



CITY OF RIALTO

Rialto Blueprint for Better Living: Mobile Home Repair Loan Program

PROGRAM GUIDELINES AND PROCEDURES

JULY 2025

CITY OF RIALTO
RIALTO BLUEPRINT FOR BETTER LIVING: MOBILE HOME REPAIR LOAN PROGRAM
PROGRAM GUIDELINES

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**CITY OF RIALTO
RIALTO BLUEPRINT FOR BETTER LIVING: MOBILE HOME REPAIR LOAN PROGRAM
PROGRAM GUIDELINES**

JULY 2025

1.0. GENERAL

The above-named entity, hereinafter referred to as the (Sponsor), has entered into a contractual relationship with the California Department of Housing and Community Development (HCD) to administer the 2023 Homeownership Super Notice of Funding Availability (NOFA) for the CalHome owner-occupied (manufactured homes) rehabilitation program. The rehabilitation program described herein and hereinafter referred to as the (Program) is designed to provide assistance to low and very low-income eligible homeowners for correction of health and safety items, as well as code violations, located within the Program's eligible area, as described in Section 3.0. The Rialto Blueprint for Better Living: Mobile Home Repair Loan Program provides financial assistance to eligible homeowners to finance the cost of necessary repairs that will provide the homeowner with a healthy, safe, sanitary, and code-compliant manufactured home, referred to herein as (Housing Unit). Financial assistance consists of loans of up to twenty thousand dollars (\$20,000), which will be structured as deferred payment loans or secured forgivable loans, depending on the type of manufactured housing and eligibility criteria. Deferred payment loans are repayable upon sale, transfer, or loss of owner occupancy, or at loan maturity. Secured forgivable loans are subject to a 20-year term, with ten percent (10%) of the original principal forgiven annually beginning after the 10th year, provided the homeowner continues to own and occupy the home. Refer to the Loan Terms section for further guidance on loan structure, forgiveness conditions, and repayment provisions.

The Program will be administered by the City of Rialto, Community Development Department, hereinafter referred to as the (Program Operator). The Program Operator Director (Director) is responsible for delivering the Program and enforcing these Policies and Procedures. The Director may delegate duties of the Program delivery to the full-service public agency (Consultant) or other City employees (City Staff), as appropriate.

1.1. PROGRAM OUTREACH AND MARKETING

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

- A. The Fair Housing Lender and Accessibility logos 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. A Fair Housing Marketing Plan can be found as **Attachment D**. 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 homeownership education classes to help educate homeowners about credit, budgeting, predatory lending, foreclosure prevention and home maintenance, as well as the responsibilities of homeownership.

- B. 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 Sponsor will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

- A. Program Operator's Interest List/Manufactured Homeowner Contact

The Sponsor will administer an interest list. In response to an applicant (Manufactured Homeowner) request, the Manufactured Homeowner is placed onto the Program Operator's interest list. Manufactured Homeowners are offered the opportunity to qualify for assistance by interest list priority (on a first-come, first served basis).

The Program Operator will contact Manufactured Homeowners by mail and/or by telephone to advise of funding availability. The Manufactured Homeowner has 15 calendar days to complete and return the loan application and supporting documentation. Should a Manufactured Homeowner fail to respond to the initial contact for assistance or to provide any of the required documentation within the 15 calendar day period, the Manufactured Homeowner's name will be removed from the Program Operator's interest list. If the Manufactured Homeowner desires assistance at a later time, he/she will be placed on the interest list at that time.

Should the Program Operator interest list be exhausted, the Program will be marketed in accordance with the Sponsor's Marketing Plan, see **Attachment D**.

- B. Application/Interview

The application and interview process shall be as follows. An application packet is provided to the Homeowner for completion and submittal to the Program Operator or Consultant, along with supporting documentation. An interview is scheduled with the Homeowner. The Program is fully explained; application forms and documentation are reviewed. Verifications are obtained for income, assets, employment, benefits, and mortgage if applicable. A property title report and appraisal are procured.

If the Program Operator or Consultant encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other

important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household.

C. Household Selection

Households selected for participation in the Sponsor's Manufactured Housing Rehabilitation Program are those determined eligible upon completion of the processes described in A and B above.

D. Initial Inspection/Work Write-Up/Estimate

Prospective units are inspected by the Program Operator, Consultant, a certified housing inspector, or a Sponsor representative to determine eligibility and acceptability of properties for participation in the Program.

Measurements and observations are noted about the property, including special conditions with potential cost consequences (dilapidated outbuildings, absence of curb and gutter when required by code, etc.). A floor plan and site plan, as needed, are drawn for the home and property, including all appurtenances.

Findings are noted on an inspection form and later used by the Program Operator or Consultant to prepare the work write-up. Estimated costs are determined by the Program Operator or Consultant who has years of experience in the building industry, and in reviewing contractor bids and verifying cost with materials suppliers. The homeowner reviews the completed work write-up and cost estimate, and the approved write-up is incorporated into bid documents.

E. Bid Solicitation

Staff and/or consultants shall request bids for each property approved for program participation. Once the bids are received, the lowest and most responsible bidder will be identified to perform the work. Staff and/or consultants will provide the homeowner a complete list of the bids submitted and will advise the homeowner that they may choose to select the lowest bidder to perform the work based on the price quoted and the contractor's proposal. If the Homeowner does not wish to hire the lowest bidder, staff and/or consultants' staff will document the homeowner selection and ensure that the costs for the selected bidder are reasonable.

Contractors must be licensed and bonded by the State of California Contractors Licensing Board. Contractors must also provide Program Operator or Consultant with evidence of Workers' Compensation Insurance and Comprehensive General Liability and Property Damage Insurance with Combined Single Limits of at least \$1,000,000 and naming the Program Operator as additional insured.

Cost reasonableness is determined by comparing the bids received with the cost estimate prepared by the Program Operator or Consultant. Bids should be within ten percent (10%) of the Program Operator or Consultant's cost estimate, otherwise an

explanation must be provided to the file for any bid selected exceeding ten percent (10%) of the estimate. The Homeowner is encouraged to accept the lowest reasonable bid.

The Program Operator or Consultant determines eligibility of the contractor by performing an online verification through the State Contractors License Board website and checking the online General Services Administration (GSA) System for Award Management (SAM). The contractor is also required to provide a self-certification stating that he/she is not on the federal debarred list. Once determined eligible, the contractor is then notified of the provisional award of the bid, pending loan approval. Notices of non-award are transmitted to other non-selected submitting contractors.

F. Loan Request/Approval

A report and loan request are prepared on behalf of the Homeowner by the Program Operator or Consultant. The loan request includes the cost of construction, a contingency fund, and other project costs (listed in Section 6.3.). A Loan Review Committee meeting is scheduled to hear the loan request. Section 1.3 provides additional information on the loan approval process. Once approved, loan documents are executed, and the loan is funded.

G. Pre-Construction Conference

A pre-construction conference is scheduled with homeowner, contractor, and Program Operator or Consultant. The Program Operator or Consultant reviews the Owner-Contractor Construction Contract, including the work write-up, start date, payment process and schedule, and date of completion, with the Homeowner and contractor. The construction contract is then executed.

H. Start-Up/Field Inspections

Upon expiration of the mandatory three (3) calendar days right to cancel the loan and three (3) calendar days right to rescind the contractor agreement, a Notice to Proceed is issued by the Program Operator or Consultant. The Program Operator or Consultant monitors date of start-up and performs field inspections on a regular basis. The Program Operator or Consultant will visit the job site regularly in order to check the scope of work, inspect materials, and to confirm that the job is on schedule and within budget. The Program Operator or Consultant works with the Sponsor's Building Inspector to ensure the work meets building codes, while not exceeding funding limits.

The Program Operator or Consultant reviews the work status with the Homeowner and with the contractor in order to remedy any developing problems quickly and to ensure that both are satisfied with the construction process. At the completion of each phase,

the Program Operator or Consultant inspects the work, and the homeowner authorizes contractor payments.

The Program Operator or Consultant will refer to original plans and specifications to verify the work was completed as contracted.

I. Change Orders

Written change orders are required when the Homeowner requests any changes in the write-up, such as eliminating an item completely, eliminating one item and substituting another, or adding items. The change order will describe the scope of work, dollar value, and schedule (time) for the change. The change order must be signed by both the contractor and the Homeowner and submitted to the Program Operator or Consultant for approval. If the change order exceeds the approved financing, the Homeowner will be asked to provide additional funds or a report and request for additional funds may be presented to the Sponsor's Loan Review Committee for approval prior to Program Operator or Consultant signing-off on the change order.

J. Progress Payments

Ninety percent (90%) of the contract amount is distributed to the contractor in the form of progress payments during construction in accordance with the Construction Contract Schedule of Progress Payments. The final ten percent (10%) of the contract amount is set aside as a retention payment. The contractor requests a progress payment from the Homeowner and notifies the Program Operator or Consultant that he/she has done so. Upon favorable inspection by the Homeowner, Program Operator, Consultant, and Sponsor or Sponsor's Building Inspector, receipt of applicable lien releases, and submission of invoice documentation, the payment authorization is signed by the Homeowner and submitted to the Program Operator or Consultant for payment.

K. Final Inspections/Notice of Completion/Final Payment

When the project is completed, the Program Operator or Consultant inspects the work item by item with the homeowner, the contractor, and/or the Sponsor. The Sponsor's Building Inspector performs a final inspection. Any corrections or deficiencies are noted and corrected by the contractor. Upon favorable final inspections, a Notice of Completion is prepared, signed by the Homeowner, and then recorded. Upon conferring with the homeowner to ensure that no lien notifications have been received during the 35-calendar day period from the recordation of the Notice of Completion, the final ten percent (10%) retention is released.

1.3. LOAN PROCESS

The Sponsor's Loan Review Committee must approve all loans. The Loan-to-Value Ratio for an Owner-Occupied Rehabilitation CalHome program Loan, when combined with all other indebtedness secured by the property, cannot exceed one hundred five percent (105%) of the estimated after-rehabilitation value, See **Attachment C**. The after-rehabilitation value may not

exceed one hundred percent (100%) of the median sales price in the county in which the property is located, see **Attachment C**.

In order to obtain financing, applicants must meet all property and eligibility guidelines in effect at the time the application is considered. In addition, applications by homeowners with income at or below eighty percent (80%) of the Area Median Income (AMI) for San Bernardino County are required to qualify for assistance, see **Attachment C**. Homeowners will be provided with written notification of approval or denial. Any reason(s) for denial will be provided to the applicant in writing.

1.4. CONFLICT OF INTEREST REQUIREMENTS

A contractor with a vested interest in the property cannot bid on a rehabilitation job, nor act as owner/builder.

2.1. APPLICANT QUALIFICATIONS

2.2 INCOME LIMITS

All Homeowners 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 eighty percent (80%) of the County's area median income (AMI), adjusted for household size, as published by HCD each year, see **Attachment C**.

The link to the official HCD-maintained income limits for CalHome-funded activities is: <https://www.hcd.ca.gov/grants-and-funding/income-limits>.

Household: means one (1) 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.

2.1.1 OWNER-OCCUPIED REQUIREMENTS

To be eligible, Owner-Occupant household income must be equal to or less than the applicable HCD income limits. Homeowner will be required to provide income documentation. Refer to Annual Income: Income Inclusions, Exclusions, and Calculations Procedures for further guidance to the types of incomes to be included or excluded when calculating gross annual income, see **Attachment B**. Refer to the listing of Asset Inclusions and Exclusions for further guidance regarding the types of assets to be included or excluded when calculating gross annual income.

Owner-occupants housing and/or debt ratios are not considered, nor is a credit report required, as the funding provided creates no additional monthly financial obligation. If an owner-occupant

has a mortgage, it is verified that all payments are current and that no late payments have been received in the past twelve (12) months.

2.3. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the Homeowner household will be used to determine whether income is above or below the published HCD income limits. 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 (6) months prior to loan closing and kept in the confidential applicant file.

A. HOUSEHOLD INCOME DEFINITION:

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. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two (2) types of income that are not considered would be income of minors and of live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected income must be used, rather than past earnings, when calculating income. All income determinations must be performed in accordance with the requirements delineated in 24 Code of Federal Regulations (CFR), Part 5, Section 5.609.

Annual Income Inclusions and Exclusions are detailed at: Attachment B: 24 Code of Federal Regulations (CFR), Part 5, Section 5.609 Annual Income: Income Inclusions, Exclusions, and Calculation Procedures.

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 24 Code of Federal Regulations (CFR), Part 5, Section 5.609. When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.

Asset Inclusions and Exclusions are detailed at: **Attachment B**, 24 Code of Federal Regulations (CFR), Part 5, Section 5.609 Annual Income: Income Inclusions, Exclusions, and Calculation Procedures.

2.3. HOMEOWNER ELIGIBILITY AND RESIDENCY REQUIREMENTS

The Sponsor's Mobile Home Rehabilitation Program allows for owner-occupied properties to participate in the Program. Owner-occupied units must be the Homeowner's principal place of residence. A photocopy of a recent utility bill will verify proof of occupancy. No unit to be

rehabilitated will receive financial assistance if it is currently occupied by an over-income household or does not meet the eligibility standards outlined in these guidelines.

2.3.1 OWNER-OCCUPIED

- A. Continued residency is monitored annually for the term of the loan, initiating on the first January of the year immediately following the date of the loan. Occupancy will be verified by the submission of the following:

1. Proof of occupancy in the form of a copy of a current utility bill; and
2. Statement of unit's continued use as primary residence of the Homeowner.

In the event that a Homeowner sells, transfers title, or discontinues their residence in the rehabilitated property for any reason, the loan becomes due and payable.

Note: Loans provided by CalHome are not assumable.

If a Homeowner converts the property to a rental unit, or any commercial or non-residential use, the loan is due and payable. CalHome loans are not transferable except under the following limited circumstances:

- (a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant;
- (b) A transfer of the Property where the spouse becomes an owner of the property;
- (c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property; or
- (d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

3.0. PROPERTY ELIGIBILITY

3.1. CONDITIONS

- A. No unit will be eligible if a household's income exceeds the prescribed income limits listed in **Attachment C**.
- B. Units to be rehabilitated must be located within the incorporated areas of the Sponsor's jurisdiction.
- C. The property must be a legal residential structure intended for continued residential occupancy and a legal conforming use. A permanent foundation is required for deferred payment loans. Manufactured homes not on permanent foundations may be eligible for forgivable loans if located in a mobile home park.

- D. All repair work will meet Local Building Code standards. At a minimum, health and safety hazards must be eliminated. Sponsor may also require elimination of code deficiencies prior to making general property improvements.

3.2. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Owner-occupants are not eligible for temporary relocation benefits unless health and safety threats are determined to exist by the Program Operator or Consultant. In cases where relocation is determined to be necessary by the Sponsor/Program Operator/Consultant, the costs shall be integrated and considered as a part of the loan approval process. Funds provided for temporary relocation are a part of the loan and not a grant and must be repaid by the borrower.

Note: Relocation benefits are not a requirement under CalHome but are acceptable and may be covered by loan proceeds.

4.0. THE PROGRAM LOAN

4.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

An eligible Homeowner may qualify for the full cost of rehabilitation/reconstruction work needed to comply with State and local codes and ordinances, up to the \$20,000 loan program limit. In instances where the need exists, and documentation supporting the need for additional assistance is approved by the Director.

4.2. AFFORDABILITY PARAMETERS FOR HOMEOWNERS

- A. Total indebtedness against the property shall not exceed one hundred five percent (105%) of after-rehabilitation value as determined by "Estimates of Value" or by an appraisal. Refer to the Appraisal section for further guidance on appraisal requirements.
- B. Once bids are received, the lowest and most responsible bidder will be identified to perform the work. Any bid within ten percent (10%) of the Program Operator or Consultant's estimate may be selected, otherwise an explanation must be provided to the file for a bid selected exceeding ten percent (10%) of the estimate.

4.3. LOAN TERMS

- A. Manufactured Housing is eligible under the CalHome Program, including replacement of a manufactured home not on a permanent foundation in the case where it has been determined by the Sponsor it is infeasible to rehabilitate the home, whether located in a Mobile home Park or elsewhere. Refer to **Attachment I** for definitions related to Manufactured Housing or Manufactured Home, Mobile home, and Mobile home Park.

4.3.1 DEFERRED PAYMENT LOANS – OWNER-OCCUPIED REHABILITATION

- A. Financial assistance provided to qualified individual homeowners for Owner-Occupied Rehabilitation shall be in the form of deferred payment Loans, repayable upon the sale or transfer of the homes, when the home ceases to be owner-occupied, or upon the Loan maturity date, whichever occurs first (HSC §50650.3(c)(1)). The Loan shall be a 20-year term with a 0% simple interest per annum. Homeowners must occupy units as their principal place of residence for the term of the Loan. (Section 203 of CalHome Guidelines). If the Homeowner will occupy an ADU or JADU, then residents of the single-family residence shall not be considered as part of the Household receiving funding (Section 203 of CalHome Guidelines).

4.3.2 SECURED FORGIVABLE LOANS – MANUFACTURED HOUSING NOT ON A PERMANENT FOUNDATION

- A. Financial assistance provided to individual Households to rehabilitate, repair, or replace Manufactured Housing located in a Mobile home Park and not permanently affixed to a foundation shall be in the form of a secured forgivable Loan, which shall also be made in a manner consistent with the Guidelines and applicable Statutes. The Loan shall be due and payable in 20 years, with ten percent (10%) of the original principal to be forgiven annually for each additional year beyond the 10th year that the home is owned and continuously occupied by the Homeowner. Per the Homeownership Super NOFA 2023, not more than 10 percent of the funds available in a given fiscal year shall be used for financial assistance in the form of secured forgivable Loans. Refer to Attachment I for definitions related to Manufactured Housing, Mobile home, and Mobile home Park.

4.3.3 SHARED CALHOME PROGRAM LOAN PROVISIONS

- A. CalHome Program Loans shall be secured by the property or leasehold interest, as applicable.
- B. The lien securing repayment of the CalHome program Loan shall be subject only to liens, encumbrances, and other matters of record reviewed and approved by the Sponsor responsible for underwriting the CalHome program Loan.
- C. Loans shall be repayable upon sale or transfer of the property, when the property ceases to be owner-occupied, or upon the CalHome program Loan maturity date. However, if it is determined by the Sponsor that repayment of the CalHome program Loan at the maturity date causes a hardship to the Homeowner, the Homeowner has two other options.
 - i. Amending the note and deed of trust to defer repayment of the amount due at Loan maturity, that is, the original principal and the accrued interest, for up to an additional 30 years (at 0 percent additional interest), this may be offered one time, or
 - ii. Converting the debt at Loan maturity, that is, the original principal balance and any accrued interest, to an amortized Loan, repayable in 15 years at zero (0%) percent additional interest.
- D. Loans are not assumable;
- E. The following transfers of interest shall not require the repayment of the CalHome program Loan:
 - i. Transfer to a surviving joint tenant by devise, descent, or operation of law

- on the death of a joint tenant;
- ii. A transfer, in which the transferee is a person who occupies or will occupy the property, which is:
 - 1. A transfer where the spouse becomes an owner of the property;
 - 2. A transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property; or
 - 3. A transfer into an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.
- F. A Borrower may pay the CalHome program Loan amount, in part or in whole, at any time without penalty.
- G. All CalHome program assistance to individual Households shall be made in the form of a Loan. Sponsor may make CalHome program Loans bearing simple interest up to 3 percent per annum and may allow forgiveness of all or a portion of the accrued interest as part of its Local Program design. Loan principal shall not be forgiven, except as allowed by statute. In lieu of making Loans bearing a fixed rate of interest, Sponsor may instead charge contingent deferred interest in the form of shared net appreciation as set forth in subsection (e).
- H. Shared net appreciation is allowed, only as follows:
 - i. Gross appreciation is calculated by subtracting the original sales price from the current sales price or the current appraised value if the Loan accelerating event is other than sale of the property;
 - ii. Net appreciation is calculated by subtracting the seller's applicable closing costs, seller's cash contribution in the original purchase transaction, the value of seller's sweat equity, if applicable, and the documented value of capital improvements from the gross appreciation amount;
- I. As specified in the Rehabilitation Loan Agreement, all Homeowners who participate in the Program must maintain the property in the same condition as provided at the completion of the rehabilitation, for the term of the loan. Should the property not be maintained accordingly, the loan shall be considered in default and becomes all due and payable, and if necessary, foreclosure proceedings will be initiated. A method of inspection will be established by the Sponsor.

4.4. GRANTS

- A. Grants are not available under CalHome-funded programs.

4.5. APPRAISAL

- A. The After-Rehab Value (ARV) for rehabilitation projects is determined using the "Estimates of value" method. The Sponsor, Program Operator, or Consultant determines estimates of value based on the sale prices of at least three (3) comparable properties, sold within the last six (6) months (within one year of the assistance date, which is the date the Promissory Note is signed), and located within one mile of the subject property. The Homeowners' file will include the estimate of value and document the basis for the value estimates. The purpose of the "Estimates of value" is to determine that the ARV of the housing unit will not exceed 100% of the median sales

price in the county in which the property is located, see **Attachment C**. If three (3) comparable properties cannot be found, or if there is any question regarding the ARV, the ARV will be determined by a licensed appraiser, as described in Section 4.5.B. below.

- B. A licensed appraiser determines the ARV for rehabilitation projects, when the “Estimates of value” method cannot be used. For rehabilitation projects the appraiser determines the value of the unit with the rehabilitation building plans and specifications included. The cost of the appraisal will be paid by the Sponsor, not by the Homeowner. The purpose of the appraisal is to determine that the ARV of the housing unit will not exceed the permitted amount per HCD Program regulations (see **Attachment C**), and that the combined loans will not exceed the maximum combined loan-to-value limit, as described in Section 4.2.A above.
- C. The ARV for reconstruction projects is determined by a licensed appraiser. The ARV for reconstruction projects is determined by an appraisal completed off the building plans and specifications for the new home. The cost of the appraisal will be paid by the Sponsor, not by the Homeowner. The purpose of the appraisal is to determine that the ARV Limit of the housing unit will not exceed the permitted amount per HCD Program regulations, see **Attachment C**.
- D. An appraisal is not required in the case of Rehabilitation work on a Manufactured Home that is not on a permanent foundation.

4.6. INSURANCE

4.6.1. FIRE INSURANCE

The Homeowner shall maintain fire insurance on the property for the duration of the Program loan(s). This insurance must be an amount at least equal to the replacement value of improvements. The insurer must identify the Sponsor as an additional Loss Payee on the policy for the amount of the Program loan(s). A binder shall be provided to the Sponsor. **Note: CalHome funds cannot be used to pay insurance at any time.**

4.6.2. FLOOD INSURANCE

For homes in a 100-year flood zone, the Homeowner is required to maintain flood insurance in an amount adequate to secure the Program loan and all other encumbrances. This policy must designate the Sponsor as Loss Payee and a binder shall be provided to the Sponsor and maintained in the Homeowner's file.

Note: CalHome funds cannot be used to pay insurance at any time.

4.6.3. TITLE INSURANCE

Recipients must obtain title insurance in the amount of the CalHome program loan at the close of escrow

4.7. LOAN SECURITY

- A. Loan security for all owner-occupied rehabilitation stick-built homes will be secured by the real property and improvements and will also include the owner-occupied rehabilitation manufactured housing Promissory Note, Deed of Trust and Assignment of Rents, and Loan Agreement in favor of the Sponsor. A loan for a manufactured home that is not on a permanent foundation will consist of the Loan Agreement, and Promissory Note and Security Agreement in favor of the Sponsor and will be secured through an HCD 484.7 Statement To Encumber or an HCD 480.7 Statement of Lien.
- B. Sponsor may accept a junior lien as loan security. However, the Sponsor will not subordinate a first lien position once established.

5.0. PROGRAM LOAN SERVICING AND MAINTENANCE**5.1. VOLUNTARY PAYMENTS**

Homeowners may begin making voluntary payments at any time. A borrower may pay a portion of or the entire deferred payment loan amount at any time without penalty.

5.2. RECEIVING LOAN REPAYMENTS

- A. Program loan payments will be made to:

**City of Rialto
Community Development Department
Attention: Economic Development
150 S. Palm Avenue
Rialto, CA 92376**

- B. The Sponsor 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 Sponsor's appropriate Program Income Account, as required by the HCD program. The Program Sponsor will accept loan payments from Homeowners prepaying deferred loans, from Homeowners making payments in full upon sale or transfer of the property, and Homeowners of tenant occupied units. All loan payments are payable to the Sponsor. The Sponsor 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.

5.3. 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 an event that may restrict a Homeowner's repayment ability, 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.

5.4. LOAN MONITORING PROCEDURES

Homeowners will be required to submit each of the following to the Sponsor between January 1 and 15 of each year for the term of the loan:

- Proof of occupancy in the form of a copy of a current utility bill;
- Statement of unit's continued use as a residence;
- Declaration that other title holders do not reside on the premises;
- Verification that Property Taxes are current; and
- Verification of current required insurance policies.

5.5. DEFAULT AND FORECLOSURE

If a Homeowner defaults on a loan, and foreclosure procedures are instituted, they shall be carried out according to **Attachment E**.

5.6. SUBORDINATIONS

The Sponsor may approve a request to subordinate a loan, in order for the owner to refinance the property, under the following conditions:

- A. The lien position of the Sponsor loan will remain the same or be advanced.
- B. The new primary loan is no greater than the balance of the loan being refinanced, except the reasonable costs of refinancing the loan may be added to the principal balance.
- C. The purpose of the new primary loan is to reduce the interest rate being paid and/or reduce the Homeowner's payment.
- C. The refinanced loan must have an impound account for taxes and insurances.
- D. The refinancing terms must be acceptable to the Sponsor.

6.0 CONSTRUCTION**6.1. STANDARDS**

- A. All repair work will meet Local Building Code standards. At a minimum, all health and safety hazards must be eliminated. Sponsor may also require elimination of code deficiencies prior to general property improvements. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components.

B. Contracting Process

1. Bids for the contracting work will be secured on a competitive basis.
2. The Homeowner will be the responsible agent, but the Sponsor and/or its Program Operator or Consultant will prepare the work write-up, prepare the bid package, and assist the owner in negotiating the construction contract.
3. The Sponsor does not warrant any construction work or provide insurance coverage.

C. Approved Contractors

1. Contractors are required to be appropriately licensed for the trades which they will be performing, with the State of California, and be active and in good standing with the Contractors' State License Board (CSLB).
2. Contractors (both company name and individuals listed with the CSLB) will be checked against the OMB SAM. No award will be granted to a contractor on this list.
3. Contractors must have comprehensive general (public) liability and property damage insurance, and worker's compensation, unemployment, and disability insurance, to the extent required by State law and under program requirements.
4. Contractor must agree to comply with all federal, state, and local regulations.
5. Contractor must obtain or have a current City business license.

6.2. ELIGIBLE CONSTRUCTION COSTS

"Rehabilitation" means, in addition to the definition in H.S.C §50096 and H.S.C. §50097, of the Health and Safety Code, repairs and improvements to a manufactured home necessary to correct any condition causing the home to be substandard pursuant to Section 1704 of Title 25, California Code of Regulations. Rehabilitation also includes:

- A. Installation of a permanent foundation on a Manufactured Home that is Owner-Occupied as a principal place of residence, such that the Manufactured Home is assessed as real property, and valued in the same manner as a conventional home;
- B. Reconstruction;
- C. Construction, repair, reconstruction, or Rehabilitation of an ADU or a JADU;
- D. Conversion of an existing space to add an ADU or a JADU;
- E. Room additions to prevent overcrowding;

- F. Repairs and improvements which are necessary to meet any locally adopted standards used in local Rehabilitation; and
- G. Modifications, alterations, and additions necessary to improve accessibility and usability for persons with disabilities who reside in or regularly visit them.

Rehabilitation includes costs incurred for implementing resiliency mitigation measures identified in the Hazard Mitigation Plan or the Safety Element of the General Plan adopted by the jurisdiction in which the Program will be offered.

Rehabilitation does not include replacement of personal property.

Rehabilitation will address the following issues in the order listed. Eligible costs are included for each item.

1. Health and Safety Issues, Correction of Code Violations, or Compliance with a Local Ordinance (the four eligible uses for CalHome funds)
 - a. Eligible costs include repair or replacement of electrical, heating, and plumbing systems. It also includes roof replacement, and repairs to remedy mold, dry rot, water damage or termite damage. Also included are lead-based paint hazard reduction and improvements for disability access.
 - b. Eligible costs include additional work required to rehabilitate and modernize a home and bring it into compliance with current building codes and regulations. Items in a detached garage are generally not eligible except to the extent that the residence is affected by the current condition. For example, out-of-code electrical wiring between the house and the garage which could create a fire hazard to the residence; or mold or termites in the garage which could easily move to the residence.
 - c. Repair of an accessory dwelling unit or junior accessory dwelling unit is also an eligible cost
 - d. Painting, weatherization, and energy efficient improvements are included when required by code. Energy efficient items and green building items cannot be stand-alone but must be connected in some fashion to one of the four eligible uses of Cal Home funds. For instance, dual pane windows may replace windows which must be repaired because they are not operational. Insulation may be added when a roof or ceiling requires repair. However, a tankless water heater is considered an enhancement and is not usually eligible to replace a tank-style water heater.

2. Demolition and Clean-up

Eligible costs include the tear down and disposal of dilapidated structures. Eligible costs also include clearance of weeds, junk, debris, stagnant water, and garbage which directly affect the residence structure and constitute a health and safety hazard. Removal of debris and weeds is generally considered normal maintenance and is an ineligible use of CalHome funds.

3. Closing Costs and Other Charges

Eligible costs include non-recurring closing costs for the loan paid to third party providers for such items as title searches, credit reports, notary fees, recording fees, escrow fees, or appraisals. The homeowner does not pay any costs for the Cal Home loan such as refundable application fees, loan processing or document fees. These costs are incurred by the Contractor and reimbursed by CalHome to the Contractor as Activity Delivery Fees. Other costs such as termite inspections (when termite work is done), haul away, disposal bins, architect fees, permit fees, should be included in the loan.

4. Additions and Accessory Dwelling Units/Junior Accessory Dwelling Units

Eligible costs include construction of additional bedrooms and bathrooms if needed to alleviate overcrowding if the need can be demonstrated per Sponsor's overcrowding guidelines listed in **Attachment C**. It also includes the full construction or reconstruction of ADUs/JADUs. The program will not fund additions to a home for a den, home office or family room. The only eligible detached additions or buildings are an ADU/JADU, unless otherwise required by a local ordinance, such as covered parking or garage.

5. General Property Improvements

General property improvements are permitted if they relate to health and safety, or code or local ordinance compliance activities. All improvements must be physically attached to the property and permanent in nature. They must remain with the home if the home is sold. A driveway, landscaping or fencing may be considered part of rehabilitation if it is determined to be a health and safety issue. Code required general property improvements (fencing, landscaping, driveway, etc.) will be *limited to 20 percent (20%)* of the rehabilitation loan amount. Luxury items are not permitted to be paid with CalHome funds.

6. Appliances

Built in appliances such as garbage disposals, dishwashers, stoves, and ovens may be replaced if they are broken or non-repairable. Free standing appliances such as refrigerators, washers and dryers are not included. New built-in appliances are ineligible if they do not replace a similar existing appliance.

7. Relocation and Storage

Relocation costs and storage costs are considered secondary costs and allowed only when necessary for health and safety. These costs are part of the loan which must be repaid and are not a grant. Homeowners should be encouraged to stay with friends or relatives so that most of the funds are used for property improvements.

8. Rehabilitation Standards

All repair work related to health and safety conditions will meet Uniform Building Code standards. The priority will be the elimination of health and safety hazards and code compliance. The replacement materials will be of a similar grade and quality compared to the original construction. Substantial upgrades such as premium carpet, travertine tile, marble tile, granite, or marble countertops, are not normally permitted to be paid with CalHome funds.

9. Mobile homes

Rehabilitation or Replacement of a manufactured home not on a permanent foundation with a similar structure is permitted. Rehabilitation of a manufactured home may include the replacement of the unit with a new or used manufactured home. A mobile home is eligible for replacement if the cost to rehabilitate it is not feasible. The footprint of the new structure may be larger if the cost of the new manufactured home does not exceed one hundred and five (105%) of the cost that would have been incurred if the existing manufactured home had been rehabilitated. This is usually feasible when a "gently-used" coach is purchased. All costs associated with the purchase and transportation can be added to the loan.

10. Ineligible Costs and Improvements

Property improvements not related to health and safety, correction of code violations or compliance with local ordinances are not permitted. A partial list of ineligible upgrades are barbeques, outdoor kitchens, patios, decks, patio covers, swimming pools, hot tubs, animal shelters, sports courts, storage sheds, workshops, fountains, security systems, TV antennas, plantation shutters, wallpaper, tankless water heaters, upgraded carpet, built in entertainment centers, granite counter tops, travertine or marble tile, and garage floor coatings.

6.3. ELIGIBLE PROJECT COSTS

CalHome program funds in support of an Owner-Occupied Rehabilitation program shall be used only for the following costs:

- A. Cost of Rehabilitation of the property, as defined in Attachment I.
- B. Cost of building permits and other related government fees.
- C. Cost of an appraisal, and of architectural, engineering, and other consultant services that are directly related to the Rehabilitation of the property.
- D. Non-recurring Loan closing costs.
- E. Replacement cost of a Manufactured Home not on a permanent foundation does not exceed one hundred and five percent (105%) of the cost that would have been incurred if the existing manufactured home had been rehabilitated.
- F. Transport costs for purchase of Manufactured Homes.
- G. Installation costs for Manufactured Homes.

Costs are based on charges currently incurred by the Sponsor, Program Operator, or it's Consultant for these products and/or services. Any cost increases charged to the Sponsor/Program Operator/Consultant for these products and/or services will be passed on to

the Manufactured Homeowner and included in the loan. All fees are subject to change and are driven by the market.

6.4. INELIGIBLE PROJECT COSTS

CalHome program funds shall not be used for any of the following costs that may be incurred in the Local Program or the project:

- A. Refinancing of existing Loans with CalHome program funds or payoff of personal obligations with CalHome funds.
- B. Costs associated with the Rehabilitation or repair of property owned by a Mobile home Park owner.
- C. Offsite improvements (improvements outside the boundaries of the subdivision or individual parcels for scattered site development).
- D. Recurring Loan closing costs.
- E. Payoff of all or any portion of a Borrower's consumer debt, liens, or judgments.
- F. CalHome Reuse Account funds cannot be combined with current NOFA funds if any rehabilitation will include ADUs/JADUs.

6.5 REPAIR CALLBACKS

Contractors will comply with State law regarding all labor and material warranties, and the provisions of the contractor agreement. All labor and material shall meet FHA minimum specifications.

7.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

7.1. AMENDMENTS

The Sponsor may make amendments to these Participant Guidelines. Any changes made shall be in accordance with federal and state regulations, shall be approved by the Sponsor's Loan Committee and/or local governing body and submitted to HCD for approval.

7.2. EXCEPTIONS

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

7.2.1 PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The Sponsor, Program Operator, or its Consultant may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's/Program Operator/Consultant's recommended course of action and any written or verbal information supplied by the applicant.

- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator or Consultant. The request can be presented to the Sponsor's loan committee and/or governing body for decision.

8.0. DISPUTE RESOLUTION AND APPEALS PROCEDURES

8.1. PROGRAM COMPLAINT AND APPEAL PROCEDURE

Complaints concerning the Sponsor's Rehabilitation Program should be made to the Sponsor in writing. The Sponsor will then schedule a meeting with the Sponsor's Loan Review Committee. Their written response will be made within thirty (30) working days. If the Homeowner is not satisfied with the committee's decision, a request for an appeal may be filed with the local governing body.

8.2. GRIEVANCES BETWEEN PARTICIPANT 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 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 attorney's fees and costs of arbitration.

ATTACHMENT A

CalHome Program Gross Income Worksheet

https://www.hcd.ca.gov/grants-funding/docs/AppendixG_IncomeCalculationCertificationWorksheet.xls

INCOME DETERMINATION WORKSHEET

Client Name:					
Address:					
ASSETS					
NOTE: Attach all source documents, third party verifications, and all calculations used to complete this form.					
Household Member	Asset Description	Actual Cash Value of Assets	Annual Income from Assets		
			\$0		
Total Net Family Assets.....		3.	\$0		
Total Actual Asset Income.....		4.	\$0		
If Line 3 is greater than \$5000.00 multiply by 2% (passbook rate) enter here, if not enter 0		5.	\$0		
ANTICIPATED ANNUAL INCOME					
Household member	Annual Wages/Salaries	Annual Benefits/Pensions	Annual Public Assistance	other (Annual Income)	Comments
					The greater of lines 4 or 5 from above goes to line e.
6. Totals	a. \$0	b. \$0	c. \$0	d. \$0	e. \$0
7. Enter total of items from 6a. Through 6e. This is Annual Income.....					\$0
Number of Household members: <input type="text"/> 80% of Median Income <input type="text"/>					
Signature of Official _____					7/2/2025 17:20 Date: _____

ATTACHMENT B

24 Code of Federal Regulations (CFR), Part 5, Section 5.609
<https://www.ecfr.gov/current/title-24/section-5.609>
Annual Income: Income Inclusions, Exclusions, and Calculation Procedures

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
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	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not 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 amounts 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 for certain exclusions, listed in Income Exclusions, number 14).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6. Welfare Assistance	Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). 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: <ul style="list-style-type: none"> • 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 reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be 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 pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Part 5 Exclusions

This table presents the Part 5 income exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
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 for certain exclusions, listed in Income Inclusions, number 5).
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. Income from a Disabled Member	Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul 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 which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. 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.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. 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).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income 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	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 set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion.

Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:

- ▶ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
- ▶ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
- ▶ Payments received under the Alaskan Native Claims Settlement Act;
- ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
- ▶ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
- ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.
- ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;
- ▶ 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;
- ▶ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program);
- ▶ Payments received on or 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 refund payments received on or after January 1, 1991, including advanced earned income credit payments;
- ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- ▶ 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, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- ▶ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990;
- ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

ATTACHMENT C
MAXIMUM AFTER-REHABILITATION VALUE LIMIT FOR SAN BERNARDINO COUNTY
(CalHome Value Limit as of 05/2025)

COUNTY NAME	One-Family
SAN BERNARDINO	\$497,940

*Sponsor will update the ARV monthly as the California Association of Realtors provides new information regarding median sales price, which can be located at the following link:
<https://www.car.org/marketdata/data/countysalesactivity>

HCD 2025 INCOME LIMITS FOR CALHOME
ADJUSTED FOR FAMILY SIZE FOR SAN BERNARDINO COUNTY
(Effective April 2025)

Income Level	Household Size							
	1	2	3	4	5	6	7	8
80%	\$62,650	\$71,600	\$80,550	\$89,550	\$96,700	\$103,850	\$111,000	\$118,150

*Sponsor will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is:

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2025.pdf>

SPONSOR STANDARDS FOR BEDROOM AND BATHROOM ADDITIONS TO ALLEVIATE OVERCROWDING

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2
8	4-BR	3
10	5-BR	3
12	6-BR	4

- Opposite sex children under six (6) years of age may share a bedroom, up to two (2) children per bedroom.
- Opposite sex children six (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, up to two (2) children per bedroom.
- Adults not in a partner relationship may have their own bedroom.
- Four **(4)** or more people – a second bathroom may be added.
- Eight **(8)** or more people – a third bathroom may be added.
- Same rules apply to mobilehome units.

The chart above is used as a guide to overcrowding and is subject to Loan Review Committee approval on a case-by-case basis.

ATTACHMENT D

HOUSING REHABILITATION MARKETING PLAN

SUMMARY

The Sponsor will initiate and sustain its efforts to market the Rialto Mobile Home Rehab Loan Program in a manner that will reach all community members.

All marketing related to the Rialto Mobile Home Rehab Loan Program shall be publicized in both English and Spanish. All marketing materials include information identifying the Sponsor's commitment to fair housing laws and affirmative marketing policy, and are widely distributed. Equal opportunity is emphasized in written materials and oral presentations. A record is maintained by the Sponsor identifying what marketing materials are used, and when and where they are distributed.

Forms of marketing may include fliers, brochures, newspaper ads, articles and public service announcements. Fliers and brochures are distributed at local government buildings, other public buildings and through the mail, as well as to businesses that assist those not likely to apply without special outreach. Advertisements and articles are published in newspapers that are widely circulated within the community.

Established working relationships with local lending agencies also aid in informing the public by facilitating the distribution of informational fliers to households seeking financial assistance for repairs that are unable to obtain conventional financing.

Informational meetings are offered to potential participants to explain Program requirements. Often, minimal formal outreach efforts are required as the need for assistance generally exceeds funds available. However, marketing measures are actively performed in order to maintain a healthy interest list.

Characteristics on all applicants and participants are collected and compared with the Sponsor's demographics. Should the Sponsor find that there are underserved segments of the population, a plan to better serve them will be developed and implemented.

MARKETING FORMS

- Fliers
- Brochures
- Newspaper Ads and Articles
- Public Service Announcements
- Public Informational Meetings

MARKETING VENUES

- Local Government Buildings & Public Services Buildings
- Private Businesses
- Lending Agencies
- Real Estate Offices
- Newspaper
- Radio
- Mail

ATTACHMENT E

LOAN SERVICING POLICIES AND PROCEDURES FOR CITY OF RIALTO

Sponsor, the City of Rialto, hereafter called "Lender" in this Attachment, has adopted these policies and procedures in order to preserve its financial interest in the properties of "Borrowers" who 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, as it performs its loan servicing functions.

The policies and procedures are broken down into the following 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.

All CalHome funded loans will be maintained within the CalHome Program database, identifying loan parameters and annual monitoring requirements.

1. Loan Repayments:

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

2. Payment of Property Taxes and Insurance:

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 Lender is a junior lienholder. If Borrower fails to maintain the necessary insurance, the Lender may elect to take out force placed insurance to cover the property while the Borrower secures a new insurance policy. All costs for providing the necessary insurance will be added to the loan balance at time of Borrower obtaining the own 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 with an endorsement naming the City of Rialto as additional insured will be required at close of escrow. The Lender will 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 elect to declare the loan in default or to 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 requires 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. The Sponsor will verify the property taxes on an annual basis.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage or a senior lien, 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 the initiation of foreclosure by the senior lender. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. 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 to the Lender may contact any other senior lien holders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

In order to verify occupancy during the term of an owner-occupant loan, the Lender requires Borrowers to submit an annual residency affidavit certification, in conjunction with utility bills and/or other documentation, as well as supporting documentation verifying proof of payment of property tax payments annually to verify occupancy during the term of the loan.

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

In all cases where there is a change in title, occupancy, or use, the Borrower must notify the Lender in writing of the change.

Any change in ownership as a result of a sale requires that the loan be paid in full. A CalHome loan is not assumable.

If a Homeowner converts the property to a rental unit, or any commercial or non-residential use, the loan is due and payable in full.

CalHome loans are not transferable except under the following limited circumstances:

- (a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant;
- (b) A transfer of the Property where the spouse becomes an owner of the property;
- (c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property; or
- (d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

All such changes are subject to the review and approval of the Sponsor's Loan Review 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 Homeowner converts any

assisted unit from Homeowner occupied to non-owner occupied, the loan is due in full.

Conversion to use other than residential use is not allowable. If the use of the property is converted to a non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must submit a subordination request to the Lender. The Lender will subordinate their loan only when there is no "cash out" as part of the refinance. No cash out means that there are no additional charges for the transaction beyond reasonable loan and escrow closing fees. There can be no third-party debt payoffs 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 shall not exceed the current total indebtedness.

Also, provisions of Section 5.0.B and 5.0.C of these guidelines still apply, which state that the loan must:

1. be fully amortized and have a fixed interest rate that does not exceed the current market rate;
2. not have a temporary interest rate buy-down;
3. have a term "all due and payable" in no fewer than thirty (30) years; and;
4. not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be submitted to the loan review committee for approval consideration. 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) change in title or use without approval; or 4) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation and providing a period for remedy of the default condition. If the default continues, then the Lender may initiate a foreclosure action in accordance with applicable law.

When a senior lien holder starts a foreclosure and the Lender is notified of a 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, provided a Loan Review Committee approval is obtained and appropriate funding is available, and add the costs to the balance of the loan with a Notice of Additional Advance against the existing note.

If the Lender determines 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) calendar 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) calendar 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 thirty-one (31) or more calendar days in default. Attempts will be made to assist the Homeowner in bringing and keeping the loan in good standing. These attempts will be conveyed in an increasingly urgent manner until the loan has been ninety (90) calendar days in default, at which time the Lender may initiate foreclosure proceedings. Lender's staff will consider the following factors before initiating foreclosure:

- 1) The nature of the default.
- 2) Whether the loan can be cured, and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary.
- 3) Whether the Borrower can refinance with a private lender and pay off the Lender.
- 4) Whether the Borrower can sell the property and pay off the Lender.
- 5) Whether the balance owing warrants foreclosure. (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing. Also note that the Lender may be required to make the original funding source "whole" relative to the funding provided)
- 6) Whether the sales price of the home "as is" will 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 (30) calendar days 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 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.

Loan Payoffs

Lender will process Payoff Demand requests in the following manner:

1. A copy of the original Promissory Note and all other applicable documentation will be retrieved.
2. The terms of the note will be reviewed, and any applicable interest or penalties computed.
3. The project file will be reviewed to determine if any additional funds were advanced against the existing security agreement.
4. The Payoff Demand will be prepared indicating the amount required to fully satisfy the loan obligation, specifying the date through which the demand amount is valid.
5. The Payoff Demand will be transmitted to escrow, with a copy placed in the project file. The Lender will retain the original Promissory Note and Security Agreement or Deed of Trust until funds are received, deposited, and validated.
6. Upon receipt of the required payoff, a deposit of funds will be made, and the funds credited to the CalHome Program Reuse Account.
7. Ten (10) calendar days following the deposit, a verification of funds clearance shall be performed by the Lender. Upon successful verification, the original Promissory Note and all other applicable documentation will be retrieved.
8. A Substitution of Trustee and Full Reconveyance form shall be prepared and signed by the authorized City official. The executed Substitution of Trustee and Full Reconveyance, shall be combined with the original Promissory Note (date stamped and marked paid in full) and security agreement, and transmitted to escrow. Copies of all transmitted documentation shall be maintained in the project file.
9. The CalHome Program database shall be updated to reflect the loan repayment, and the reuse account verified to ensure that funds are available for reprogramming.

Funded Loan Adjustments

In instances where the amount of funding provided under the CalHome Promissory Note exceeds the actual funding required to complete the transaction, the following procedures will be employed:

1. Written correspondence will be prepared and issued to the borrower, which references the CalHome loan, and provides the credit amount being provided, and a description of the reason for issuance of the loan credit. A copy of the transmittal will be attached to the file's original Promissory Note.
2. The CalHome Program database will be updated to reflect adjustment to the outstanding principal loan balance for the account.
3. The master CalHome funds tracking log will be updated to reflect the availability of the credit amount for programming into eligible CalHome activities.

ATTACHMENT F

CERTIFICATION OF OCCUPANCY

CITY OF RIALTO

I/we _____, declare as follows:

That I/we am/are currently occupy(ing) as my/our principal place of residence the real property commonly known as:

Address: _____

Space No.: _____

City, State, Zip: _____

Mobile home Park: _____

I agree to provide supporting documentation to the satisfaction of the City of Rialto that demonstrates that the above property is my principal place of residence.

Executed on _____, 20____, at Rialto, CA

I/we declare under penalty of perjury that the foregoing is true and correct.

Signature(s) of all property owners:

Homeowner Signature

Printed Homeowner Name

Homeowner Signature

Printed Homeowner Name

Homeowner Signature

Printed Homeowner Name

ATTACHMENT G
Lead-Based Paint
Visual Assessment, Notice of Presumption, and Hazard Reduction Form

Section 1: Background Information			
Property Address/Space:			No LBP found or LBP exempt <input type="radio"/>
Select one: Visual Assessment <input type="radio"/> Presumption <input type="radio"/> Hazard Reduction <input type="radio"/>			
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="radio"/>			
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="radio"/> and/or Lead-based paint hazards are presumed to be present <input type="radio"/>			
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="radio"/> No <input type="radio"/>		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 and Acknowledgement of Receipt of pamphlet entitled "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools"			
Printed Name:		Signature:	Date:
Section 6: Contact Information		Organization:	
Contact Name:		Contact Signature:	
Date:	Address:	Phone:	

ATTACHMENT H
CITY OF RIALTO- CALHOME REUSE ACCOUNT PLAN

In any loan transaction where the CalHome Program loan is the only subsidy, the borrower will not be restricted from selling the home at its fair market value at any time.

The City will use the proceeds from repayments of CalHome Loans to assist another eligible participant in an eligible CalHome activity.

The City will use the proceeds from the repayment of a CalHome Loan to ensure that the subsequent Program eligible purchaser of the "first time buyer" property can afford the home, while ensuring a fair return to the seller.

The City of Rialto will establish a "Reuse Account" (Program Income Account). All repayments of a CalHome Loan (Principal and Interest) will be deposited into this separately maintained Reuse Account and all of the funds in this account will be used for CalHome eligible activities in the future. See Sample "CalHome Owner Occupied Rehabilitation Loan Log" (Attachment I-A).

The City of Rialto will enter into a long-term monitoring agreement with CalHome, allowing the Department to monitor the Reuse Account for compliance with this Plan and will prepare reports for CalHome as requested.

The Annual Reporting of the Reuse Account will continue for a period of twenty (20) years. This report is performed after the Standard Agreement expires. The Annual Report will reflect all changes in the Reuse Account during the reporting year.

The cost of Homebuyer's Education for future Home Buyers will be paid from the Reuse Account, if applicable.

The City of Rialto may or may not deduct up to 5% of funds deposited into the Reuse Account for loan servicing.

PROCESS FOR LOAN COLLECTION:

The borrower may repay the CalHome loan at any time without payment of penalties or premiums. Loan payments (sooner than the end of the term) will be accounted for in the same manner as payoffs. All payments shall be applied evenly to interest and principal. Since the CalHome loans are deferred loans with no monthly payment, loan collections (monthly payment collections) will not occur very often. All early payments will be deposited into the CalHome Reuse Account and reflected on the CalHome Owner Occupied Rehabilitation Loan Log (Attachment I-A) and the specific loans will be credited with the same amount.

ATTACHMENT H-A

City of Rialto – CalHome Owner-Occupied Rehabilitation Log – Reuse Account

[illegible]

ATTACHMENT I

CalHome Definitions

This attachment includes combined definitions from the CalHome Program Guidelines 2022.

Homeownership:

- a) For Mortgage Assistance: fee simple title on real property or a leasehold interest on real property that enables the lessee to make improvements on and encumber the property and has a term sufficient to secure the Program Loan or ownership of a Manufactured Housing Unit located on a rented space in a Mobilehome Park.
- b) Owner-Occupied Rehabilitation: fee simple title on real property; or a leasehold interest that enables the lessee to make improvements on and encumber the property and has a term sufficient to secure the Program Loan; or ownership of a Manufactured Housing Unit located on a rented space in a Mobilehome Park.
- c) A share interest in a limited equity housing cooperative.

Manufactured Housing or Manufactured Home:

A Mobilehome as defined by §18007 of the H.S.C. A Manufactured Home can be either in a rental Mobilehome Park, on leased land, or on property owned by the occupant. It can either be on a permanent foundation or a foundation system. In these guidelines, with respect to Manufactured Housing not installed on a permanent foundation, terms that typically apply to conventionally constructed housing or to Loans secured by real property shall be given the appropriate analogous meaning used in the Manufactured Housing industry. For example, rather than holding fee title to the property, a Manufactured Homeowner is listed as the registered owner on the certificate of title issued by the Department.

Mobilehome:

Pursuant to HSC §18008(a) means a structure that was constructed prior to June 15, 1976, is transportable in one or more sections, is eight body feet or more in width, or 40 body feet or more in length, in the traveling mode, or, when erected onsite, is 320 or more square feet, is built on a permanent chassis and designed to be used as a single-family dwelling with or without a foundation system when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein. "Mobilehome" includes any structure that meets all the requirements of this paragraph and complies with the state standards for Mobilehomes in effect at the time of construction. "Mobilehome" does not include a commercial modular, as defined in HSC §18001.8, factory-built housing, as defined in HSC §19971, a Manufactured Home, as defined in H.S.C. §18007, a multifamily Manufactured Home, as defined in HSC §18808.7, or a recreational vehicle, as defined in HSC §18010.

Notwithstanding any other provision of law, if a codified provision of state law uses the term "Mobilehome," and it clearly appears from the context that the term "Mobilehome" should apply only to Mobilehomes, as defined under HSC §18008(a) , the codified provision shall apply only to those Mobilehomes. If any codified provision of state law, by its context, requires that the term applies to Mobilehomes or Manufactured Homes without regard to the date of construction, the codified provision shall apply to both Mobilehomes, as defined under HSC §18008(a) , and Manufactured Homes, as defined under HSC §18007.

Mobilehome Park:

The same as defined in H.S.C. §18214. "Mobilehome park" is any area or tract of land where two or more lots are rented or leased, held out for rent or lease, or were formerly held out for rent or lease and later converted to a subdivision, cooperative, condominium, or other form of resident ownership, to accommodate manufactured homes, mobilehomes, or recreational vehicles used for human habitation. The rental paid for a manufactured home, a mobilehome, or a recreational vehicle shall be deemed to include rental for the lot it occupies. This

subdivision shall not be construed to authorize the rental of a mobilehome park space for the accommodation of a recreational vehicle in violation of Section 798.22 of the Civil Code.

Rehabilitation:

In addition to the definition from H.S.C. §50096 and §50097, it can also have the following meanings:

- a) Repairs and improvements to a Manufactured Home necessary to correct any condition causing the home to be substandard;
- b) Installation of a permanent foundation on a Manufactured Home that is Owner-Occupied as a principal place of residence, such that the Manufactured Home is assessed as real property, and valued in the same manner as a conventional home;
- c) Reconstruction;
- d) Construction, repair, reconstruction, or Rehabilitation of an ADU or a JADU;
- e) Conversion of an existing space to add an ADU or a JADU;
- f) Room additions to prevent overcrowding;
- g) Repairs and improvements which are necessary to meet any locally adopted standards used in local Rehabilitation; and
- h) Modifications, alterations, and additions necessary to improve accessibility and usability for persons with disabilities who reside in or regularly visit them.

Rehabilitation includes costs incurred for implementing resiliency mitigation measures identified in the Hazard Mitigation Plan or the Safely Element of the General Plan adopted by the jurisdiction in which the Program will be offered.

Rehabilitation does not include replacement of personal property.

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