moore	Fiscal Technician, Specialist for marketing, underwriting	530-621-6377	Amanda.moore@co.el-dorado.ca.us	no
Jack Thompson	Housing Specialist Inspections, compliance	530-621-6387	Jack.thompson@co.el-dorado.ca.us	no

- B. CHDO Role (CHDOs Only) - Check the appropriate box below and attach a narrative explaining how, in the administration of the proposed program activity, the CHDO will fulfill requirement of being the sole owner, sole general partner, or sole project developer. Provide any supporting

documentation as Exhibit B2. This information will be used to assist the Department in ensuring that the CHDO meets the eligibility requirements specified in section 8204 (a) (2)(D) of the State Regulations.

Sole Owner Sole General Partner Sole Project Developer

Section IV. Program Service Area

Enter the eligible jurisdiction in which your activity is proposed to be completed. See Appendix A of the NOFA for a list of State HOME-eligible jurisdictions. See Appendix A-1 for a list of Participating Jurisdictions and Consortia eligible for the American Dream Program. CHDOs that intend to operate a State HOME program in multiple jurisdictions should identify each jurisdiction separately. CHDOs are only eligible to apply for a First-Time Homebuyer Infill New Construction Program.

State Recipients with TBRA programs that will assist tenants to reside within their own jurisdiction should list their jurisdiction as "Jurisdiction #1". If tenants will also be assisted to reside in other HOME-eligible jurisdictions within the county, these jurisdictions should all be listed as "Jurisdiction #2".

Chart 4

Program Service Area	
Jurisdiction # 1	Unincorporated El Dorado County
Jurisdiction # 2	
Jurisdiction # 3	
Jurisdiction # 4	

Section V. Program Performance

The Department has compiled the Program Performance data for this section. You do not need to submit any data for this Section. See the Part B Program Application Instructions for more details.

Section VI. Prior Experience with Programs

Submit a Prior Experience summary using the Exhibits B3 and B4.

Section VII. Program Community Need

The Department has compiled the Community Need Data for this section. You do not need to submit any data for this Section. See the Part B Program Application Instructions for more details.

Section VIII. Program Feasibility

- A. Program Guidelines - Complete the Program Guidelines Checklist in Exhibit B7 of the Application. Attach program guidelines and/or operating procedures to Exhibit B7. Indicate on the Program Guidelines Checklist the page number where the required items for your proposed activity can be found. **Separate Guidelines for each program activity are now required.**

- B. Owner-Occupied Rehabilitation Programs – The Department will obtain Census data on the number of overcrowded households by tenure and the age of the housing stock by tenure in the city or county.
- C. Tenant-Based Rental Assistance – overpayment by lower-income renter households as reflected in U.S. Census data. Note: although this factor is specified in the State HOME regulations, this data is not available from the U.S. Census. Therefore, all TBRA program applications will receive full points for this factor.
- D. First-Time Homebuyer Programs – Complete the Homebuyer Feasibility Worksheet, Exhibit B6 (Excel Document)

Exhibit B1

MARKETING PLAN Required for all First-time Homebuyer Applicants

Prepare a marketing plan and attach as behind this page.

The marketing plan must include but is not limited to the following:

- Description of the planned use of HOME funds
- Plan for community-wide marketing, including targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other families assisted by public housing agencies.
- Description of actions taken to ensure suitability of families receiving HOME assistance to undertake and maintain homeownership.

MARKETING PLAN

Planned Use of HOME funds:

El Dorado County First-time Homebuyer program provides opportunities for families to reach the American Dream of owning their first home. El Dorado County Human Services has provided this program since 2003 under the Community Development Block Grant Program serving more than 16 families in reaching their dream of becoming a home owner.

Plan for Community-wide Marketing:

El Dorado County has developed a First Time Home Buyer's Program Brochure that is distributed to the County agencies including the Library's, Development Services, Board of Supervisors, and Social Services Division. Additional outreach efforts include the Builder's Exchange, and participants to the Housing Choice Voucher Family Self-Sufficiency program. As part of the outreach effort already in place, the Brochure for the Mobile Home Taskforce will be updated to include information pertaining to the First Time Home Buyer's Program for those families seeking to purchase a home.

Additionally, the program is marketed on a semi-annual basis in the local newspapers including the Mountain Democrat, Tahoe Tribune, Georgetown Gazette, and Village Life.

Homeownership Club

El Dorado County provides a Homeownership Club to Family Self Sufficiency and potential first-time home buyers as part of the process to educate first-time homebuyers regarding various aspects of purchasing and maintaining a home. The Homeownership Club consists of 6 classes over a 12 month period. Once a family applies to the First-time homebuyer waiting list, they are provided the information to join the Homeownership Club. Homebuyer education shall be provided to all homebuyers receiving HOME funds for mortgage assistance. The course curriculum consists of preparation for homeownership; available financing and building your credit; budget management, maintenance of your home, deferred maintenance, housing rehabilitation program opportunities, and landscaping and maintaining the exterior of your home. The program will add the impact of refinancing on the long-term financial health of the homebuyer to ensure compliance with HOME State Regulations 8207.1.

First Time Homebuyers Assistance Available

- Deferred Loans
- Funds can be used to cover initial loan costs such as escrow fees, impounds and down payments exceeding the greater of \$2,500 or 2% of the purchase price

BUYER QUALIFICATIONS

- Household Income not exceeding 80% of El Dorado County median income for family size
- Have sufficient funds to cover the greater of \$2,500 or 2% of purchase price
- Currently not on title to any real property
- Priority will be given to applicants who live or work in El Dorado County

PROPERTY QUALIFICATIONS

- Home must be located within the unincorporated areas of El Dorado County.
- Structurally sound, previously owned home or new house
- Home must be either vacant, owner occupied, or purchased by current renter

OTHER COUNTY LOAN PROGRAMS INCLUDE:

- Housing Rehabilitation
- Small Business Loan Program



INCOME LIMITS*

80% of El Dorado County Median Income – 2008
 (Area Median Income \$71,000)

1 person	\$39,750
2 persons	\$45,450
3 persons	\$51,100
4 persons	\$56,800
5 persons	\$61,350
6 persons	\$65,900
7 persons	\$70,450
8 persons	\$75,000

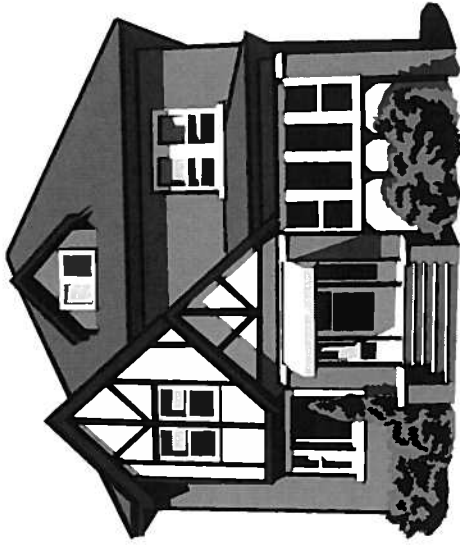
(*figures change annually)

For more information contact:

El Dorado County
 Housing Programs
 937 Spring Street
 Placerville, CA 95667

Main Line (530) 621-6300
 Fax (530) 295-2598

The County of El Dorado is an Equal Housing Lender and does not discriminate on the basis of religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (children), physical or mental disability, sexual orientation, or other arbitrary reason.



DRAFT

**COUNTY OF
 EL DORADO**



**FIRST-TIME
 HOMEBUYER'S**

ASSISTANCE

LOAN

PROGRAM



An opportunity for home ownership!

Homebuyer's Assistance

PURPOSE

The County of El Dorado's First-Time Homebuyer's Assistance Loan Program is designed to assist low income families in the purchase of a home within the unincorporated areas of El Dorado County. Funding for the program is derived from the HOME Investment Partnership Program and Community Development Block Grant (CDBG) Revolving Loan Program.

The Program provides two types of assistance. The first type will assist the family with immediate cash needs, as required, for loan origination fees and closing costs, including impounds for property taxes and insurance. The second component of the program will assist the family to meet its long term housing commitment by reducing the monthly payment to an amount consistent with the family's income affordability level. Both elements of the Program are available to assist eligible families in obtaining primary financing from the commercial lender of their choice. Financing by the County's Loan Programs are subject to the availability of funds.

POLICY

1. Applicant must be low income, defined as having an income that does not exceed 80% of the area median income, adjusted for household size. This income figure is established by the Department of Housing and Urban Development (HUD) and is adjusted annually. A "household" means all persons occupying a housing unit as their place of residence.
2. Applicant must use the house as their principal place of residence.
3. Applicant must not have been a home owner for at least the last 3 years, or is a displaced homemaker or single parent

Loan Program Guidelines

4. who owned a home with a spouse.
5. Applicant must meet credit and underwriting criteria to secure a fixed rate loan from a commercial lender of their choice prior to receiving assistance from the County of El Dorado.
6. Applicant must need the assistance of the Program to obtain home ownership. Need will be determined by the County of El Dorado and be based upon Program Guidelines, requirements of the commercial lender, and ability of the household to meet such requirements.
7. Applicant must be able to provide personal funds equal to the greater of \$2,500 or 2% of the purchase price of the house selected.

HOUSE ELIGIBILITY

1. House must be located within the unincorporated areas of El Dorado County.
2. House must be a structurally sound, existing structure or newly constructed and shall meet local code standards. The County reserves the right to determine structural soundness and code compliance.
3. House must either be vacant, owner occupied or purchased by current renter.
4. House size shall be sufficient to meet the needs of the family without overcrowding.

INTEREST RATE

The interest rate on the County deferred payment loans will be 3% fee simple.

SECURITY

All County loans will be secured by a promissory note and recorded deed of trust, with notice of

default, subordinate only to the loan of the commercial lender.

LOAN ASSUMABILITY

The loan is not assumable.

APPLICATION PROCESS

- Applicant contacts County of El Dorado to determine program eligibility.
- Applicant works with commercial lender of choice to qualify for real estate loan.
- Applicant works with real estate agent to select a home.
- Applicant selects a home and enters into a purchase contract.
- Lender provides necessary documentation to County, including verification of loan approval.
- The County Housing Inspector inspects the property.
- County reviews documentation to determine program eligibility and financing affordability for participant.
- County submits request for loan assistance to the Loan Review Committee.
- Applicant is provided written notification of approval or denial, with reason, and the appeal procedure for denial.
- County loan documents are prepared and executed.
- When commercial lender requirements are met, County assistance funds are deposited into escrow with required closing instructions and documents.
- County annually monitors file for compliance with loan requirements.



Exhibit B3

Prior Experience with Programs – Same Activity

- A. List awards for affordable housing and community development programs administered by the applicant from HOME, local, State and other Federal funding sources in the last seven (7) years (2001 through 2007) for programs providing the same activity as is proposed in the application. Do not list awards received in 2008. Do not list awards received by jurisdictions other than the applicant. List no more than 10 awards.

Award Year	Funding Sources HOME, Federal, State, Local (Provide name of funds)	Activity/Program Name (e.g. owner-occupied rehab or first- time homebuyer program)	Location (City/County)	Assisted Units Completed
2003	CDBG	First-time home buyer	County El Dorado	5
2005/06	Program Income RLF	First-time home buyer	County El Dorado	3
2005	CDBG	First-time home buyer	County El Dorado	8

Exhibit B4

Prior Experience with Programs – Different Activity

B. List awards for affordable housing and community development programs administered by the applicant from HOME, local, State and other Federal funding sources in the last seven (7) years (2001 through 2007) for programs different from the activity proposed in the application. Do not list awards received in 2008. Do not list awards received by jurisdictions other than the applicant. List no more than 10 awards.

Chart 6

Award Year	Funding Sources HOME, Federal, State, Local (Provide name of funds)	Activity/Program Name (e.g. owner-occupied rehab. or First- time homebuyer program)	Location (City/County)	Assisted Units Completed
2001	CDBG	Owner-occupied rehab	County El Dorado	8
2005	CDBG	Owner-occupied rehab	County El Dorado	5
2004	HOME	Owner-occupied rehab	County El Dorado	8
2002- 2008	CDBG Program Income Revolving Loan Funds	Owner-occupied rehab	County El Dorado	20

Section IX. – State Objectives

- a) a) Program Capacity/Continuity - 75 points will be awarded to jurisdictions that applied for but did not receive HOME program activity funding in 2007, if the Department determines that the application was eligible, but that the application could not be funded because the score was below the funding cut-off. The jurisdiction is not required to apply for the same activity(s) in 2008 that was applied for in 2007. The applicant does not have to provide any data for this rating factor. The Department will make this determination using its own data.

- b) Green Building- 25 points will be awarded to applicants that commit to incorporating State of California Green Building/Energy Efficiency features into their OOR and infill new construction program activities. See attached self-certification checklist, Exhibit B5.

Part B6
First Time Homebuyer Program Feasibility

Estimated monthly property insurance costs (example .35% of average home sales price)	\$78	\$78	\$78	\$78	\$78	\$78
Estimated monthly property tax (example 1.25% of average home sales price)	\$237	\$237	\$237	\$237	\$237	\$237
Other monthly housing costs (e.g. MIP, dues)	\$0	\$0	\$0	\$0	\$0	\$0
Required Monthly Housing Cost	\$1,878	\$1,878	\$1,878	\$1,878	\$1,878	\$1,878
Maximum monthly housing payment (including Principal and Interest)	\$1,326	\$1,243	\$1,490	\$1,397	\$1,657	\$1,553
Payment Subsidy Needed	\$553	\$636	\$388	\$481	\$222	\$325
HOME Loan Needed	\$89,774	\$103,230	\$63,010	\$78,139	\$36,009	\$52,826
Is Program Feasible?	No	No	Yes	Yes	Yes	Yes
Lowest Possible HOME Loan Needed	\$36,009					
Highest Possible HOME Loan Needed	\$103,230					
Proposed HOME Loan Maximum	\$80,000					
Number of homes which have sold in the city or county over the preceding 12-month period which are affordable to lower income families, given the proposed HOME assistance (at feasible program levels)			469			

Section A: Common Program Guidelines (required of all activities)

Number	Provision in Guidelines	Instruction	Page Number(s)
A1	Income limits by household size (or reference an attachment containing these limits). Include statement that the Part 5 (Section 8) method for income determination will be used, as described in the "Technical Guide for Determining Income and Allowances for the HOME Program, January 2005".	<p>Attach the most current Income limit from the NOFA. You don't need to re-submit to HCD if you swap Income limits when the new ones are published annually.</p> <p>For FTHB programs, it is not possible to meet these requirements for income verification and calculation using primary lender income/asset verification forms. The program operator must do their own verification of income and assets, and calculation of actual income after allowances.</p>	9,12, 59
A2	<p>Either a statement that properties constructed prior to 1978 will not be eligible for assistance or lead-based paint requirements for properties constructed prior to 1978 will be addressed prior to purchase. These requirements include:</p> <ul style="list-style-type: none"> a) Requirement that lead-based paint notification is given to purchasers; that this will be done by giving the purchaser "Protect Your Family From Lead In Your Home" pamphlet. Requirement that the purchase's file will have evidence that the pamphlet was given. b) Procedures that will ensure that the FTHB Checklist (see the Contract Management Manual) is complete and placed in the purchaser's file. c) Requirement that properties be inspected for defective paint surfaces; guideline will name the position that will be responsible for completing the Visual Assessment; and 		12,13, 66

Number	Provision in Guidelines	Instruction	Page Number(s)
	If defective paint surfaces are found, requirement that they will be properly stabilized.		
A3	Conflict of Interest Provision. Provide your own conflict of interest policy that is consistent with the federal HOME Regulations at 24 CFR 92.356.		9, 52
A4	Description of type of HOME assistance to be provided (for loan programs: type of loan, interest rate, term, etc; for TBRA: security deposit, rental assistance, utility payments).	<p>Ensure that HOME assistance is provided in a manner consistent with the State HOME Regulations at Section 8205(b)(1) and (2), including but not limited to: loans except for grants for certain specified situations; deferred, no amortized payments; interest rate of zero to three percent; interest may be waived.</p> <p>For TBRA, indicate whether HOME funds will be used for ongoing rental assistance only, security deposit only, or utility payments in conjunction with either rental assistance or security deposit programs. Also indicate if you plan to use TBRA funds in other State HOME-eligible jurisdictions in the county.</p>	17, 54, 71
A5	A description of marketing and participant selection process, including income verification procedures. Describe how the program will be marketed. Describe how eligibility and income verification will be done for borrower and tenant applicants. For Rental Rehabilitation programs: describe method for ensuring that rental property owners have the capacity to manage rental property.	<p>Seek approval from the Department for any concentration of FTHB beneficiaries in the same subdivision, to avoid possible findings regarding NEPA and marketing requirements.</p> <p>For all programs, describe proposed preferences/targeting, if any. Indicate whether unborn children will be counted in family size determination (local decision). Describe method of verifying income and procedures to ensure that verification is current at the time HOME assistance is provided.</p> <p>For TBRA, annual recertification isn't required for security deposit programs.</p>	4, 5, 10, 58, 72

Number	Provision in Guidelines	Instruction	Page Number(s)
A6	Description of inspection procedures and persons responsible for performing them. For Rehabilitation programs, provide procedures for initial, interim, and final inspections. Identify the staff assigned to these specific roles.	FHA inspections are no longer allowed; City/county staff or consultants must conduct all inspections for both HOMEBUYER and rehabilitation programs. If a consultant is utilized, the City/County is still responsible for the inspections and must oversee the consultant's work. The Notice of Completion for rehabilitation programs must be signed by the homeowner, not the city/county staff nor the consultant.	70
A7	List the maximum amount of HOME assistance per unit (or reference an attachment containing these limits).		17, 68
A8	Description of how Fair Housing and Affirmative Marketing requirements will be met.	Include the revisions made in the 2006 HOME Contract Manual, i.e. cities/counties are still required to gather race/ethnicity data but are no longer required to analyze it annually.	5, 52
A9	Subject to the exemptions allowed in the "Technical Guide for Determining Income and Allowances for the HOME Program, Third Edition, 2005" statement that all persons in residence are considered household members for purposes of income eligibility.		10, 52
A10	Description of how Homebuyer Education Requirements will be met for FTHB loans made after June 30, 2008.	Include description of method(s) to be used for providing homebuyer education and topics to be covered. See State Regulation 8207.1 for basic requirements. This requirement applies to all HOME loans, including those funded from Program Income, Recaptured Funds, and all open grants (not just 2008).	8

Section B: All Activities Making Loans (required for all applicants for First Time Homebuyer (Homebuyer), Owner-Occupied Rehabilitation (OOR), and Rental Rehabilitation and/or Acquisition activities)

Number	Provision in Guidelines	Instruction	Page Number(s)
B1	<p>Description of how properties will meet health and safety code and local code requirements.</p> <ul style="list-style-type: none"> a. For Homebuyer acquisition-only, properties must meet health and safety code requirements at the time of occupancy and no later than six months after transfer of ownership. b. Homebuyer homes must also meet written standards for rehabilitation no later than two years from transfer of ownership. c. Written standards for rehabilitation include local codes, ordinances, and zoning requirements. d. For Rehabilitation, properties must meet health and safety requirements and written standards for rehabilitation by project completion. e. Identify the specific local codes which will be used. <p>The HOME program requires that ALL health and safety and code deficiencies be corrected. This means that the following types of activities are not allowed if health and safety or code violations still exist: disabled access improvements, emergency repairs, weatherization</p>	<p>The Guidelines must also state that for the home to be eligible for the State HOME Program, there must be at least one code violation. The home is not eligible if it only requires disabled access improvements, or weatherization.</p> <p>Weatherization, emergency repairs and disabled access can only be paid with HOME funds if these funds are incorporated in a program that meets all rehabilitation standards.</p>	13, 69
B2	<p>Either a statement that tenant-occupied properties will not be eligible or a statement that in those</p>	<p>Your Guidelines must include your policy and an attachment for seller certification.</p>	14, 52

Number	Provision in Guidelines	Instruction	Page Number(s)
	cases federal relocation requirements must be met. A unit being acquired is considered tenant-occupied unless the unit has been vacant for 3 months prior to the purchase agreement date. Note: HOME funds may be used as grants to pay for relocation costs when a unit is tenant occupied; submitting a relocation plan is required.		
B3	Flood insurance is required for homes in 100 year flood zone.	Guidelines must require that each file have documentation of flood zone status. Require an endorsement naming city/county as additional insured.	33, 56
B4	Description of verification plan that funded homeowners will remain owner-occupants.	Guidelines must require documentation of ongoing owner-occupant status, i.e. property tax statements showing homeownership exemption, insurance policies, or site visits.	19, 54
B5	Include a statement that the acquisition price doesn't exceed amount published in the NOFA or as approved by HUD. The Guidelines may also reference an attachment which provides this information.	If your program is restricted to individual homes or condominiums, use only the "one family" column in the Maximum Purchase Price/After-Rehabilitation Value Limit attachment of the Training Manual	17, 67
B6	<p>Requirement that an acquisition notice containing the items listed below be provided to seller prior to making the purchase offer:</p> <ul style="list-style-type: none"> a. The purchaser has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; b. An estimate of the fair market value of the property; and c. If an acquisition notice will not be provided prior to the purchase offer, a provision that the seller may withdraw from the agreement after this 		6, 7

Number	Provision in Guidelines	Instruction	Page Number(s)
	information is provided.		
B7	<p>Resale or recapture restrictions including:</p> <ul style="list-style-type: none"> a. All HOME loans must use the recapture method, unless the property is in a Community Land Trust or in a co-operative ownership form. b. The loans must meet the requirements outlined in Section XVII. B of the HOME NOFA 	<p>Explain whether the HOME and other loans will be resale or recapture according to HOME requirements. See Section XVII. B of the HOME NOFA.</p>	18, 54
B8	<p>For Homebuyer Programs, a description of method of determining amount of HOME assistance provided to a household. Explain the process for determining the minimum amount of HOME funds necessary to ensure:</p> <ul style="list-style-type: none"> a. affordability based on the specific circumstances of the borrower; b. the proposed permanent financing; and c. the proposed unit to be acquired. 	<p>It is OK to fully fund Owner Occupied Rehabilitation costs with HOME funds.</p> <p>However, for FTHB loans, the HOME loan is limited to the minimum amount needed to ensure affordability based on the City/County's ratios, not the lenders ratios.</p> <p>Complete First-Time Homebuyer Feasibility Analysis spreadsheet, which shows whether the program is feasible using the City/County's ratios and available housing prices.</p>	8, 11, 16, 17
B9	<p>For Homebuyer and RR activities:</p> <ul style="list-style-type: none"> a) a description of the required period of affordability per Section 8208 of the State HOME Regulations. b) a statement that no additional HOME assistance may be provided during the period starting one year following the filing of the Project Completion Report through end of the affordability period. 		12, 17

Section C: For Programs Involving Rehabilitation:

Number	Provision in Guidelines	Instruction	Page Number(s)
C1	Description of process for developing work write-ups and written cost estimates and persons responsible for developing and/or reviewing them.	The work write-up and written cost estimates must be broad enough in scope to correct all code deficiencies.	69
C2	Description of method of determining cost reasonableness.	The Guidelines must identify who will develop the work write-up and the in-house estimate of costs What are this person's qualifications to prepare the write-up and cost estimate? The work write-up cost estimate must be compared to the bids. Bids should be accepted only if the price is within 10% of the amount of the cost estimate, or the inspector provides a written explanation of the difference.	71
C3	Contractor selection process including bidding, contractor selection, determination of contractor eligibility (federal and state), and contractor award.	To document debarment status, cities/counties are required to get debarment certifications and required to print out/file the internet page used for verifying that the contractor is not on the debarment list.	69
C4	Description of eligible and ineligible items.	Note: "Incipient" repair items are eligible. Incipient means that the fixture or system is functional now, but is likely to fail in a few years, i.e. a functioning but 30 year old water heater. Removable household appliances (stoves, dishwashers, refrigerators, wall air conditioners, etc.) are eligible only if the file contains documentation that the item needs to be replaced because of incipient failure and the item being replaced will be of moderate quality only. Owner may have medical conditions which warrant new or replacement appliances as listed above.	68
C5	Whether or not general property improvements (GPI) will be allowed and, if so, what types and how much	Note: the federal HOME regulations prohibit luxury items (e.g. pool refurbishment, hot-tubs, etc.).	68

Number	Provision in Guidelines	Instruction	Page Number(s)
	of the rehabilitation costs are allowed for GPI.		
C6	Description of method for estimating after-rehabilitation value prior to loan commitment. This value must not be higher than the Sales/Value Limits published in the NOFA or as otherwise approved by HUD. State those limits or reference an attachment.	Guidelines must include one of three following methods: 1. Estimates of value by the SR may be used. The project files must contain the estimate of value and document the basis for the value estimates. 2. Appraisals can be licensed fee or staff appraisers. The project files must document the appraised value and the appraisal approach used. 3. Tax assessments for a comparable property located in the same neighborhood may be used to establish after-rehab value if the assessment is current and accurately reflects market value after rehab.	71

Section D: For Owner Occupied Rehabilitation Only

Number	Provision in Guidelines	Page Number(s)
D1	A statement that the housing unit must be principal residence of the owner.	

EL DORADO COUNTY
HUMAN SERVICES DEPARTMENT

HOME Investment Partnerships Program

Serving the Area of
Unincorporated
El Dorado County

Homebuyer
Program Guidelines

Ver. 1, July 2008

HOMEBUYER PROGRAM GUIDELINES

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EL DORADO COUNTY

HOMEBUYER PROGRAM GUIDELINES

1.0. GENERAL

The above-named entity, hereinafter referred to as the “County” has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer one or more HCD-funded homebuyer programs. The homebuyer program described herein (the “Program”) is designed to provide assistance to eligible homebuyers in purchasing homes, also referred to herein as “housing units”, located within the Program’s eligible area, as described in Section 2.1. The Program provides this assistance in the form of deferred payment “silent” second priority loans as “Gap” financing toward the purchase price and closing costs of affordable housing units that will be occupied by the homebuyers. The Program will be administered by Human Services Department, (the “Program Operator”).

1.1. PROGRAM OUTREACH AND MARKETING

A5

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The County will ensure that all persons, including those qualified individuals with handicaps have access to the Program.

- A. The Fair Housing Lender logo will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program’s eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. (For HOME, the Sponsor shall develop a Fair Housing Marketing Plan prior to project set up). The First-Time Homebuyer Marketing Plan, attached as Exhibit A, provides further description on the outreach efforts that will be made to inform the community of the availability of the program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.

- B. The Program Operator will work closely with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary

lenders will also be encouraged to have their customers participate in the Program.

- C. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Program Operator should take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.
- D. The County will gather race/ethnicity data from First Time Homebuyer applicants which will be analyzed periodically to ensure compliance with Fair Housing and Affirmative Marketing requirements. **A8**

1.2. APPLICATION PROCESS AND SELECTION

A5

- A. The County maintains a waiting list of applicants. Each applicant is asked to complete an application form, which asks for sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. Complete applications are date and time stamped, therefore, assistance is given on a first-come-first-served basis. Applications are only deemed complete if all information is completed, the application is signed and dated, and a primary lender's pre-qualification letter is attached to the application. Incomplete applications are returned to the applicant and will not be date/time stamped until complete.
- B. Once the applicant's name comes to the top of the waiting list their Program eligibility is confirmed and they are invited to a briefing regarding participation in the Program. At the briefing the application is reviewed and the potential homebuyer is given a "Preliminary Eligibility Letter" for the Program along with the following forms: Program Brochure, Attachment (I) Instructions to Home Buyer, List of Participating Lenders, Attachment (F) Sellers Lead-Based Paint (LBP) Disclosure, (G) LBP Contract Contingency Language and the EPA Booklet (Protect Your Family from Lead in Your Home) and (H) Notice to Seller.
- C. The potential homebuyer is given 90 days in order to find a qualified home and begin securing a primary loan for the housing unit. If during the 90-day time frame, the potential homebuyer is unable to purchase a home, an extension may be given. However, if it appears the potential homebuyer cannot participate in the Program, the reservation of funds expires and the next person on the waiting list is given an opportunity to participate in the Program.

1.3. THE HOME PURCHASE PROCESS

- A. The following is a simplified example of how a primary lender would analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards homeownership.

**DEBT SERVICE
FOR A FAMILY OF FOUR EARNING \$2,500 PER MONTH**

HOUSING PAYMENTS		TOTAL OVERALL PAYMENTS	
Principal & Interest Payment	\$ 580	\$ 750	Housing
Insurance	50	<u>+250</u>	Other Debt Service
Taxes	<u>120</u>	\$ 1,000	Total Debt Service
Total Housing Expense (PITI is 30% of \$2,500)	\$ 750	(Overall debt service per month is 40% of \$2,500)	

OTHER HOUSEHOLD DEBT SERVICE

Car Payment	\$ 150
Credit Card Payment	<u>100</u>
Total Other Debt	\$ 250

A \$580 per month loan payment equates to borrowing \$96,750 at 6% for a 30 year term.

**SUBSIDY CALCULATION
FOR A FAMILY OF FOUR EARNING \$2,500 PER MONTH**

Purchase Price of Property	\$ 120,000
Less Primary loan amount	96,750
Less down payment of 3%	<u>3,600</u>
 Equals "GAP"	 \$ 19,650
 Plus estimated allowable settlement charges	 <u>3,000</u>
 Equals Total Subsidy	 \$ 22,650

B. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions: (Depending on the HCD Program) **B6**

- 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
- 2) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;
- 3) The housing unit will be subject to inspection for compliance with local codes at the time of construction.
- 4) All housing units built prior to January 1, 1978 will require a lead paint

El Dorado County

Homebuyer Program Guidelines

- disclosure to be signed by both the homebuyer and Seller (Attachment F);
- 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;
 - 6) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, a renter purchasing the unit, or vacant for 90 (ninety) days prior to submission of the purchase offer.
 - 7) If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided. **B6**

- C. Applicant submits executed standard form purchase and sale agreement and primary lender prequalification letter to Program Operator. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. Program Operator verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.
- D. Any work to be completed after purchase will be undertaken through the Program's housing rehabilitation program. For HOME the housing unit must meet code no later than two years after transfer and be free from health and safety defects prior to initial occupancy.
- E. The County submits recommendation to the Loan Review Committee for approval or denial, including the reasons for the recommendation. Loan Review Committee determines Applicant's approval or denial, and instructs County to notify Applicant. Program Operator provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.
- F. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.
- G. At the time of escrow closing, the County shall be named as an additional loss payee on fire, flood, if required, and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit.

1.4. HOMEBUYER COSTS

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the County. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement.
- B. Homebuyer funds shall be used in the following order:
 - 1) Down payment - Minimum Requirement: Two percent of purchase price or \$2,500, whichever is greater.

- 2) To the extent possible after satisfying 1), above, appraisal fee; cost of credit report; the loan origination fee; discount points customary homebuyer closing costs; homebuyer's customary portion of the escrow fees; title insurance; and, the establishment of impound accounts for property taxes and insurance.
 - 3) After 1) and 2), above, are satisfied, any balance of homebuyer funds may be applied either to the purchase price or to reduce the interest rate of the primary loan as necessary.
- C. If the items in B.2), above cannot be satisfied with homebuyer funds, the County may provide Program loan assistance to cover the remaining balance.
- D. County may also provide sufficient assistance, as Program loan principal, to reduce the monthly payments for PITI to an affordable level of household income. The subsidy will write down the cost of the primary lender's loan so that the payments of PITI are within approximately 30 to 35% of the gross household income. The Program Operator will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the HCD funding Program. **B8**

1.5. HOMEBUYER EDUCATION

A10

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the Program Operator, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants will be encouraged to attend a homebuyer education class. The homebuyer education class may cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; and loan servicing. The County will review the participant's credit history, including rent payments. Any negative credit items must be explained and justified. If the family has a poor credit history, the County may require them to attend a credit and budgeting seminar and/or mortgage default seminar.

- 2) To the extent possible after satisfying 1), above, appraisal fee; cost of credit report; the loan origination fee; discount points customary homebuyer closing costs; homebuyer's customary portion of the escrow fees; title insurance; and, the establishment of impound accounts for property taxes and insurance.
 - 3) After 1) and 2), above, are satisfied, any balance of homebuyer funds may be applied either to the purchase price or to reduce the interest rate of the primary loan as necessary.
- C. If the items in B.2), above cannot be satisfied with homebuyer funds, the County may provide Program loan assistance to cover the remaining balance.
- D. County may also provide sufficient assistance, as Program loan principal, to reduce the monthly payments for PITI to an affordable level of household income. The subsidy will write down the cost of the primary lender's loan so that the payments of PITI are within approximately 30 to 35% of the gross household income. The Program Operator will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the HCD funding Program. **B8**

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Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the Program Operator, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants will be encouraged to attend a homebuyer education class. The homebuyer education class may cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; and loan servicing. The County will review the participant's credit history, including rent payments. Any negative credit items must be explained and justified. If the family has a poor credit history, the County may require them to attend a credit and budgeting seminar and/or mortgage default seminar.

1.6. CONFLICT OF INTEREST REQUIREMENTS

A3

In accordance with title 24, Section 570.611 of the Code of Federal Regulations, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the Program shall directly or indirectly be eligible for this Program. Exceptions to this policy can be made only after public disclosure and formal approval by the governing body of the locality.

1.7. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the County's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

A1

All applicants must certify that they meet the household income eligibility requirements for the applicable HCD program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD each year.

2008 Income Limits (effective 2/13/08)

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$39,750	\$45,450	\$51,100	\$56,800	\$61,350	\$65,900	\$70,450	\$75,000

The Program income limits will be updated annually to reflect current limits as published by HCD.

Household: means one or more persons who will occupy a housing unit.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD program-specific guidance, will be followed to independently determine and certify the household's annual gross income. The Program Operator should compare this annual gross income to the income the Primary Lender used when qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

A9

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. All persons in residence are considered household members for the purposes of income eligibility. For those types of income counted, gross amounts (before any deductions have been taken) are used; and the types of income that are not considered would be income of minors or live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

Non-occupant co-signers will not be required to submit income and asset documentation. Co-signers income will not be included in the household income determination. Co-signers are acceptable as long as their names do not appear on the Grant Deed or Deed of Trust.

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(It is the income earned – e.g. interest on a saving's account – not the asset value, which is counted in annual income.)*

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including: Penalties or fees for converting financial holdings and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

An eligible homebuyer means an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Persons may be on title of a manufactured home unit, who are planning to sell the unit as part of buying a home located on real property. Documentation of homebuyer status will be required for all homebuyers.

“First-time homebuyer” means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

1. A displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
2. A single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; and
3. An individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:
 - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b. Not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

3.0. HOUSING UNIT ELIGIBILITY

3.1. LOCATION AND CHARACTERISTICS

B8

- A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows:

The unincorporated area of El Dorado County within census tracts 306, 309, 310, 311, 312, 313, 314 and 315 as further defined by the map attached as Exhibit B.

- B. Housing unit types eligible for the homebuyer Program are new or previously owned:

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single-family detached houses, half-plex, duplex, tri-plex or quad-plex houses, condominiums, or manufactured homes in a common-interest development or on a single-family lot and placed on a permanent foundation system.

- C. All housing units must be in compliance with State and local codes and ordinances.
- D. Housing units located within a 100 year flood zone will be required to provide proof of flood insurance in order to close escrow.

3.2. CONDITIONS

- A. Construction Inspection and Determining Need for Repairs.

Once the participating homebuyer has executed a purchase agreement for a housing unit not requiring participation in County's housing rehabilitation program, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) The Program Operator's construction inspector will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor to be negotiated with the seller. **A1**
- 2) When the County's Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.E will apply. **A2**
- 3) A clear pest inspection report will be required for each housing unit. Smoke detectors will be installed if there are none in place. The Program Operator will encourage each homebuyer to secure a homeowner's warranty policy as part of the purchase of a resale housing unit.
- 4) Upon completion of all work required by the construction inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

- B. After a home is purchased using this Program (unless a commitment is made to rehabilitate the home in conjunction with the purchase) such home shall not be eligible for the County's housing rehabilitation program, if any, for the relevant period of affordability. **B9**

For HOME-funded programs - during the first year after the rehabilitation project is complete, the County may commit additional funds to a project. After the first year, no additional HOME funds may be provided during the period of affordability

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(except a homebuyer may be assisted to acquire a unit previously assisted with HOME funds).

- C. If the assisted homebuyer is acquiring and rehabilitating a home with Program funds:
- 1) The housing unit must be free from any defects that pose a danger to the health and safety of occupants before occupancy and any deficiencies must be corrected not later than six months after the transfer is made to the owner. The construction inspector must inspect the housing unit again at project completion. The housing unit must meet written rehabilitation standards and local codes and ordinances at project completion within two years of property transfer to the owner. **B1**
 - 2) The County's Housing Rehabilitation Guidelines will be adhered to.
- D. Housing unit size shall be sufficient to meet the needs of the homebuyer household, without overcrowding. Generally, this means not more than two persons per bedroom or living room.
- E. Lead Based Paint Hazards: All housing units built prior to 1978 for which HOME funding is anticipated are subject to the requirements of this section 3.2.E. Such homes must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. HOME general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these programs may incorporate the costs into the calculation of Program assistance. The HOME Homebuyer Program Lead Compliance Checklist will be included in all Home buyer files to provide documentation that lead-based paint requirements have been met. **A2**

Grants of up to \$7,500 will be provided for the cost of lead hazard evaluation and reduction activities. Eligible costs under the grant are limited to the additional cost of paint stabilization above the cost of any normal paint repairs. Grants will only be available when proposed paint stabilization measures do not add value to the house.

The following requirements must be met:

A2

- 1) **Notification:** a) Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given a copy of and asked to read the EPA pamphlet "*Protect Your family From Lead in Your Home*". (EPA 747-K-94-001, **September 2001**) A signed receipt of the pamphlet will be kept in the County's homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Attachment J).

- 2) **Disclosure:** Prior to the homebuyer's obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment F), "Seller's Lead-based Paint Disclosure" notice must be provided by the seller to the homebuyer.
- 3) **Inspections:** The Inspector shall conduct a "Visual Assessment" of all the dwelling unit's painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
- 4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the Program Operator shall obtain copies of the contractor's and workers' appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.
- 5) **Purchase Contract Contingency Language:** Before a homebuyer is obligated under any contract to purchase a pre-1978 housing unit, the seller shall permit the homebuyer a 10-day period (unless the parties mutually agree, in writing, upon a different period of time) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. Attachment F will be completed in conjunction with the purchase contract signed by the buyer and seller.

A homebuyer may waive the opportunity to conduct the risk assessment or inspection by so indicating in writing, such as in Attachment F, item (e) (ii). In this case the purchase contract contingency language is not required.

- F. The Program Operator will: 1) confirm that the housing unit is within the eligible area, and 2) will review each proposed housing unit to ensure that it meets all eligibility criteria before funding.

3.3 ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE B2

Eligible homes will be those that are currently owner occupied or have been vacant for 90 days prior to the acceptance of a contract to purchase. It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families. However, if tenant occupied homes are included in the Program and relocation becomes necessary, the activity will be carried out in compliance with County's relocation plan which describes how those permanently displaced will be relocated and paid benefits in accordance with the following Federal laws.

A. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970

The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or program for which HUD financial assistance is provided. Requirements governing real property acquisition are described in Chapter VIII. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps in regard to tenants of housing to be acquired, rehabbed or demolished, including tenants who will not be relocated even temporarily.

B. Section 104(d) of the Housing and Community Development Act of 1974

Section 104 (d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under HOME, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a HOME assisted project, and requires the replacement of low-income housing, which is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

3.4. PROPER NOTIFICATION AND DISCLOSURES

- A. Upon selection of a housing unit, a qualified seller and homebuyer must be given the necessary disclosures for the Program. The homebuyer must have read and signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer and seller. **(See Attachments for disclosures.)**
- B. All owners who wish to sell their housing units must receive an acquisition notice (Attachment H) prior to submission of the homebuyer's original offer. This notice will be included in the contract and must be signed by all owners on title. The disclosure must contain the items listed in 1.3.B. (Required for federally funded Programs.)

4.0. PURCHASE PRICE LIMITS

The purchase price limits for this Program, by number of units in the home, are as follows:

One-family \$440,563; Two-family \$564,015; Three-family \$681,763; Four-family \$847,264.

Attachment C: MAXIMUM PURCHASE PRICE / AFTER REHAB VALUE LIMITS (as of April 3, 2008) *County will update these limits annually as HCD provides new information.

Prior to obtaining a loan from the County, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the “primary loan”).

5.1. QUALIFYING RATIOS

Primary loans underwritten by FHA, USDA Rural Development, Fannie Mae, Freddie Mac, or CalHFA will be acceptable to establish creditworthiness, repayment ability, and dependability of income. *If the primary loans are underwritten by other than the previously mentioned, it will be up to the County to establish the front-and back-end ratios that will be allowable in their program. The ratios are calculated on the borrower’s fixed monthly expenses to the household’s gross monthly income.*

The front-end ratio shall be between 28% and 35% and is the percentage of a borrower’s gross monthly income (before deductions) that would cover the cost of PITI (loan principal and interest payment + property taxes + property insurance).

The back-end ratio shall be between 36% and 48% and is the percentage of a borrower’s gross monthly income that would cover the cost of PITI plus any other monthly debt payments like car or personal loans and credit card debt.

The County will allow the front-end and back-end qualifying ratio guidelines to be somewhat flexible depending on the loan-to-value ratios. The higher the LTV, the more conservative the ratios should be. A qualifying ratio higher than the guidelines may be acceptable if there are compensating factors. Some examples of allowable compensating factors are: 1) the prospective homebuyer has successfully demonstrated that over a minimum 12-month period the ability to pay housing costs equal to or greater than the proposed monthly housing costs for the home to be purchased; 2) the prospective homebuyer is a limited user of credit and they show a history of being able to save money; and 3) there will be no more than a 5% increase in the prospective homebuyer’s housing expense.

5.2. INTEREST RATE

The rate of interest shall be fixed (not an adjustable rate mortgage, ARM) at the current market rate. If “Risk Rates” are applied (an interest rate that reflects the primary lender’s loan risk) each loan shall be evaluated by the County on a case by case basis.

The current market rate must be evidenced by the Effective Rate plus 50 basis points listed in the Federal Housing Finance Board’s most recent Monthly Interest Rate Survey for the San Francisco District and no temporary interest rate buy-downs are permitted.

5.3. LOAN TERM

The primary loan shall be fully amortized and have a term “all due and payable” in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

5.4. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

6.0. THE PROGRAM LOAN

6.1. A. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE A4, A7, B5

The amount of Program assistance to a homebuyer toward purchase of a home shall not exceed \$80,000. Any approved “grant” amount for lead-based paint evaluation and reduction activities or for closing costs shall be included in this amount.

The following HOME subsidy limits (updated each year by HUD) control the amount of HOME Program assistance that may be provided to a Program homebuyer. The loan amount may be lower than the County’s HUD-published limits.

Attachment D: HOME SUBSIDY LIMITS PER UNIT – SECTION 221(d) (3)

6.2. B. NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs may be included in the Program loan.

6.3. C. AFFORDABILITY PARAMETERS FOR BUYERS B8

The actual amount of a buyer’s Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.1. Each borrower shall receive only the subsidy needed to allow them to become homeowners (“the Gap”) while keeping their housing costs affordable. The primary lender will use the “front-end ratio” of housing-expense-to-income to determining the amount of the primary loan and, ultimately, the Program subsidy amount required, bridging the gap between the purchase price (less down payment) and the amount of the primary loan.

6.4. D. RATE AND TERMS FOR PROGRAM LOANS B9

The second mortgage will be financed as a three percent (3%) interest 30 year deferred payment loan. The interest on the second mortgage will, starting at year twenty-one of the loan term, be decreased by 10% per year until all interest is fully forgiven at year 30 and only the principle remains as due and payable. This will encourage homebuyers to use the unit as their primary residence for as long as possible.

Loans are due upon sale or transfer of title or when borrower no longer occupies the home as his/her principle residence. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes.

6.5. E. LOAN TO VALUE RATIO

The loan-to-value ratio when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the sales price plus a maximum of up to 5 percent of the sales price to cover actual closing costs. The County may consider assisting a family where the property is over encumbered, if the first lender is in agreement, and proper compensating factors, such as an appraised value in excess of the combined loan amounts, are documented.

7.0. F. PROGRAM LOAN REPAYMENT

The interest on the second mortgage will, starting in year twenty-one of the loan, be decreased by 10% per year until all interest is fully forgiven at year 30 and only the principle remains as due and payable. This will encourage homebuyers to use the unit as their primary residence for as long as possible.

7.1. G. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time, upon notification to and approval of the County.

7.2. RECEIVING LOAN PAYMENTS

A. Program loan payments will be made to:

COUNTY OF EL DORADO
DEPARTMENT OF HUMAN SERVICES
937 SPRING STREET
PLACERVILLE, CA 95667
ATTN: HOUSING PROGRAMS

B. The County will be the receiver of loan payments or recapture funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the County's Program Income Account, as required. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to El Dorado County. The County may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

B7

7.3. DUE UPON SALE OR TRANSFER

B4

- A. Loans are due upon sale or transfer of title (unless assumable as in B below) or when borrower no longer occupies the home as his/her principal residence or upon the loan maturity date. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes. See Attachment E on loan defaults for further information on property restrictions.

Owner occupants will be required to submit to the County between January 1 and the 15 of each year for the term of the loan:

1. Proof of occupancy in the form of a copy of a current utility bill.
2. Statement of unit's continued use as a primary residence.
3. Declaration that other titleholders do not reside on the premises.

- B. Program loans may or may not be assumable according to the HCD program and the loan documents. This will be determined on a case-by-case basis.

7.4. LOAN SERVICING POLICIES AND PROCEDURES

See Attachment E for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

7.5. LOAN MONITORING PROCEDURES

The County will monitor Borrowers and their housing units to ensure adherence to Program requirements including, but not limited to, the following:

- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans
- E. General upkeep of housing units

8.0. PROGRAM LOAN PROCESSING AND APPROVAL

- A. Loan Processing

All homebuyers or their representatives will be sent out an eligibility packet with all the necessary forms, disclosures, information, and application. They should submit a complete application packet with all the County's Program loan documents executed as well as all the information from the Primary Lender. The Primary Lender should submit: 1) accepted property sales contract with proper seller notification; 2) mortgage application with good faith estimates and first mortgage disclosures; 3) full

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mortgage credit report and rent verification; 4) current third party income verifications and verifications of assets; 5) homeownership education certificate, if applicable. Program staff will work with local lenders to ensure qualified participants receive only the benefit from the County's Program needed to purchase the housing unit and that leveraged funds will be used when possible, for example in many cases the Primary Lender will not require mortgage insurance with the County's second in place which will save on the homebuyer's monthly payment.

B. Credit worthiness

Qualifying ratios are only a rough guideline in determining a potential borrower's credit-worthiness. Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the County and documentation of such maintained in the loan file. The County may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

C. Documents from Primary Lender

After initial review of the qualified homebuyer's application packet, the Program Operator will request any additional documents needed. Documents may be faxed but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the Program Operator will do an income certification (using most recent HCD program's guidance on income calculation and determination), and homebuyer certification (review of credit report and income taxes). Documentation of affordability will then be verified and subsidy requirement determined.

D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios with and without Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contract will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit report and income/asset verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN

Once the loan approval package has been completed the County will submit it to the Loan Review Committee for approval. The Committee will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow is set and Program funds are accessed for the homebuyer.

8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) sign both promissory notes, deeds of trust, and statutory lending notices (right of rescission, truth in lending, etcetera); the deeds of trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of notice of default are also recorded with the County Clerk/Recorder.

8.3. ESCROW PROCEDURES

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined only by physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

9.0. SUBORDINATE FINANCING

With today's high costs, in order for a low-income household to obtain a home, several funding sources might be required. Subordinate loans may be used to cover mortgage subsidy costs that exceed the Program maximum loan amount. All subordinate liens must have the payments deferred and the term must be for at least as long as the term of the Program loan.

10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

10.1. DEFINITION OF EXCEPTION

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

10.2. PROCEDURE FOR EXCEPTIONAL CIRCUMSTANCES

- A. The County or its agent may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the County's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Loan Review Committee shall make a determination of the exception based on the recommendation of the County.

11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Any applicant denied assistance from the Program has the right to appeal. The appeal must be made in writing as per the attached Program Grievance Procedure. The County has 30 days to review the appeal, seek recommendations from the loan committee or the Board of Supervisors and respond in writing to the applicant.

ATTACHMENT A

24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the Code of Federal Regulations.

General Category	Statement from 24 CFR 5.609 paragraph (b) (April 1, 1998)
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except as provided in number 14 of Income Exclusions).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance	Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

Part 5 exclusions

This table presents the Part 5 income exclusions as stated in the Code of Federal Regulations.

General Category	Statement from 24 CFR 5.609 paragraph (c) (April 1, 1998)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.

5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
7. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
8. Self-Sufficiency Program Income	<ol style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and that are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend (as defined in 24 CFR 5.609(c)(8)(iv)). e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
9. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
10. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
11. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
12. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
13. Family Support Act Income	For public housing only, the earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 22 of the 1937 Act (43 U.S.C. 1437t), or any comparable federal, state or local law during the exclusion period.
14. Social Security & SSI Income	Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	<p>Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609(c) apply, including:</p> <ul style="list-style-type: none"> ▶ The value of the allotment made under the Food Stamp Act of 1977; ▶ Payments received under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); ▶ Payments received under the Alaskan Native Claims Settlement Act; ▶ Payments from the disposal of funds of the Grand River Band of Ottawa Indians; ▶ Payments from certain sub marginal U.S. land held in trust for certain Indian tribes; ▶ Payments, rebates or credits received under Federal Low-Income Home Energy Assistance Programs (includes any winter differentials given to the elderly); ▶ Payments received under the Main Indian Claims Settlement Act of 1980 (Pub. L. 96-420, 92 Stat. 1785); ▶ The first \$2,000 of per capita shares received from judgments awarded by the Indian Claims Commission or the Court of Claims or from funds the Secretary of Interior holds in trust for an

	<p>Indian tribe;</p> <ul style="list-style-type: none">▶ Amounts of scholarships funded under Title IV of the Higher Education act of 1965, including awards under the Federal work -study program or under the Bureau of Indian Affairs student assistance programs, or veterans benefits;▶ Payments received under Title V of the Older Americans Act (Green Thumb, Senior Aides, Older American Community Service Employment Program);▶ Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);▶ Earned income tax credit;▶ The value of any child care provided or reimbursed under the Child Care and Development Block Grant Act of 1990; and▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for native Americans and migrant and seasonal farm workers, Job Corps, veteran's employment programs, State job training programs and career intern programs).
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ATTACHMENT B
PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the Code of Federal Regulations.

Statements from 24 CFR Part 5 - April 1, 1998

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).

7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT C
MAXIMUM PURCHASE PRICE / AFTER REHAB VALUE LIMITS
(April 3, 2008)

County Name	One-Family	Two-Family	Three-Family	Four-Family	Last Updated
Alameda County	\$612,750	\$784,452	\$948,220	\$1,178,405	4/3/2008
Alpine County	\$415,625	\$532,090	\$643,172	\$799,306	4/3/2008
Amador County	\$337,250	\$431,753	\$521,888	\$648,579	4/3/2008
Butte County	\$304,000	\$389,186	\$470,435	\$584,635	4/3/2008
Calaveras County	\$362,790	\$449,996	\$543,940	\$675,984	4/3/2008
Colusa County	\$302,100	\$386,753	\$467,494	\$580,981	4/3/2008
Contra Costa County	\$567,150	\$726,074	\$877,654	\$1,090,710	4/3/2008
Del Norte County	\$236,550	\$302,835	\$366,057	\$454,919	4/3/2008
El Dorado County	\$440,563	\$564,015	\$681,763	\$847,264	4/3/2008
Fresno County	\$289,750	\$370,943	\$448,383	\$557,230	4/3/2008
Glenn County	\$218,250	\$279,119	\$337,390	\$419,293	4/3/2008
Humboldt County	\$299,250	\$383,105	\$463,084	\$575,500	4/3/2008
Imperial County	\$247,000	\$316,213	\$382,228	\$475,016	4/3/2008
Inyo County	\$362,790	\$425,672	\$514,538	\$639,445	4/3/2008
Kern County	\$280,250	\$358,780	\$433,682	\$538,960	4/3/2008
Kings County	\$247,000	\$316,213	\$382,228	\$475,016	4/3/2008
Lake County	\$304,950	\$390,402	\$471,905	\$586,462	4/3/2008
Lassen County	\$216,600	\$277,295	\$335,185	\$416,552	4/3/2008
Los Angeles County	\$531,050	\$679,859	\$821,790	\$1,021,284	4/3/2008
Madera County	\$323,000	\$413,510	\$499,837	\$621,175	4/3/2008
Marin County	\$945,250	\$1,210,124	\$1,462,757	\$1,817,850	4/3/2008
Mariposa County	\$312,895	\$400,573	\$484,199	\$601,741	4/3/2008
Mendocino County	\$389,500	\$498,644	\$602,744	\$749,064	4/3/2008
Merced County	\$358,383	\$458,807	\$554,591	\$689,221	4/3/2008
Modoc County	\$200,160	\$256,248	\$309,744	\$384,936	4/3/2008
Mono County	\$362,790	\$464,449	\$561,411	\$697,696	4/3/2008
Monterey County	\$569,050	\$728,507	\$880,595	\$1,094,364	4/3/2008
Napa County	\$584,250	\$747,966	\$904,116	\$1,123,595	4/3/2008

**ATTACHMENT C
MAXIMUM PURCHASE PRICE / AFTER REHAB VALUE LIMITS
(April 3, 2008)**

County Name	One-Family	Two-Family	Three-Family	Four-Family	Last Updated
Nevada County	\$427,500	\$547,292	\$661,549	\$822,143	4/3/2008
Orange County	\$674,500	\$863,506	\$1,043,777	\$1,297,159	4/3/2008
Placer County	\$412,300	\$527,833	\$638,027	\$792,911	4/3/2008
Plumas County	\$311,600	\$398,915	\$482,195	\$599,251	4/3/2008
Riverside County	\$380,000	\$486,482	\$588,043	\$730,794	4/3/2008
Sacramento County	\$362,790	\$446,190	\$542,100	\$625,500	4/3/2008
San Benito County	\$551,000	\$705,399	\$852,663	\$1,059,651	4/3/2008
San Bernardino County	\$362,790	\$441,482	\$533,649	\$663,195	4/3/2008
San Diego County	\$530,100	\$678,642	\$820,320	\$1,019,457	4/3/2008
San Francisco County	\$812,250	\$1,039,855	\$1,256,942	\$1,562,072	4/3/2008
San Joaquin County	\$371,450	\$475,536	\$574,812	\$714,351	4/3/2008
San Luis Obispo County	\$522,500	\$668,913	\$808,559	\$1,004,841	4/3/2008
San Mateo County	\$807,500	\$1,033,774	\$1,249,592	\$1,552,937	4/3/2008
Santa Barbara County	\$584,250	\$747,966	\$904,116	\$1,123,595	4/3/2008
Santa Clara County	\$750,500	\$960,802	\$1,161,385	\$1,443,318	4/3/2008
Santa Cruz County	\$683,050	\$874,451	\$1,057,008	\$1,313,602	4/3/2008
Shasta County	\$321,955	\$412,172	\$498,220	\$619,165	4/3/2008
Sierra County	\$216,125	\$276,687	\$334,450	\$415,639	4/3/2008
Siskiyou County	\$223,250	\$285,808	\$345,475	\$429,341	4/3/2008
Solano County	\$423,700	\$542,427	\$655,668	\$814,835	4/3/2008
Sonoma County	\$503,500	\$644,589	\$779,157	\$968,302	4/3/2008
Stanislaus County	\$362,790	\$412,293	\$498,367	\$619,348	4/3/2008
Sutter County	\$322,757	\$413,198	\$499,460	\$620,707	4/3/2008
Tehama County	\$237,500	\$304,051	\$367,527	\$456,746	4/3/2008
Trinity County	\$200,160	\$256,248	\$309,744	\$384,936	4/3/2008
Tulare County	\$247,000	\$316,213	\$382,228	\$475,016	4/3/2008
Tuolumne County	\$332,500	\$425,672	\$514,538	\$639,445	4/3/2008
Ventura County	\$569,050	\$728,507	\$880,595	\$1,094,364	4/3/2008

**ATTACHMENT C
 MAXIMUM PURCHASE PRICE / AFTER REHAB VALUE LIMITS
 (April 3, 2008)**

County Name	One-Family	Two-Family	Three-Family	Four-Family	Last Updated
Yolo County	\$384,750	\$492,563	\$595,394	\$739,929	4/3/2008
Yuba County	\$322,757	\$413,198	\$499,460	\$620,707	4/3/2008

ATTACHMENT D

HOME SUBSIDY LIMITS PER UNIT – SECTION 221(d) (3)

(All limits are effective 5/28/08 except those which are highlighted and were effective 1/1/08)

COUNTY NAME	O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
ALAMEDA	\$133,250	\$152,746	\$185,739	\$240,285	\$263,760
ALPINE	\$131,216	\$150,414	\$182,903	\$236,616	\$259,733
AMADOR	\$131,216	\$150,414	\$182,903	\$236,616	\$259,733
BUTTE	\$128,164	\$146,916	\$178,650	\$231,114	\$253,693
CALAVERAS	\$125,621	\$144,001	\$175,105	\$226,528	\$248,659
COLUSA	\$129,181	\$148,082	\$180,068	\$232,948	\$255,706
CONTRA COSTA	\$132,233	\$151,580	\$184,321	\$238,451	\$261,747
DEL NORTE	\$125,113	\$143,418	\$174,396	\$225,611	\$247,653
EL DORADO (NOT INCLUDING LAKE TAHOE AREA)	\$134,776	\$154,495	\$187,866	\$243,036	\$266,780
FRESNO	\$119,010	\$136,422	\$165,889	\$214,606	\$235,572
GLENN	\$129,181	\$148,082	\$180,068	\$232,948	\$255,706
HUMBOLDT	\$125,113	\$143,418	\$174,396	\$225,611	\$247,653
IMPERIAL	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
INYO	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
KERN	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
KINGS	\$111,889	\$128,260	\$155,964	\$201,766	\$221,478
LAKE	\$116,975	\$134,090	\$163,053	\$210,937	\$231,545
LASSEN	\$129,181	\$148,082	\$180,068	\$232,948	\$255,706
LOS ANGELES	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
MADERA	\$110,872	\$127,094	\$154,546	\$199,932	\$219,464
MARIN	\$130,199	\$149,248	\$181,486	\$234,782	\$257,720
MARIPOSA	\$111,889	\$128,260	\$155,964	\$201,766	\$221,478
MENDOCINO	\$110,872	\$127,094	\$154,546	\$199,932	\$219,464
MERCED	\$110,872	\$127,094	\$154,546	\$199,932	\$219,464
MODOC	\$129,181	\$148,082	\$180,068	\$232,948	\$255,706
MONO	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
MONTEREY	\$126,130	\$144,584	\$175,814	\$227,445	\$249,666
NAPA	\$124,095	\$142,252	\$172,978	\$223,777	\$245,639
NEVADA	\$130,199	\$149,248	\$181,486	\$234,782	\$257,720
ORANGE	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
PLACER (NOT INCLUDING LAKE TAHOE AREA)	\$132,741	\$152,163	\$185,030	\$239,368	\$262,753
PLUMAS	\$132,741	\$152,163	\$185,030	\$239,368	\$262,753
RIVERSIDE	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
SACRAMENTO	\$137,319	\$157,410	\$191,411	\$247,622	\$271,814
SAN BENITO	\$123,078	\$141,086	\$171,561	\$221,943	\$243,626
SAN BERNARDINO	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612

ATTACHMENT D

HOME SUBSIDY LIMITS PER UNIT – SECTION 221(d) (3)

(All limits are effective 5/28/08 except those which are highlighted and were effective 1/1/08)

COUNTY NAME	O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
SAN DIEGO	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
SAN FRANCISCO	\$137,319	\$157,410	\$191,411	\$247,622	\$271,814
SAN JOAQUIN	\$134,776	\$154,495	\$187,866	\$243,036	\$266,780
SAN LUIS OBISPO	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
SAN MATEO	\$131,216	\$150,414	\$182,903	\$236,616	\$259,733
SANTA BARBARA	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
SANTA CLARA (NOT INCLUDING SAN JOSE)	\$130,199	\$149,248	\$181,486	\$234,782	\$257,720
SAN JOSE (CITY OF)	\$133,250	\$152,746	\$185,739	\$240,285	\$263,760
SANTA CRUZ	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
SHASTA	\$137,319	\$157,410	\$191,411	\$247,622	\$271,814
SIERRA	\$129,181	\$148,082	\$180,068	\$232,948	\$255,706
SISKIYOU	\$137,319	\$157,410	\$191,411	\$247,622	\$271,814
SOLANO	\$125,113	\$143,418	\$174,396	\$225,611	\$247,653
SONOMA	\$123,078	\$141,086	\$171,561	\$221,943	\$243,626
LAKE TAHOE AREA*	\$137,319	\$157,410	\$191,411	\$247,622	\$271,814
STANISLAUS	\$111,889	\$128,260	\$155,964	\$201,766	\$221,478
SUTTER	\$128,164	\$146,916	\$178,650	\$231,114	\$253,693
TEHAMA	\$137,319	\$157,410	\$191,411	\$247,622	\$271,814
TRINITY	\$137,319	\$157,410	\$191,411	\$247,622	\$271,814
TULARE	\$111,889	\$128,260	\$155,964	\$201,766	\$221,478
TUOLUMNE	\$125,621	\$144,001	\$175,105	\$226,528	\$248,659
VENTURA	\$122,061	\$139,920	\$170,143	\$220,108	\$241,612
YOLO	\$128,164	\$146,916	\$178,650	\$231,114	\$253,693
YUBA	\$125,621	\$ 144,001	\$175,105	\$226,528	\$248,659

*Lake Tahoe Area is defined as all areas (within California) that are under the jurisdiction of the Tahoe Regional Planning Agency (TRPA).

Attachment E

LOAN SERVICING POLICIES AND PROCEDURES for El Dorado County

The County of El Dorado, here after called “Lender” has adopted these policies and procedures in order to preserve its financial interest in properties, who’s “Borrowers” have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the follow areas: 1) making required monthly payments or voluntary payments on a loan’s principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under Notes, which are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly date.

For Notes, which are deferred payment loans; the Lender may accept voluntary payments on the loan. Loan payments will be credited to the interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

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As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee in first position or additional insured if the loan is a junior lien. If borrower fails to maintain the necessary insurance, the Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance.

When a property is located in a 100 year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance will be required at close of escrow. The lender may verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes

and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On some owner occupant loans the Lender may require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. Other loans may have income and housing cost evaluations, which require a household to document that they are not able to make repayments, typically every five years. These loan terms are incorporated in the original note and deed of trust.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases the Borrower may move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to low-income households (below 80 percent of AMI).

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Lender's Loan Committee (depends on the HCD program).

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is in the TIG. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Lender allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the Lender. The Lender will only subordinate their loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third party debt pay offs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the household with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non payment; 2) lack of insurance or property tax payment; 3) violation of rent limitation agreement; 4) change in title or use without approval; 5) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have sufficient

funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

Lender as Senior Lien holder

When the Lender is first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private lender and pay off the Lender?
- 3) Can the Borrower sell the property and pay off the Lender?
- 4) Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- 5) Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the Lender of all required documentation to

initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

Attachment F
SELLERS LEAD-BASED PAINT DISCLOSURE
Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

- (ii) ___ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) ___ Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).

- (ii) ___ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) ___ Purchaser has received copies of all information listed above.
- (d) ___ Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.
- (e) ___ Purchaser has (check (i) or (ii) below):
- (i) ___ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- (ii) ___ waived the opportunity to conduct a risk assessment or inspection for the presence of Lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) ___ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____	_____	_____	_____
Seller	Date	Seller	Date
_____	_____	_____	_____
Purchaser	Date	Purchaser	Date
_____	_____	_____	_____
Agent	Date	Agent	Date

Attachment G

Homebuyer Assistance Program

Sample Lead-Based Paint Contract Contingency Language

This contract is contingent upon a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards at the Purchaser's expense until 9 p.m. on the tenth calendar-day after ratification. This ending date is: _____. [Insert date 10 days after contract ratification or a date mutually agreed upon]. (Intact lead-based paint that is in good condition is not necessarily a hazard. See the EPA pamphlet "Protect Your Family From Lead in Your Home" for more information.)

This contingency will terminate at the above predetermined deadline unless the Purchaser (or Purchaser's agent) delivers to the Seller (or Seller's agent) a written contract addendum listing the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report.

The Seller may, at the Seller's option, within _____ days after Delivery of the addendum, elect in writing whether to correct the condition(s) prior to settlement. If the Seller will correct the condition, the Seller shall furnish the Purchaser with certification from a risk assessor or inspector demonstrating that the condition has been remedied before the date of the settlement. If the Seller does not elect to make the repairs, or if the Seller makes a counteroffer, the Purchaser shall have _____ days to respond to the counter-offer or remove this contingency and take the property in "as is" condition or this contract shall become void. The Purchaser may remove this contingency at any time without cause.

Seller Name: _____ Date: _____

Purchaser: _____ Date: _____

Property Address: _____

Attachment H

Disclosure to Seller with Voluntary, Arm's Length Purchase Offer

DECLARATION

This is to inform you that (name of buyers) _____ would like to purchase the property, located at (address) _____, if a satisfactory agreement can be reached. We are prepared to pay \$ _____ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the buyer, _____, thru the agency, El Dorado County will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the County of El Dorado will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$ _____ and was estimated by _____, to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms length, transaction you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at: _____ . If you have any questions about this matter, please contact _____ at _____ .

Sincerely,

Title

Buyer

Date

Buyer

Date

Form continues on next page with Seller's Acknowledgment

Disclosure to Seller with Voluntary, Arm's Length Purchase Offer (Page 2)

Acknowledgement

As the Seller I/we understand that the El Dorado County Housing Program's HQS Inspector will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the County's program, the property must be currently owner-occupied, vacant for four months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

Vacant at least 3 months; Owner-occupied; New; or Being Purchased by Occupant

I/we hereby certify that I have read and understand this "Declaration" and a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose to withdraw or not to withdraw, from the Purchase Agreement.

Seller

Date

Seller

Date

Attachment I

EL DORADO COUNTY HUMAN SERVICES DEPARTMENT

INSTRUCTIONS TO HOME BUYER

- A. Participant works with lender of choice to obtain the primary lender's pre-qualification letter.
- B. Participant works with real estate agent to select home. Program disclosures are reviewed with agent for presentation to seller. Preference will be given to vacant or owner occupied homes rather than tenant occupied.
- C. Participant selects home and enters into a purchase contract (contingent upon receiving Program loan approval). Lender provides the Program Operator with a copy of:
 - real estate sales contract
 - residential loan application
 - credit report
 - verified income documentation
 - disclosure statement
 - proof of personal funds for participation in program
 - breakdown of closing costs
 - structural pest control clearance
 - appraisal with photos
 - escrow instructions
 - preliminary title report
- D. Program Operator reviews paper work to determine program eligibility and financing affordability for participant etc.
- E. Program Operator staff meets with qualified applicant to provide information relative to the program requirements, the lending process, and home ownership responsibilities.
- F. Program Operator has home inspected (if necessary) to meet HQS or code compliance (dependent upon the program). Notice of any deficiencies or needed corrections are given to participant's real estate agent, with recommended course of action.
- G. Program Operator requests loan approval from County's Loan Review Committee. Following loan approval, Program Operator prepares Deed of Trust, Promissory Note, Notice of Default, Grant Agreement, Owner Occupant Agreement with County, requests checks and deposits same into escrow.
- H. Escrow company furnishes Program Operator with proof of documents to be recorded, and any escrow close out information. After receipt of recorded loan documents, HUD I, Insurance Loss Payee Certification and Final Title Insurance Policy (Program Operator) closes out the loan file.

**Attachment J
LEAD-BASED PAINT**

VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

Section 1: Background Information			
Property Address:			No LBP found or LBP exempt <input type="checkbox"/>
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found. For multi-family housing, list at least the housing unit numbers and common areas and building components (including type of room or space, and the material underneath the paint).	

Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.	
Date of Presumption Notice:	
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>	
Attachment B: Summary of Presumption: For multi-family housing, list at least the housing unit numbers and common areas, bare soil locations, dust-lead location, and or building components (including type of room or space, and the materials underneath the paint) of lead-based paint and/or hazards presumed to be present.	

Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>	Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:	
Attachment C: Activity locations and types. For multi-family housing, list at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and the types of lead-based paint hazard reduction activities performed at the location listed.	
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.	
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)	

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity		
Printed Name:	Signature:	Date:

Section 6: Contact Information	Organization:	
Contact Name:	Contact Signature:	
Date:	Address:	Phone:

RELOCATION ASSISTANCE PLAN

The County of El Dorado will provide relocation assistance to displaced targeted Income Group households and/or replace all occupied and vacant occupy able Targeted Income Group dwelling units, which are rehabilitated, reconstructed, demolished, or converted to a use other than Targeted Income Group housing as a result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in the Federal Register, 24 CFR 570.496(a), Relocation, Displacement and Acquisition: Final Rule dated July 18, 1990 (Section 104(d)) and 49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition Regulations Final Rule and Notice (URA) dated March 2, 1989.

This project will be implemented in ways consistent with the County's commitment to Fair Housing. Participants will not be discriminated against on the basis of race, color, religion, age, ancestry, national origin, sex, familial status, or handicap. The County will provide equal relocation assistance available 1) to each Targeted Income group household displaced by the demolition or rehabilitation of housing or by the conversion of a Targeted Income Group dwelling to another use as a direct result of assisted activities; and 2) to each separate class of Targeted Income Group persons temporarily relocated as a direct result of CDBG assisted activities.

A. Temporary Relocation during Housing Rehabilitation or Reconstruction

Consistent with the goals and objectives of activities assisted under the Act, the County will take the following steps to minimize the displacement of persons from their homes during housing rehabilitation or reconstruction funded by the State of California's HOME program:

1. Stage rehabilitation of assisted housing to allow owner occupants and/or tenants to remain during rehabilitation.
2. Encourage temporarily displaced owner occupants to move in with family or friends during the course of rehabilitation, since they are voluntarily participating and not entitled to relocation benefits, unless health and safety threats exist, as explained below.
3. Encourage owner investors to relocate tenants to available vacant units during the course of rehabilitation or pay expenses on behalf of replaced tenants.
4. Required owner investors who participate in assisted rehabilitation to agree to continue to rent to Targeted Income Group tenant and agree to rent limitations, for a period of at least five years.

ATTACHMENT K

5. Provide counseling and referral services to assist displaced persons to find alternate housing in the neighborhood.
6. Work with area landlords, real estate brokers, and/or hotel/motel management to locate vacancies for households facing displacement.
7. When necessary, use public funds, such as HOME funds, to pay moving costs and provide relocation payments to households displaced by assisted activities.

B. Temporary Relocation of Residential Tenants.

If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public, or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. Determination of the need for temporary relocation period will not exceed 90 days. All conditions of temporary relocation will be reasonable. Any tenant required to relocate temporarily will be helped to find another place to live which is safe, sanitary and of comparable value. He or she may move in with family and friends and still receive full or partial temporary assistance. A tenant receiving temporary relocation shall receive the following:

- Increased housing costs (e.g. rent increase, security deposits) and
- Payment for moving and related expenses, as follows:
 - Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
 - Packing, crating, unpacking, and uncrating of personal property;
 - Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
 - Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
 - Insurance for the replacement value of personal property in connection with the move and necessary storage;

ATTACHMENT K

- The replacement value of property lost, stolen or damaged in the process of moving (not through the fault of the displaced person, his or her agent or employee) where insurance covering such loss, theft or damage is not reasonably available.
- Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
- Any costs of credit checks required to rent the replacement dwelling;
- Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - Interest on a loan to cover moving expenses; or
 - Personal injury; or
 - Any legal fees or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
 - Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

C. Temporary Relocation of Owner Occupied

Since all rehabilitation work for owner occupants is voluntary, an owner occupant may only be eligible for temporary relocation benefits when his or her residential unit is approved for reconstruction or during rehabilitation that would endanger the health and safety of occupants if they remained in the house during rehabilitation. Determination of the need for temporary relocation will be made by the program administrator or construction supervisor. Allowable temporary relocation expenses are the same as those listed above for tenants.

D. Displacement Activities Required Long-term Relocation Assistance

Persons displaced by project assisted in whole or in part with funds provided under the Housing and Community Development Act of 1974, as amended, are eligible for permanent relocation assistance and benefits under either section 104(d) or URA, depending on which relocation assistance regulations are applicable. persons within the Targeted Income Group are eligible to receive assistance and benefits under section 104(d) and have the option of choosing benefits under URA. Persons who are outside the Targeted Income Group may receive assistance and benefits only under URA. There is no income or need criterion. However, the County's HOME funded residential

ATTACHMENT K

rehabilitation program is targeted to low- and very low-income household's only and temporary relocation will be needed.

All replacement housing will be provided within three years of the commencement of the demolition or conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the County will make public and submit to the California Department of Housing and Community Development the following information in writing:

- A description of the proposed assisted activity;
- The location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than Targeted Income Group dwelling units as a direct result of the assisted activity;
- A time schedule for the commencement and completion of the demolition or conversion;
- The location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units. If such data are not available at the time of the general submission, the county will identify the general location on an area map and the approximate number of dwelling units by size and provide information identifying the specific location and number of dwelling units by size as soon as it is available;
- The source of funding and a time schedule for the provision of replacement dwelling units;
- The basis for concluding that each replacement dwelling unit will remain a Targeted Income Group dwelling unit for at least 10 years from the date of initial occupancy; and
- Information demonstration that any proposed replacement of dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units) is consistent with the housing needs of Targeted Income Group households in the county.

The County of El Dorado is responsible for tracking the replacement of housing and ensuring that it is provided within the required period. The County is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in §570.496, to any Targeted Income Group displaced by the demolition of any dwelling unit or the conversion of a targeted income group dwelling unit to another use in connection with an assisted activity.

ATTACHMENT K

E. Recordkeeping

The County will maintain records of occupants of federally funded rehabilitated, reconstructed or demolished property from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable program regulations. Appropriate advisory services will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling. Notices shall be written in plain, understandable language. Persons who are unable to read and understand the notice (e.g., illiterate, foreign language, or impaired vision or other disability) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. The Advisory Notices to be provided are as follows:

- General Information Notice: As soon as feasible when an owner investor is applying for federal financing for rehabilitation, reconstruction, or demolition, the tenant of a housing unit will be mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy his or her present house (or another owned by the owner investor) upon completion of rehabilitation. The tenant will be informed that rent after rehabilitation will not exceed current rent or 30 percent of his or her average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that rehabilitation can be completed, suitable housing will be made available and he or she will be reimbursed for all reasonable extra expenses. The tenant will be cautioned that he or she will not be provided relocation assistance if he or she decides to move for personal reasons.
- Notice at Time of “Initiation of Negotiations”: As soon as feasible when the rehabilitation application has been approved, the tenant of a housing unit scheduled for rehabilitation, reconstruction, or demolition will be informed of the Initiation of Negotiations and again informed of the above reasonable terms and conditions under which the person may lease and occupy the property upon completion of the project. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance.
- Notice for Persons to be displaced: After a comparable replacement dwelling has been made available, the tenant will be given a 90 day advance written notice of the earliest date he or she may be required to move. If the tenant’s continued occupancy of the property would constitute a substantial danger to health or safety, less than 90 days’ advance notice may be provided. Justification of such an urgent need will be documented in the participant’s job file. Another instance where the 90-day notice is not required is if the tenant makes an informed decision to relocate and vacates the property without prior notice.



EL DORADO COUNTY
DEPARTMENT OF HUMAN SERVICES
Doug Nowka, Director

Subject: Program Grievance Resolution

Dear Borrower:

Thank you for applying for a first time homebuyer loan through the El Dorado County Housing Acquisition Loan Program. We appreciate your business! Once your completed application has been received it will be reviewed and prepared for submission to the Loan Review Committee. The Committee will determine final applicant eligibility.

Once the Loan Review Committee makes a determination you, the applicant, will be notified in writing of this decision. The notification will include confirmation that your application has been either approved or denied. Should your application be approved, the loan amount and terms will also be included in the notice. A denial notification will include the specific reason for denial.

Any applicant denied assistance from the Program has the right to appeal. An appeal should include a statement explaining your reason for appeal. The appeal must be made in writing to:

El Dorado County
Department of Human Services
937 Spring Street
Placerville, CA 95667
Attn: Joyce Aldrich

El Dorado County has 30 days to review the appeal, seek recommendations from the Loan Review Committee or County Counsel, and respond in writing to the applicant.

If you are unable to reach an acceptable resolution with the County, you have a right to submit your appeal to the U.S. Department of Housing and Urban Development and/or to the Department of Fair Employment and Housing. This appeal must be made in writing to:

U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing
and Equal Opportunity
Washington, D.C. 20410

Department of Fair Employment
and Housing
2000 O Street, #120
Sacramento, CA 95814-5212

Applicant _____ Date _____

Applicant _____ Date _____

MARKETING PLAN

Planned Use of HOME funds:

El Dorado County First-time Homebuyer program provides opportunities for families to reach the American Dream of owning their first home. El Dorado County Human Services has provided this program since 2003 under the Community Development Block Grant Program serving more than 16 families in reaching their dream of becoming a home owner.

Plan for Community-wide Marketing:

A5

El Dorado County has developed a First Time Home Buyer's Program Brochure that is distributed to the County agencies including the Library's, Development Services, Board of Supervisors, and Social Services Division. Additional outreach efforts include the Builder's Exchange, and participants to the Housing Choice Voucher Family Self-Sufficiency program. As part of the outreach effort already in place, the Brochure for the Mobile Home Taskforce will be updated to include information pertaining to the First Time Home Buyer's Program for those families seeking to purchase a home.

Additionally, the program is marketed on a semi-annual basis in the local newspapers including the Mountain Democrat, Tahoe Tribune, Georgetown Gazette, and Village Life.

Homeownership Club

A10

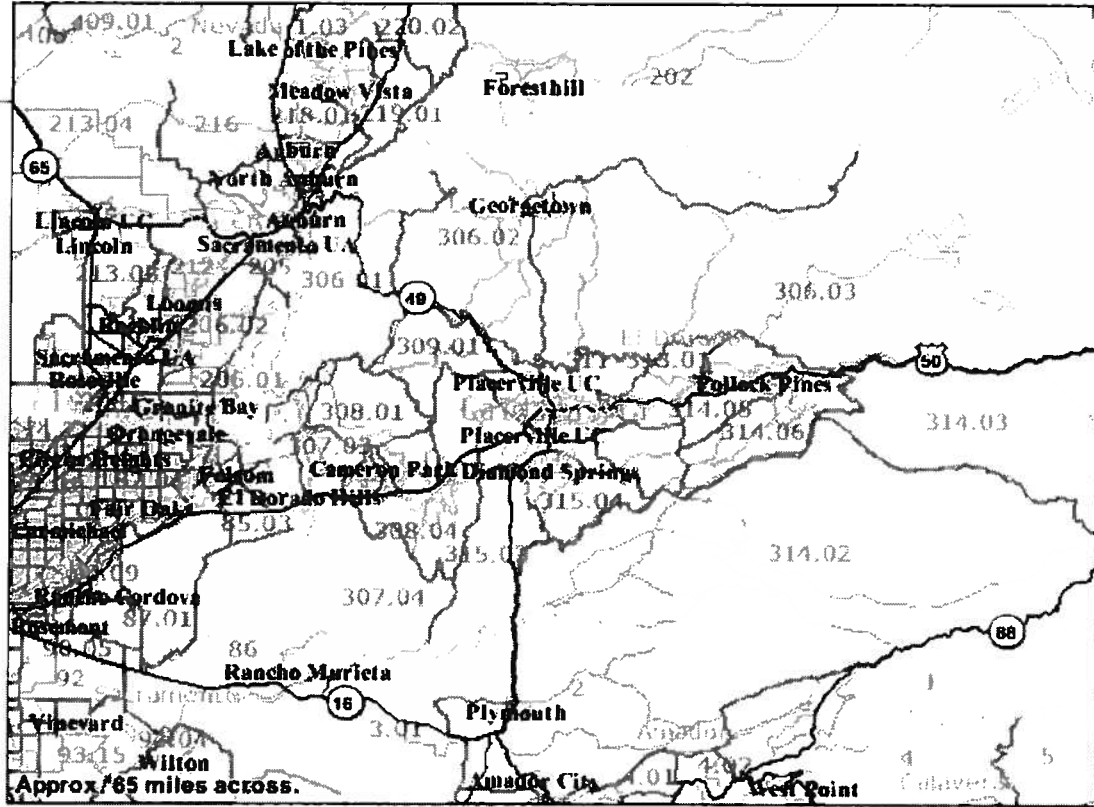
El Dorado County provides a Homeownership Club to Family Self Sufficiency and potential first-time home buyers as part of the process to educate first-time homebuyers regarding various aspects of purchasing and maintaining a home. The Homeownership Club consists of 6 classes over a 12 month period. Once a family applies to the First-time homebuyer waiting list, they are provided the information to join the Homeownership Club. Homebuyer education shall be provided to all homebuyers receiving HOME funds for mortgage assistance.

The course curriculum consists of preparation for homeownership; available financing and building your credit; budget management, maintenance of your home, deferred maintenance, housing rehabilitation program opportunities, and landscaping and maintaining the exterior of your home. The program will add the impact of refinancing on the long-term financial health of the homebuyer to ensure compliance with HOME State Regulations 8207.1.

U.S. Census Bureau American FactFinder

Legend

- Boundaries**
- State
 - '00 County
 - '00 Census Tract
 - '00 Block Group
 - '00 Place
 - '00 Place
 - '00 Urban Area
 - '00 Urban Area
- Features**
- Major Road
 - Stream/Waterbody
 - Stream/Waterbody
- Items in text are not visible at this zoom level



HOME Owner Occupied Housing Rehabilitation

PROGRAM GUIDELINES

I. APPLICANT ELIGIBILITY

A. Conflict of Interest

A3

In accordance with Title 24, Section 570.611 of the code of Federal Regulations, no member of the governing body of the locality and no other official, employee, or agent of the County of El Dorado who exercises policy, decision-making functions (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies), or responsibilities in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program, unless the application for assistance has been reviewed and approved according to applicable California Department of Housing and Community Development (HCD) guidelines. This ineligibility shall continue for one year after an individual's relationship with the County ends.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. (Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by the Construction Supervisor to be part of the scope of work. Owner/builders are not reimbursed for labor.)

B. Eligible Property Owners

1. Owner Occupant – To be eligible, household income must be equal to, or less than, the applicable HCD income guidelines. Owner will be required to provide income documentation. (See attached Annual Household Income Definition/Income Limits). All persons in the residence are considered household members for the purpose of income eligibility.

2. The property owner must occupy the property as his or her principal residence. **D1**
All persons in residence are considered household members for purposes of income eligibility. **A9**

C. Occupancy

B2

No unit to be rehabilitated will be eligible if it is currently occupied by an HCD ineligible household. Assisted units must be owner-occupied.

D. Fair Housing

A8

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The County will

HOME Owner Occupied Housing Rehabilitation

ensure that all persons, including those qualified individuals with handicaps have access to the Program.

1. The Fair Housing Lender logo will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. (For HOME, the Sponsor shall develop a Fair Housing Marketing Plan prior to project set up). Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.
2. The Program Operator will work closely with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.
3. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The County should take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

E. Temporary Relocation

1. Owner occupants will be informed of their eligibility for temporary relocation benefits if occupancy during rehabilitation constitutes a danger to health and safety or public danger or is otherwise undesirable because of the nature of the project. Relocated home owners will receive increased housing costs, payment for moving and related and appropriate advisory services, as detailed in the County of El Dorado's "Residential Anti-displacement and Relocation Assistance Plan," attached to these guidelines.
2. Owner occupants are not eligible for temporary relocation benefits, unless health and safety threats are determined to exist by the project coordinator/construction supervisor.

II. **PROPERTY ELIGIBILITY**

A. Location

Units to be rehabilitated must be located within the unincorporated areas of El Dorado County.

HOME Owner Occupied Housing Rehabilitation

B. Rehabilitation Standards

All repair work will meet Uniform Building Code standards. The priority will be the elimination of health and safety hazards. Upon completion of rehabilitation work all units must meet, at a minimum, Housing and Urban Development Housing Quality Standards.

C. Property Investments

All improvements must be physically attached to the property and permanent in nature. General property improvement and luxury items are not permitted.

III. FINANCING

A. Owner Occupant

A4

1. Limits – An eligible owner may qualify for the full cost of the rehabilitation work needed to comply with Uniform Building Code standards. Maximum assistance with HOME funds is based on HOME Program subsidy limits Section 221(d) (3). Total indebtedness against property will not exceed 95 percent of after rehabilitation value. Rehabilitation costs for HOME funded jobs may be supplemented with personal finances or with other loan or grant programs, which are sources of leverage for the County. The maximum amount of rehabilitation loan funds available to first-time homebuyers cannot exceed \$10,000.

2. Types of Financing and Terms

B7

a. Deferred Payment Loans (DPL) – Interest bearing loan at 3% simple interest for a term of thirty (30) years, secured by a deed of trust. Loans are due and payable upon sale or transfer of title or when the borrower no longer occupies the home as his/her principal residence or upon the loan maturity date, which ever comes first, unless sold or transferred to a targeted income group household (see IV .A.2). Payments may be made voluntarily on a Deferred Payment Loan.

b. Grants are limited, to lead based paint with a maximum \$5,000 per household. Total HOME program funds distributed as grants shall not exceed \$60,000.

3. Determining Eligibility

a. Owner/occupants will be selected for assistance loans under HOME on a first come, first served basis. Applicants currently on the waiting list will be given priority over new applicants. All applicants will have to be approved by the Loan Review Committee to be determined eligible.

IV. RESIDENCY REQUIREMENTS

A. Owner Occupant

B4

HOME Owner Occupied Housing Rehabilitation

1. Owner occupants will be required to submit to the County between January 1 and the 15th of each year for the term of the loan:
 - a. Proof of occupancy in the form of a copy of a current utility bill.
 - b. Statement of unit's continued use as a residence.
 - c. Declaration that other titleholders do not reside on the premises.
2. In the event that an owner occupant sells, transfers title, or discontinues residence in the rehabilitated or purchased property for any reason, the loan is due and payable.
 - a. If the owner occupant sells or otherwise transfers title of the property to a targeted income group household, the County will consider subordinating the loan and continuing all or part of the lien as a DPL.
 - b. If the owner occupant dies, and if the heir to the property lives in the house and is income eligible, the heir may be permitted upon approval of the County of El Dorado, to assume the loan at the rate and terms the heir qualifies for under current participation guidelines.
 - c. If the owner occupant dies and the heir is not income eligible, the loan is due and payable.
3. If an owner occupant wants to convert the rehabilitated property to a rental unit, the loan is due and payable.
4. If an owner wants to convert the rehabilitated property to any commercial or non-residential use, the loan is due and payable.

V. DEFAULT AND FORECLOSURE

If an owner defaults on a loan, and foreclosure procedures are instituted, they shall be carried out according to the HOME Foreclosure Policy adopted by the County, and attached to these guidelines.

VI INSURANCE

A. Fire Insurance

The applicant shall maintain fire insurance on the property for the duration of the loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the County as Loss Payee for the amount of the loan(s). A binder shall be provided to the County.

In the event the applicant fails to make the fire insurance premium payments in a timely fashion, the County of El Dorado at its option may make such payments for a period not to exceed 60 days. The County may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period of time. Should the County of El Dorado make any

HOME Owner Occupied Housing Rehabilitation

payments, it may, in its sole discretion, add such payments to the principle amount that the applicant is obligated to repay the County under this program.

B. Flood Insurance

B3

In areas designated by HUD as flood prone, the owner is required to maintain flood insurance in an amount adequate to secure the Rehabilitation Loan. This policy must designate the County as Loss Payee. The premium may be paid by the Rehabilitation Loan for one year.

VII. LOAN OR GRANT APPROVAL

The HOME Loan Review Committee must approve all loans and grants. In order to obtain HOME financing, applicants must meet all property and eligibility guidelines in effect at the time of loan approval. Applicants will be provided written notification of approval or denial. Reason for denial will be provided to applicant in writing.

VIII. REPAIR CALLBACKS

In the event that a contractor must be called back to make corrections on rehabilitation work items that are not covered by the one-year warranty, the County has the option to cover the costs through the current HOME construction budget.

IX. PROGRAM COMPLAINT AND APPEAL PROCEDURE

Complaints concerning the HOME Housing Rehabilitation Program should be made to the Project Contractor first. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the County. The County will then schedule a meeting with the HOME Loan Review Committee. Their written response will be made within fifteen (15) working days. If the applicant is not satisfied with the committee's decision, a request for an appeal may be filed with the County Counsel. Final appeal may be filed in writing with HCD within one year after denial or the filing of the Project Notice of Completion.

X. GRIEVANCES BETWEEN PARTICIPANTS AND CONSTRUCTION CONTRACTOR

Contracts signed by the contractor and the participant include the following clause, which provides a procedure for resolution of grievances:

Any controversy arising out of or relating to this Contract, or the breach thereof, shall be submitted to binding arbitration in accordance with the provisions of the California Arbitration Law, Code of Civil Procedure 1280 et seq., and the Rules of the American Arbitration Association. The arbitrator shall have the final authority to order work performed, to order the payment from one party to another, and to order who shall bear the costs of arbitration. Costs to initiate arbitration shall be paid by the party seeking arbitration. Notwithstanding, the party prevailing in any arbitration proceeding shall be entitled to recover from the other all attorneys' fees and costs of arbitration.

XI. AMENDMENTS

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Amendments to these guidelines may be made by the county and submitted to Housing and Community Development HOME Housing Rehabilitation Program for approval.

XII. EXCEPTIONS

Exceptions to these guidelines will require HCD approval.

XIII. ATTACHMENTS

The following documents are attached as part of these guidelines:

- Annual Household Income Definition/Income Limits
- Residential Anti-displacement and Relocation Assistance Plan
- HOME Foreclosure Policy
- Program Management

HOME Owner Occupied Housing Rehabilitation

ANNUAL HOUSEHOLD INCOME DEFINITION

For the purposes of determining eligibility in accordance with HCD income guidelines, Annual Income will include, for all members of the household:

- 1) Gross wages and salary before deductions.
- 2) Net money income from self-employment.
- 3) Cash income received from such sources as rental units, Social Security benefits, pensions, and periodic income from insurance policy annuities.
- 4) Periodic cash benefits from public assistance and other compensation, including AFDC, SSI, Worker's Compensation, State Disability Insurance and Unemployment benefits.
- 5) Interest earned on savings and investments.

Annual Income will not include

- 1) Non-cash income such as food stamps or vouchers received for the purpose of food or housing.
- 2) Capital gains or losses.
- 3) One-time unearned income such as scholarship and fellowship grants; accident, health or causality insurance proceeds; prizes or gifts; inheritances
- 4) Payments designated specifically for medical or other costs, foster children or their nondisposable income.
- 5) Income from employment of children under the age of 18.
- 6) Payment for the care of foster children.

This is not meant to be a complete list. Grantee will make the final decision in situations where the classifications of income are not clear-cut. Any exceptions or other deviations from this definition of annual income will be considered by Grantee. Income verifications will be obtained through third party verification where possible. In addition, El Dorado County will require when necessary certified Federal Income Tax documents for the most recent year.

INCOME LIMITS AND ELIGIBILITY

A5

The calculation of income eligibility for owner-occupant applicants will include an evaluation of assets to the extent that such assets produce income (such as interest or rent). The County will also consider assets in its overall evaluation of the applicant's financial need, and may reject an applicant who is income qualified if the County determines the applicant is not financially needy. The County will not consider the value of the

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applicant's primary residence in making this determination. An evaluation of financial need will be based on the following criteria:

- The extent to which non-income earning assets could be readily converted to income earning assets.
- The liquidity of assets held by the applicant (i.e., the ability of the applicant to convert those assets to cash to finance the rehabilitation work or to borrow against the assets to obtain private financing).
- The extent to which the applicant relies on income from assets to meet basic living expenses (housing, food, clothing, and medical expenses for the applicant and the applicant's household) and whether the loss of income would jeopardize the applicant's ability to meet those basic expenses.
- Whether the applicant could afford to make payments at market interest rates on a privately financed loan secured by the applicant's assets.
- In most cases an applicant's income to debt ratio may not exceed 40%.

Income will be defined as the gross amounts received from all sources for all household members, excluding one-time monetary gifts or winnings of \$100 or less. Income from business operations will be calculated as the difference between gross monetary receipts less actual monetary outlays related to business operations (but excluding depreciation or other deductible expenses for tax purposes which do not represent actual cash outlays).

Housing Rehabilitation Program Waiting List will be maintained. Each applicant is asked to complete an application form, which asks for sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. Complete applications are date and time stamped with completed date-stamped applications being placed on waiting list in order received. Applications are only deemed complete if all information is completed and the application is signed and dated. Incomplete applications are returned to the applicant and will not be date/time stamped until complete.

Once the applicant's name comes to the top of the waiting list their final Program eligibility is determined. At this time the application is reviewed and a Health and Safety Inspection is scheduled to determine rehabilitation work eligibility. The Lead-Based Paint (LBP) Disclosure Notice and the EPA Booklet (Protect Your Family from Lead in Your Home) are provided to the homeowner.

Once eligibility is determined and a cost estimate is obtained, the applicant will be submitted to HCD and the loan review committee for approval.

HOME PROGRAM INCOME LIMITS

A1

FY 2008 Area median income \$71,000

1 Person	2 Person	3 Person	4 Person
\$39,750	\$45,450	\$51,100	\$56,800
5 Person	6 Person	7 Person	8 Person

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\$61,350

\$65,900

\$70,450

\$75,000

The program income limits will be updated annually to reflect current limits.

RELOCATION ASSISTANCE PLAN

The County of El Dorado will provide relocation assistance to displaced Targeted Income Group households and/or replace all occupied and vacant occupiable Targeted Income Group dwelling units, which are rehabilitated, reconstructed, demolished, or converted to a use other than Targeted Income Group housing as a result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in the Federal Register, 24 CFR 570.496(a), Relocation, Displacement and Acquisition: Final Rule dated July 18, 1990 (Section 104(d)) and 49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition Regulations Final Rule and Notice (URA) dated March 2, 1989.

This project will be implemented in ways consistent with the County's commitment to Fair Housing. Participants will not be discriminated against on the basis of race, color, religion, age, ancestry, national origin, sex, familial status, or handicap. The County will provide equal relocation assistance available 1) to each Targeted Income Group household displaced by the demolition or rehabilitation of housing or by the conversion of a Targeted Income Group dwelling to another use as a direct result of assisted activities; and 2) to each separate class of Targeted Income Group persons temporarily relocated as a direct result of HOME assisted activities.

A. Temporary Relocation during Housing Rehabilitation or Reconstruction

Consistent with the goals and objectives of activities assisted under the Act, the County will take the following steps to minimize the displacement of persons from their homes during housing rehabilitation or reconstruction funded by the State of California's HOME program:

1. Stage rehabilitation of assisted housing to allow owner occupants and/or tenants to remain during rehabilitation.
2. Encourage temporarily displaced owner occupants to move in with family or friends during the course of rehabilitation, since they are voluntarily participating and not entitled to relocation benefits, unless health and safety threats exist, as explained below.
3. Encourage owner investors to relocate tenants to available vacant units during the course of rehabilitation or pay expenses on behalf of replaced tenants.
4. Required owner investors who participate in assisted rehabilitation to agree to continue to rent to Targeted Income Group tenant and agree to rent limitations, for a period of at least five years.
5. Provide counseling and referral services to assist displaced persons to find alternate housing in the neighborhood.
6. Work with area landlords, real estate brokers, and/or hotel/motel management to locate vacancies for households facing displacement.
7. When necessary, use public funds, such as HOME funds, to pay moving costs and provide relocation payments to households displaced by assisted activities.

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B. Temporary Relocation of Residential Tenants.

If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public, or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. Determination of the need for temporary relocation period will not exceed 90 days. All conditions of temporary relocation will be reasonable. Any tenant required to relocate temporarily will be helped to find another place to live which is safe, sanitary and of comparable value. He or she may move in with family and friends and still receive full or partial temporary assistance. A tenant receiving temporary relocation shall receive the following:

- Increased housing costs (e.g. rent increase, security deposits) and
- Payment for moving and related expenses, as follows:
 - Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
 - Packing, crating, unpacking, and uncrating of personal property;
 - Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
 - Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
 - Insurance for the replacement value of personal property in connection with the move and necessary storage;
 - The replacement value of property lost, stolen or damaged in the process of moving (not through the fault of the displaced person, his or her agent or employee) where insurance covering such loss, theft or damage is not reasonably available.
- Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
- Any costs of credit checks required to rent the replacement dwelling;
- Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - Interest on a loan to cover moving expenses; or
 - Personal injury; or

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- Any legal fees or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
- Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

C. Temporary Relocation of Owner Occupied

Since all rehabilitation work for owner occupants is voluntary, an owner occupant may only be eligible for temporary relocation benefits when his or her residential unit is approved for reconstruction or during rehabilitation that would endanger the health and safety of occupants if they remained in the house during rehabilitation. Determination of the need for temporary relocation will be made by the program administrator or construction supervisor. Allowable temporary relocation expenses are the same as those listed above for tenants.

D. Displacement Activities Required Long-term Relocation Assistance

Persons displaced by project assisted in whole or in part with funds provided under the Housing and Community Development Act of 1974, as amended, are eligible for permanent relocation assistance and benefits under either section 104(d) or URA, depending on which relocation assistance regulations are applicable. Persons within the Targeted Income Group are eligible to receive assistance and benefits under section 104(d) and have the option of choosing benefits under URA. Persons who are outside the Targeted Income Group may receive assistance and benefits only under URA. There are no income or need criteria. However, the County's HOME funded residential rehabilitation program is targeted to low- and very low-income household's only and temporary relocation will be needed.

All replacement housing will be provided within three years of the commencement of the demolition or conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the County will make public and submit to the California Department of Housing and Community Development the following information in writing:

- A description of the proposed assisted activity;
- The location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than Targeted Income Group dwelling units as a direct result of the assisted activity;
- A time schedule for the commencement and completion of the demolition or conversion;
- The location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units. If such data are not available at the time of the general submission, the county will identify the general location on an area map and the approximate number of dwelling units by size and provide information identifying the specific location and number of dwelling units by size as soon as it is available;
- The source of funding and a time schedule for the provision of replacement dwelling units;
- The basis for concluding that each replacement dwelling unit will remain a Targeted Income Group dwelling unit for at least 10 years from the date of initial occupancy; and

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- Information demonstration that any proposed replacement of dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units) is consistent with the housing needs of Targeted Income Group households in the county.
- The County of El Dorado is responsible for tracking the replacement of housing and ensuring that it is provided within the required period. The County is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in §570.496, to any Targeted Income Group displaced by the demolition of any dwelling unit or the conversion of a Targeted Income Group dwelling unit to another use in connection with an assisted activity.

E. Recordkeeping

The County will maintain records of occupants of federally funded rehabilitated, reconstructed or demolished property from the start to completion of the project to demonstrate compliance with Section 104(d), URA and applicable program regulations. Appropriate advisory services will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling. Notices shall be written in plain, understandable language. Persons who are unable to read and understand the notice (e.g., illiterate, foreign language, or impaired vision or other disability) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. The Advisory Notices to be provided are as follows:

- General Information Notice: As soon as feasible when an owner investor is applying for federal financing for rehabilitation, reconstruction, or demolition, the tenant of a housing unit will be mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy his or her present house (or another owned by the owner investor) upon completion of rehabilitation. The tenant will be informed that rent after rehabilitation will not exceed current rent or 30 percent of his or her average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that rehabilitation can be completed, suitable housing will be made available and he or she will be reimbursed for all reasonable extra expenses. The tenant will be cautioned that he or she will not be provided relocation assistance if he or she decides to move for personal reasons.
- Notice at Time of “Initiation of Negotiations”: As soon as feasible when the rehabilitation application has been approved, the tenant of a housing unit scheduled for rehabilitation, reconstruction, or demolition will be informed of the Initiation of Negotiations and again informed of the above reasonable terms and conditions under which the person may lease and occupy the property upon completion of the project. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance.
- Notice for Persons to be Displaced: After a comparable replacement dwelling has been made available, the tenant will be given a 90-day advance written notice of the earliest date he or she may be required to move. If the tenant’s continued occupancy of the property would constitute a substantial danger to health or safety, less than 90-days’ advance notice may be provided. Justification of such an urgent need will be documented in the participant’s job file. Another instance where the 90-day notice is not

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required is if the tenant makes an informed decision to relocate and vacates the property without prior notice.

EL DORADO COUNTY FORECLOSURE POLICY

County as Junior Lien holder

It is the County's policy to prepare and record a "Request for Notice" on all junior liens (any lien after the first position) placed on properties financed by a loan or loans through the HOME program.

This document requires any senior Lien holder to notify the lender (County) of initiation (recordation of a "Notice of Default") of a foreclosure only. This is to alert the junior Lien holder that they are to monitor the foreclosure with the senior Lien holder. When the County is in a third position and receives notification of foreclosure from only one senior Lien holder, it would be in their best interest to contact both senior lien holders regarding the status of their loans.

The junior Lien holder may cancel the foreclosure proceedings by "reinstating" the senior Lien holder. The reinstatement amount must be obtained by contacting the senior Lien holder. This amount will include all delinquent payments, late charges, advances (fire insurance premiums, property taxes, property protection costs, etc.), and foreclosure costs (fees for legal counsel, recordings, certified mail, etc.)

Once the County has the information on the reinstatement amount, staff must then determine if it is cost effective to protect their position by reinstating the senior Lien holder, keeping them current by submitting a monthly payment thereafter, foreclosing on the property possibly resulting in owning the property at the end of foreclosure, protecting the property against vandalism, and paying marketing costs (readying the home for marketing, paying for yard maintenance, paying a real estate broker a sales commission).

If the County decides to reinstate, the senior Lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date" This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the County fails to reinstate the senior Lien holder before five (5) days prior to the foreclosure sale date, the senior Lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the County determines the reinstatement and maintenance of the property not to be cost effective and allows the senior Lien holder to complete foreclosure, the County's lien may be eliminated due to insufficient sales proceeds.

County as Senior Lien holder

When the County is in a first position, or the senior Lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempt will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the County may consider foreclosure. County staff will consider the following factors before initiating foreclosure:

- Can the loan be cured (brought current or paid off) by the owner without foreclosure?
- Can the owner refinance with a commercial lender and pay off the County?
- Can the owner sell the property and pay off the County?

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- Does the balance warrant foreclosure? (If the balance is under \$5,000, the expenses to foreclose may not be worth pursuing.)
- Will the sales price of home “as is” cover the principal balance owing, necessary advances, maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc., foreclosure and marketing costs?

If the balance is substantial and all of the above factors have been considered, the County may opt to initiate foreclosure. The owner must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the County to prevent foreclosure (such as, funds to bring delinquent BMIR current or pay off a DPL).

At the end of thirty days, the County should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the County of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the County informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has “reverted to the beneficiary” at the foreclosure sale, the County would then contact a real estate broker to market the home.

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ELIGIBLE PROPERTY TYPES

Eligible properties include the following:

- A one-to-four unit property, see 24 CFR Section 92,254 (a) (5) (ii) (A) (6) for special considerations.
- A condominium or cooperative unit.
- A manufactured home, including mobile homes.
- Properties constructed prior to 1978 will be addressed for Lead-based paint requirements prior to rehabilitation. Homeowners will receive a copy of “Protect Your Family from Lead in Your Home” and will be required to sign the Lead-Based Paint Disclosure. A certified lead-based paint inspector will evaluate the unit for defective paint surfaces to ensure that all federal lead-based paint procedures, including any abatement are followed. **A2**
- Properties located in areas designated as flood zones will not be eligible for rehabilitation if the cost to rehabilitate exceeds 50% of the market value of the structure before rehabilitation.

DEFINITION OF HOUSING CONDITIONS

SOUND – a unit that appears new or well maintained and structurally intact. The foundation should appear structurally undamaged and there should be straight rooflines. Siding, windows, and doors should be in good repair with good exterior paint condition. Minor problems such as small areas of peeling paint and/or other maintenance items are allowable under this category.

MINOR – a unit that shows signs of deferred maintenance, or which needs only one major component such as a roof.

MODERATE – a unit in need of replacement of one or more major components and other repairs, such as roof replacement, painting, and window repairs.

SUBSTANTIAL – a unit that requires replacement of several major systems and possibly other repairs (e.g. complete foundation work, roof structure replacement and re-roofing, as well as painting and window replacement.)

DILAPIDATED – a unit suffering from excessive neglect, where the building appears structurally unsound and maintenance is non-existent, not fit for human habitation in its current condition, may be considered for demolition or at minimum, major rehabilitation will be required.

ELECTRICAL INSPECTION PROCEDURE

1. Number of service entrance conductor sets (two wire – 120 volts, three wire 120/240 volts, four wire is three phase service and is not common in residences.)
2. Determine panel box conditions – missing knockouts, melted insulation, overheated fuses, missing connectors/bushings, rust, obstructed access, overloaded panel, no main service disconnect.
3. Inadequate/antiquated service – under 100 amps.

ROOF INSPECTION PROCEDURE

1. Observe roof from ground and look for any unusual conditions:
 - a. unevenness in roof line
 - b. signs of leaks in eaves, soffits, facias, abnormal condensation.

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- c. dryrot in facias, rafters or rafter tails
 - d. flashings and roof drainage systems in good shape
 - e. Shingles missing or curled
 - f. number of layers of roofing
2. On flat roofs check bubbles, blisters, cracks, spongy areas, and ponding water conditions.

STANDARDS FOR ROOM AND BATHROOM ADDITIONS

UNIT SIZE	MAXIMUM # OF PERSONS IN HH
SRO	1
0-BR	1
1-BR	2
2-BR	4
3-BR	6
4-BR	8
5-BR	10
6-BR	12

- Opposite sex children less than 6 years of age may share a bedroom.
- Opposite sex children 6 years of age and older may have their own bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Same sex children of any age may share a bedroom.
- 5 or more people – a second bathroom may be added.
- 10 or more people – a third bathroom may be added.
- Same rules apply to mobile home units.

PROPERTY VALUE

B5

The value of the HOME-assisted unit after rehabilitation must not exceed 95 (%) percent of the median purchase price for the area, as published by HUD. The Program Purchase Price/Value Limits will be updated annually to reflect current limits.

Year 2005 Program Purchase Price/Value Limits:

El Dorado County	<u>One-Family</u>	<u>Two-Family</u>	<u>Three-Family</u>	<u>Four-Family</u>
	\$440,563	\$564,015	\$681,763	\$847,264

For purposes of homeowner rehabilitation, value may be established by a formal appraisal or an estimate of value conducted by qualified staff of El Dorado County that has the demonstrated capability to accurately assess and report property value.

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REHABILITATION SUBSIDY LIMITS

A7

Maximum subsidy limits not to exceed the following for the unincorporated areas of El Dorado County.

El Dorado County (elevations at or above 3,001 feet)

<u>0-BR</u>	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>	<u>4-BR</u>
\$134,776	\$154,495	\$187,866	\$243,036	\$266,780

Western El Dorado County (elevations at or below 3,000 feet)

<u>0-BR</u>	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>	<u>4-BR</u>
\$134,776	\$154,495	\$187,866	\$243,036	\$266,780

The Rehabilitation Subsidy Limits will be updated annually to reflect current limits.

ELIGIBLE REHABILITATION COSTS

C4, C5

The following are eligible costs which may be paid or reimbursed with HOME funds:

Development Hard Costs

- Work necessary to meet local building code requirements
- Work necessary to meet locally-adopted rehabilitation standards
- Energy-related improvements (not covered through Weatherization Program Services)
- Lead-based paint hazard mitigation
- Improvements for handicapped accessibility
- Repair or replacement of major housing systems
- Repairs and general property improvements of a non-luxury nature not to exceed 20% of the total loan. Such repairs could be allowed on a limited basis and would have to be approved by the loan review committee. General property improvements would be of the type that would allow the homeowner increased ability to remain housed. These repairs include carports, pothole repair, grading and graveling, removal of dilapidated storage units and replacement of garage door openers.
- Demolition costs (when part of the reconstruction of affordable housing)

Site Improvements and Utility Connections

- On-site infrastructure costs
- Off-site utility connections from the property line to an adjacent street

Related Soft Costs (reasonable and necessary only)

- Architectural, engineering, specification writing or related professional services
- Financing costs, such as private lender fees and points, credit and title costs, recordation fees, building permits, legal fees, appraisals
- Relocation costs, if applicable

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The following are ineligible costs which will not be paid or reimbursed with HOME funds:

- Luxury improvements or upgrades
- Room additions, unless necessary to address overcrowding
- Reimbursement for repairs completed prior to HOME fund approval
- Acquisition of land

PROGRAM MANAGEMENT

- Preparation of environmental and other documents for needed clearances prior to draw-down of any funds
- Market and outreach to potential applicants (includes notification of funding to waiting list applicants)
- Preparation of interested contractors list (includes Builders Exchange)
- Coordination of servicing agreements with escrow and title companies;
- Application intake, packaging, and processing;
- Credit, income, and employment verifications;
- Submission of staff recommendations to Loan Review Committee
- Escrow set-up
- Initial inspection
- Work write-ups
- Submission to property owner for 3 contractors bids (may be waived by homeowner upon written request with explanation)
- Construction monitoring – inspections must be done at any draw-down request to confirm work has been completed and in satisfactory condition
- Assurance in writing from contractor that necessary permits have been obtained
- Approval of contractor selection
- Contractor payment authorization
- Contract agreement between owner/contractor
- Change order review/process
- Prepare and obtain signatures on all necessary forms, including lending notices, loan agreements, contractor agreements, rehabilitation assistance agreements, etc.
- Close-out of loans
- Preparation of progress, performance, and financial reports to HOME Investment Partnerships program
- Coordination of owner-builder activity
- Approval or denial of loan applications by the Loan Committee
- Maintenance of program administrative files for each loan for the life of the loan
- Annual monitoring of homeowner eligibility and insurance
- Loan servicing, including delinquencies and foreclosures
- Administration of program income accounts, including the re-lending of program income for eligible activities
- Coordination of program audits by State

Inspection and Contractor Selection.

B1, C1, C3

If the household is found to be eligible using the criteria of the jurisdiction, an inspection of the dwelling will be made by the Inspector of the Human Services Department. The findings from the initial inspection will be used to develop a work write-up, which includes a detailed description of the repair work needed or the type of allowable replacement cost estimate. Cost will be estimated based on local building materials supply stores and labor rates obtained from the Builder's Exchange. Upon completion of the work write-up, the Inspector will review the scope of repairs with the owner, who may then request modifications to the work write-up, provided

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that all work is completed in compliance with program guidelines. The County may require applicants to obtain up to three bids to be included with the Loan Review Committee's file prior to its decision on a loan application.

The County will continue with the development of their list of contractors who are interested in the program, and will submit contractor's names and license numbers to HCD to verify that licenses are current and in good-standing and that the contractors are not on the state/federal list of debarred or suspended contractors. The list of interested contractors considered eligible to participate in the program will be provided to the owner.

Bid packages will be prepared by the County Department of Human Services Program Assistant/Inspector and provided to the homeowners. The owner will be given a copy of the list of interested contractors, but will not be limited to that list in the solicitation of bids.

When bids have been received, the County will confer with the owner and the selection will be made by the owner. If the contractor preferred by the owner is not on the list provided by the County, the County will perform the necessary reviews to determine the eligibility of the owner's preferred contractor.

Although the selection of contractors is the responsibility of the homeowner, it is important for program representatives to sufficiently involve themselves in the bidding process to ensure that experienced contractors with the financial ability to complete the projects for which they enter into contracts are selected. To achieve this objective, the County will prepare bid documents and provide them to the homeowner. Once bids are received, the County will review them with the owner and will provide the owner/participant with the benefit of any observations, which the County deems relevant.

Upon completion of all rehabilitation work, units must meet, at a minimum, Housing and Urban Development Housing Quality Standards based on HUD Housing Quality Standards guidelines. Any rehabilitation work that requires a permit will comply with Uniform Building Code standards and be approved and signed off by a qualified County Building Inspector.

Inspection and Monitoring of Construction Work.

A6

The County will perform rehabilitation inspections on a regular basis to ensure that the terms of the contract between the homeowner and the contractor are being followed. Prior to authorizing any progress payments for work of a code-related nature, the County will require that an inspection by the building department take place and that the contractor submits appropriate evidence of County approval of the work that was performed.

All construction contracts will be required to contain a clause obligating the program participant and the contractor to obtain the approval of the County prior to ordering any changes in the work to be performed by the contractor. Contractors will be informed that if they make field changes without approved change orders, payments will not be authorized for the modified work and they will still be required to perform the work specified in the contract.

The County will ensure that notices of completion are completed in a timely manner and recorded. Recorded copies will be maintained on file for each program participant. To ensure that the notice of completion is executed, the County will withhold the final payment to the contractor until the recorded notice of completion is signed by the homeowner and presented to the County.

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Loan Terms.

A4, C2

The availability of reasonably priced financing is as important in most cases as the specific terms of that financing. The loan terms are based on the premise that providing affordable financing up-front does not necessarily require the County to provide a permanent subsidy to the benefited household in the form of a no-interest-rate loan or grant. The program does not assume that low-income households, as a general rule, cannot afford to make loan payments.

- Loans will carry interest rates of 3%.
- The typical loan term available to qualified applicants is thirty (30) years. The county will reserve the right to lengthen the loan terms for an additional five (5) years (Deferred Payment Loan) if the Loan Review Committee finds that a household would have to spend a substantially high percentage of income on housing expenses. The County/Loan Review Committee shall consider the following criteria in determining whether a household is devoting a substantially high percentage of income to housing:
 - Housing payments, defined as mortgage, utilities allowance (not to exceed Section 8 housing utility allowance schedule), property insurance, property taxes
 - Housing payments do not exceed 50% of applicant's income
 - Housing payments do not leave sufficient income for other necessary living expenses
 - The housing expense ratio is an important underwriting criteria because this ratio has a direct bearing on the applicants' ability to make payments on existing mortgages. Applicants who spend in excess of 50 percent of their incomes on housing expenses will only be given a loan if they have good credit, a good mortgage payment history, and can show at least 10 percent equity in the property after rehabilitation

Loan Security. In all cases, the security for the loan is the property. For this reason, it is important to determine the value of the property so that the jurisdiction will know in advance the security upon which the loan will be based. This value is determined by estimating the actual value of the property, calculating the Loan-to-Value Ratio, and determining in what position the loan will be.

1. Value Determination

C6

The equity position that the jurisdiction would take in any given loan is derived from the property value. This value can be determined by a number of different methods, each of which costs a different amount to obtain. The methods used in this program are as follows.

- **Assessed Value:** The most conservative and inexpensive method is to use the assessed value as indicated in the preliminary title Report. Unfortunately, many properties have not been assessed for years and the values may be far below actual values. To obtain a more realistic estimate of current market value from the assessed value, a 2% per year level of appreciation is added. This is typically conservative, yet allows for at least a minimal level of appreciation. This method is used when the resulting value provides a satisfactory loan-to-value ratio.
- **Market Analysis:** For this method, a real estate agent who is familiar with the local market is asked to provide an after rehabilitation estimate of the market value of the property. This method typically provides a fairly accurate estimate and can be done for a relatively low fee anywhere from \$100-250. This method is used when the assessed value method does not provide a satisfactory loan-to-value ratio.
- **Appraisal:** this is the most reliable and most expensive method. The cost of the appraisal may be added into the loan amount if the loan is approved and closed.

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2. Loan-to-Value Ratio

The loan-to-value ratio is the primary method of determining the jurisdiction's equity position and is calculated by dividing the total outstanding loans, liens, and judgments by the value of the property after rehabilitation. For example, if an applicant had \$90,000 in outstanding debt and a property value of \$100,000, the property would have a 90 percent loan-to-value ratio.

3. Loan Position

The secondary consideration in determining the jurisdiction's equity position is the number of loans, liens, and judgments, which appear ahead of the jurisdiction's loan. A loan in fourth position in which the owner is left with 20 percent equity is not as secure as a loan in second position with the same amount of equity.

4. Loan-to-Value Guidelines

- **95%.** This typically will be the maximum ratio and will only be allowed when the owner has good credit, good mortgage payment history (no late payments in last 12 months), a clean title report, a housing expense ratio of less than 50%, and the loan must be no lower than third position.
- **90%.** This will be the maximum allowed for the typical applicant with medium risk level (i.e.: a fair credit history) with a housing expense ratio of not more than 60%. The loan must not be in a position lower than third.
- **80%.** This will be the maximum allowed for applicants with poor credit, poor mortgage payment history, a housing expense ratio of not more than 75%, and the loan must not be in a position lower than fourth.

Marketing

El Dorado County will market the program through local newspaper advertisements including the Mountain Democrat, Georgetown Gazette, and Tahoe Tribune. Flyers are posted at the local markets along with post offices. Flyers are sent to those on the waiting list to provide notice of funding to apply.

A5