

CITY OF EL CENTRO

FIRST TIME HOMEBUYER GUIDELINES

INTRODUCTION

It is the intent of the City of El Centro to offer first-time homebuyer down payment assistance to all qualified residents of the City for home purchase of any existing or qualifying new home through its CalHFA HELP Program. This funding source will be used to provide downpayment assistance loans to households earning up to 80% of the Department of Housing and Urban's (HUD) median income limits to enable them to qualify for permanent financing of single family homes located in the city limits of El Centro.

I. APPLICANT ELIGIBILITY

A. Conflict of Interest

No member of the governing body of the locality and no other official, employee, or agent of the City Government who exercises policy, decision-making functions, or responsibilities in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program, unless the application for assistance has been reviewed and approved by the City. This ineligibility shall continue for one year after an individual's relationship with the City ends.

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

The Fair Housing Lender logo will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers and other outreach materials will be available 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 agency.

C. Applicant Qualifications

A qualified first-time homebuyer is:

1. an income eligible household which has not owned real property or held title within three (3) years;
2. a household which has lost housing as a result of a divorce settlement within the last three years;
3. a single parent, defined as an individual who is unmarried or legally separated from a spouse, and has one or more minor children for whom the individual has custody or joint custody, may not be excluded from consideration as a first-time home buyer on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse.
4. an individual may not be excluded from consideration as a First-time Home Buyer on the basis that the individual owned as a principal residence during the three year period before the purchase of a home with the City's assistance, a dwelling unit whose structure is:
 - a. not affixed to a permanent foundation; or
 - b. not in compliance with State, local or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

II. INCOME QUALIFICATION

A. Income Eligibility

Down-payment assistance loans will be available to households with incomes at or below 80 percent median income for Imperial County. This income figure is adjusted on an annual basis by household size. The single-family property must be located within the incorporated City of El Centro limits and the borrower must meet the household income eligibility requirement of having total annual household income at or below 80% of the Area Median Income, adjusted by family size as provided by HUD and subject to change on an annual basis. The income limits in place at the time of application submittal will apply when determining applicant eligibility. No borrower will receive downpayment assistance if they are over-income or has received "Program" financial assistance in the past.

B. Annual income

Income Limits (adjusted by household size): The City of El Centro will certify that all homeowners meet the household income eligibility requirements for the HELP program and have their household income documented. Annual gross income of the household will be used to determine whether they are above or below the current published HUD income limits. Household income is the annual gross income of all adult household members that is projected to be received during the coming 12 month period who will

reside at the subject property and will be used to determine program eligibility. The household's projected income must be used, rather than past earnings when calculating income. For income counted, gross amounts (before any deductions have been taken) are used. The Section referred as 24 CFR, Part 5, (Section 8) method for income determination will be used as described in the "Income Calculation and Determination Guide for Federal Programs, First Edition July 2010". The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HUD each year.

Household definition: One or more persons who will occupy a housing unit. Unborn children will not be counted in family size determination.

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

C. 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, who will reside at the subject property and will be used to determine program eligibility. For income counted, gross amounts (before any deductions have been taken) are used; the types of income not considered are the income of minors or live-in aides. The household's projected income must be used, rather than past earnings when calculating income. Income received from government assistance programs may be used only if this income has been received for two consecutive years (including year application was submitted) and the government agency provides satisfactory documentation that the income will continue for at least 3 years.

III. PROPERTIES

A. Qualified Properties

- 1) A single family one unit detached home.
- 2) A manufactured housing unit on permanent concrete foundation.
- 3) New homes built under the requirements of the State of California Uniform Building Code, the Building Code of the County of Imperial and the Building Code of the City of El Centro. New Homes must meet all local codes, rehabilitation standards, ordinances, and zoning ordinances. Newly constructed housing must also meet the requirements of the current edition of the Model Energy Code published by the Council of American Building Officials.
- 4) Existing (Resale) Homes: Upon accepting an offer to purchase an existing home, the Seller will be required to sign a "Notice to Sellers of Existing Homes" (See Exhibit A).
- 5) Qualified properties must be located in the City of El Centro city limits.

- 6) Items on the property such as swimming pools, jacuzzis, hot tubs, granny flats, and separate living quarters and/or rental property are ineligible through the City's FTHB program.

B. Inspections

- 1) At the the Seller's cost, a detailed Home Inspection of the home will be required and will include but is not limited to: Roof, HVAC, Foundation, Electrical Wiring, Plumbing, etc. and must be completed by a certified home inspector to determine that the structure is sound and is free of significant deficiencies to all major home system components. If the home is a pre-1978 unit, a Lead Based Paint Inspection and Risk Assessment must be performed by a qualified testing agency certified with the State of California Department of Health Services. All lead based paint hazards found must be abated by a certified abatement contractor and shall be paid for by the seller.
- 2) A termite inspection will be required to be completed by a past control company and any treatment required will be paid for by the seller.
- 3) A exterior visual inspection of readily accessible areas will be performed by the City's Community Development Inspector in order to determine that any past improvements made to the residence were built with the approval of the City of El Centro's Building Department and were issued a building permit that was finalized and approved by a representative of the City's Building Department. This will satisfy program requirements that the improvements made meet all State, Local and other applicable Code requirements.

In the event that there have been improvements made to the property without the issuance of a building permit or approval from the City's Building Department, the improvements will be required to be brought up to current Building Code requirements. All work needed to the improvements for code compliance as required shall be paid for by the seller.

C. Property Value Ratios

The ratio of **combined** property debt to property value shall not exceed **100%**. Value to be determined by appraisal acceptable to the City.

IV. RESIDENCY REQUIREMENTS

1. The unit purchased must be the principal place of residence of the purchaser, hereinafter referred to as owner.
2. The owner will be required to submit to the City between January 1 to January 30 of each year for the term of the loan statement of unit's continued use as primary residence of the owner. (See Exhibit B – Annual Certification)

3. In the event that an owner sells, transfers title, or discontinues residence in the purchased property for any reason, the loan is due and payable.

V. PROGRAM LOAN

A. Maximum Amount of Program Assistance

An eligible buyer may qualify for downpayment assistance of up to a maximum loan amount of \$25,000 or less, depending on factors, such as; income, debt ratios, cash assets and/or other factors as determined by City staff.

Buyer understands and agrees that the amount of the first loan shall be the maximum loan amount that the Buyer is approved for and that the City's loan amount cannot be more than the approved first mortgage amount in order to participate in the First Time Homebuyer Program. The City loan shall be the minimum amount that is required to pay the balance of the downpayment and closing costs and shall not be greater than the first mortgage loan amount.

B. Financing

Working with a mortgage lender, the buyer must qualify for a permanent 30 year fixed rate loan provided by a federal or state agency and the Agency's loan shall be subordinate to the original first mortgage only. Adjustable rate loans, interest only, temporary buy-downs, balloon, negative amortizing loans, or loans with pre-payment penalties shall not be permitted.

Any re-financing of the first mortgage will cause this loan to move into first position and the City will not subordinate its position.

C. Debt Ratio

The City has established minimum and maximum debt ratios for the FTHB program. The minimum front end ratio is 30% and maximum front end ratio is 35%. Maximum total debt ratios for first-time homebuyers are 35% front and a back ratio of 41%. This means that a family could be paying up to 35% of their monthly gross income for housing and an additional 6% of the monthly gross for other revolving debt (credit cards, car payment, etc.). The maximum amount of the downpayment assistance contributed by the City shall be determined by the front ratio only and applicants with a back ratio of more than 41% will have to reduce their non-housing debt by paying down their debt in order to qualify for the FTHB program.

D. Loan Eligibility

1. The buyer must be able to qualify for a 30-year, fixed-rate mortgage according to accepted industry standards. Adjustable rate loans, interest only, temporary

buy-downs, balloon, negative amortizing loans, or loans with pre-payment penalties shall not be permitted.

2. The buyer must contribute a minimum of two (2%) percent of the purchase price as their portion of the downpayment. The 2% contribution may be used towards the purchase and replacement of providing energy efficient items, ie.: Air conditioner, water heater, dual pane windows, or whatever improvements/replacement the Department considers a qualified energy efficient item.
3. All loans made to the first-time buyers will be at par. Premium pricing and rebates will not be allowed.
4. All applicants will be counseled about the rights, responsibilities and benefits of home ownership by the City's approved certified housing agency .
5. All applicants will be required to complete the City's eight hour Homeownership Training Course that meets the requirements of FHA, the Federal National Mortgage Association (Fannie Mae), or the Federal Home Loan Mortgage Corporation (Freddie Mac) provided by the City's approved certified housing agency consultant. Upon completion of the workshop, the consultant will mail a "Certificate of Completion" to the applicant. This "Certificate" is required as part of the loan application package. This training will be provided and paid for by the City. Credit counseling will be available for those families that cannot qualify for a mortgage loan due to excessive debt or credit problems.
6. Non-occupant co-borrowers are not allowed
7. In the event that the borrower's credit report reflects a collection(s) and/or judgment(s), the file will be presented to the Loan Review Committee for review and if approved, the accounts will have to be paid in full with documentation (ie, receipt, etc) submitted to Housing staff verifying payment(s) prior to closing of escrow . Borrowers who are delinquent on any federal debt, such as tax liens, student loans, etc., are not eligible.

E. Rates and Terms

1. The interest rate of the loan will be at a zero (0%) interest and will be amortized for a term of twenty (20) years.
2. The loan will become due and payable upon the sale of the property, refinance of existing loans, transfer of title to the property, conversion of the home to a rental, or if the home is not occupied/vacant.

F. Affordability Period

The following table indicates the period of affordability for the following program:

HELP FUNDS	Period of Affordability in Years
Any Dollar Amount	20 Years

VI. MAXIMUM PROPERTY VALUE AT ACQUISITION

The sales prices of the qualifying home must not exceed the Single Family Mortgage Limits under Section 203(b) of the National Housing Act FHA limit for the County of Imperial.

VII. SELECTION OF ELIGIBLE HOMEBUYERS

Eligible buyers will be qualified on a **first-come-first-served basis**, *generally* according to the following schedule:

1. Applicant completes and submits a program interest form to the City along with a pre-approval letter from one of the City's approved participating lenders. Preapproved lenders will be placed on the City's FTHB Approved Lenders Participation list once the lender's application/agreement has been approved by the City and verification of FHA approved lender status is verified.
2. City staff will determine eligibility according to current income limits.
3. City will mail a letter to applicant informing them if they are eligible/not eligible for program and if applicant is eligible, will notify them of the next scheduled mandatory First Time Homebuyer Education Course provided by the City's approved certified housing agency consultant.
4. Upon acceptance of a purchase agreement the Buyer will deposit two percent (2%) of purchase price as a downpayment. Lender will process the loan. Upon underwriting approval, lender will submit a copy of the loan package to the City's Economic Development Department.
5. City staff will review loan package for completion and compliance.
6. The City's C.D Inspector will perform a property inspection of the home to determine that any past improvements made to the residence were made with the approval of the City of El Centro's Building Department with issuance of a building permit and was finalized/approved by a representative of the City's Building Department.
7. The City's Loan Review Committee (LRC) must approve all loans.
8. Upon receiving the Loan Review Committee's approval of the loan, City staff will submit a request for payment and notify the escrow company when check and loan documents are ready for pick up by the escrow company.

VIII. MONITORING

In January of each year, the City will perform an annual verification of the properties which have been assisted with the City's First-time Homebuyer Downpayment Assistance Program to determine that the qualified homeowner is living in the residence. Homeowners will be required to submit on an annual basis:

- Proof of occupancy in the form of a copy of a current utility bill; and
- Statement of unit's continued use as primary residence of the owner. (See Exhibit B – Annual Certification of Residency)

The City's loan servicing consultant will monitor all FTHB properties to verify that the original borrower is still on the title of the property. In the event that a deed of trust has been recorded or a transfer of ownership of the property has occurred, City staff will notify the borrower that the loan is due and payable to the City.

IX. EQUAL HOUSING OPPORTUNITY

By resolution, the City of El Centro is committed to providing equal access to funds by all eligible households in the City without consideration for race, creed, color, national origin, sex, disability, or other classification. During the operation of the FTHB Program, the Community Development Specialist will supervise the review of the loan applications and screening of applicants to ensure that all Fair Housing Laws are upheld.

X. FIRE INSURANCE

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

XI. DEFAULT AND FORECLOSURE

If an owner defaults on a loan, and foreclosure procedures are instituted, they shall be carried out as detailed in the City of El Centro's Foreclosure /Changes in Tenancy Policy adopted by the City (See Exhibit C).

XII. RELOCATION

It is not anticipated that the implementation of the this FTHB program will result in the displacement of any persons, households, or families. However, in the event the relocation is necessary, activities will be carried out in compliance with the El Centro Residential Anti-displacement and Relocation Assistance Plan (See Exhibit D).

Notice to Sellers of Existing Homes

This offer to purchase your property located at _____, El Centro, California is subject to the following terms and conditions:

- 1) The purchase price offered in the Purchase agreement is the Buyer's best estimate of the fair market value for this property. The offer is conditioned upon an appraisal made by a licensed appraiser. Should the appraisal be for a value lower than the offer, the offered amount shall be reduced to the amount of the appraisal. If the amount of the appraisal is unacceptable to the Seller, he shall have the right to cancel the contract with no further obligations to the Buyer.
- 2) A pest inspection of the property shall be required and any work required to correct existing conditions shall be made prior to the close of escrow. Said repairs and re-inspection shall be made at the expense of the Seller.
- 3) Smoke detectors shall be installed in all the bedrooms, living and family rooms.
- 4) Water heater installation shall meet current building codes and seismic requirements
- 5) House shall meet, as a minimum standard requirement, the FHA Housing Standards as well as all applicable local codes and health and safety standards.
- 6) Any roof leaks, plumbing leaks, broken windows or broken doors must be repaired or replaced prior to the close of escrow.
- 7) Lead Based Paint Abatement. If your home was built before 1978 you will be required to have your home inspected for defective paint and all defective paint must be abated at the expense of the Seller. Abatement must be performed according to abatement guidelines included in the HUD publication *Lead-Based Paint: Interim Guidelines for Hazard Identification and Abatement in Public and Indian Housing*.

When all repairs have been made to the property the appraiser will re-inspect the property to insure that all the above conditions have been met. Seller shall furnish the appraiser with copies of all receipts for work done to correct the above requirements.

Sellers herein acknowledge receipt of this Notice:

Seller _____ Date _____

Seller _____ Date _____

**CITY OF EL CENTRO
FIRST-TIME HOMEBUYER DOWN-PAYMENT
ASSISTANCE PROGRAM**

Acquisition

NOTICE TO SELLER

The following Notice will be provided to the Seller prior to the presentation of an offer to purchase their property.

A qualified First-time Homebuyer is interested in purchasing your home located at _____, El Centro, California. As a portion of the financing for the purchase, the buyer will be using the City's First-time Homebuyer Downpayment Assistance Program.

Prior to presenting you with an offer to purchase your property, the City and the buyer wish to inform you of the following:

1. The purchaser has no power of eminent domain and, therefore, will not acquire the property if negotiations fail and you and the buyer cannot come to an agreement.
2. The purchaser's estimate of the fair market value of the property is \$_____.
3. Sellers have acknowledged receipt of this notice by signing below.

Seller: _____ Date: _____



CITY OF EL CENTRO
ECONOMIC DEVELOPMENT DEPARTMENT
**FIRST TIME HOME BUYER
ASSISTANCE PROGRAM**
Annual Certification of Residency
For Year 2011

Name/Nombre

Loan Number / Numero de Préstamo:
#

Loan Balance/ Saldo de Préstamo:
\$

Reminder: Your First Time Homebuyer loan matures on/Recordatorio: Su préstamo de Primeros Compradores de Casa se vence .

One of the requirements of your loan with the City of El Centro is that you provide proof of residency on an annual basis. **Please complete the following information, sign and return along with a copy of your most recent "Water Bill" and "Homeowners Insurance Policy" and return in the enclosed self-addressed stamped envelope.** If you have any questions, please contact this department at (760) 337-4543.

Uno de los requisitos de su préstamo es que provea a la Ciudad del Centro anualmente verificación de residencia. **Por favor complete la siguiente información, firmes y regrese el documento con una copia de su "Factura de Agua" y "Póliza de Seguro" en el sobre que se encuentra adjunto.** Si tiene alguna pregunta, por favor llame al (760) 337-4543.

Please type or print

Name of Participant(s)/Buyer(s) of Record:

Nombre del participante(es):

(First Name) **Primer Nombre**

(Last Name) **Apellido**

(First Name) **Primer Nombre**

(Last Name) **Apellido**

Place of employment :

Work Phone Number:

Lugar de trabajo

Numero de trabajo

Home Phone Number:

Cell Number:

Número de teléfono del hogar

Número de teléfono del celular

Property Address For Which First Time Home Buyer Program Assistance Was Provided For:
Dirección de la casa para la cuál el uso del préstamo fue utilizado:

Names of all members of household as of the date of this verification.

Nombre de todos los miembros de la casa.

- | | |
|----------|-----------|
| 1. _____ | 6. _____ |
| 2. _____ | 7. _____ |
| 3. _____ | 8. _____ |
| 4. _____ | 9. _____ |
| 5. _____ | 10. _____ |

I/We, as participant(s) in the City of El Centro's First Time Home Buyer Program, certify that the person(s) listed above have resided at the above address since

_____ .

Yo/Nosotros participo(mos) en El Program del Primer Comprador de Casa en la Ciudad de El Centro, certifico que la persona(as) nombradas en la parte superior han vivido en la dirección mencionado desde _____.

Have any improvements been made to the residence in excess of \$5,000? Yes___ No___

Se han hechos mejoramientos en su vivienda con un costo en exceso de \$5,000?

Si___ No___

(Print Name) **Nombre**

(Date) **Fecha**

(Signature) **Firma**

Please report any changes/transfers in ownership/residency by calling this department at (760) 337-4543.

Do not write below this line

For Office Use Only:

Reviewed by: _____

Date: _____

CITY OF EL CENTRO

FORECLOSURE/CHANGES IN TENANCY POLICY

FORECLOSURE POLICY:

It is the City's policy to prepare and record a "Request for Notice" on all junior liens (any lien after the first position) placed on properties purchased through the First Time Homebuyer Downpayment Assistance Program prior to the close of escrow.

This document requires any senior lienholder to notify the lender (City) of initiation (recordation of a "Notice of Default") of a foreclosure only. This is to alert the junior lienholder that they are to monitor the foreclosure with the senior lienholder.

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

Once the City has the information on the reinstatement amount, staff must then determine if it is cost effective to protect their position by reinstating the senior lienholder, keeping them current by submitting a monthly payment thereafter, foreclosing on the property possibly resulting in owning the property at the end of foreclosure, protecting the property against vandalism, and paying marketing costs (readying the home for marketing, monthly yard maintenance, paying a real estate agent a sales commission of 3%-6% of the sales price).

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

When the City is in a third position and receives notification of foreclosure from only one senior lienholder, it would be in their best interest to contact both senior lienholders regarding the status of their loans.

When the City is in a first position, or the senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the owner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached ninety (90) days in arrears, at which time the City may consider foreclosure.

City staff will consider the following factors before initiating foreclosure:

- Can the loan be cured (brought current or paid off) by the owner without foreclosure?
- Can the owner refinance with a commercial lender and pay off the City?
- Can the owner sell the property and pay off the City?
- Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense of foreclosure may not be worth pursuing).
- Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

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

At the end of thirty days, the City 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 lienholders. The service will advise the City of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosing proceedings. The service will keep the City 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 City would then contact a real estate agent to market the property.

CHANGES IN TENANCY:

In the event that an owner occupant discontinues residence in the rehabilitated property and wants to convert it to a rental unit, the owner may opt to execute a Rent Limitation Agreement. The existing loan will be converted to the applicable rental loan rates and terms of the City.

If the title of the property is transferred and the owner-occupants fall within the targeted income group, the loan may be assumed at the qualifying rate, however, if the owner-occupant is not within the targeted income group, the loan will have to be paid in full. A six-month limit will be allowed to pay off the loan.

After the death of an owner of a program rehabilitated residence, the City will contact the heirs and request information on the occupants living in the residence. If the heirs are eligible to participate in the program and will be occupying the residence, the loan may be assumed at their qualifying interest rate. However, if the property is transferred to an owner-investor, the loan will be serviced in accordance with the City's Rental Rehabilitation Program guidelines.

EXHIBIT D

Residential Anti-Displacement and Relocation Assistance Plan Under Section 104 (d) of the Housing and Community Development Act of 1974, As Amended

The City of El Centro will replace all occupied and vacant occupiable Targeted Income Group dwelling units demolished or converted to a use other than as Targeted Income group housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in 24 CFR 570.496 (a).

All replacement housing will be provided within three (3) years of the commencement of the demolition or rehabilitation relating to conversion, the jurisdiction will make public and submit to the department the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as Targeted Income Group dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a Targeted Income Group dwelling unit for at least ten (10) years from the date of initial occupancy.

The City of El Centro will provide relocation assistance to each Targeted Income Group household displaced by the demolition of Housing or by the conversion of a Targeted Income Group dwelling to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the Act, the City of El Centro will take the following steps to minimize the displacement of persons from their homes:

1. Stage rehabilitation of assisted housing to allow tenants to remain during and after rehabilitation, working with empty buildings or groups of empty units first so they can be rehabilitated first and tenants moved in before rehab on occupied units or buildings is begun.

2. Establish temporary relocation facilities in order to house families whose displacement will be of short duration, so they can move back to their neighborhoods after rehabilitation or new construction.
3. Encourage temporarily displaced owner occupants to move in with family or friends during the course of rehabilitation, since they are voluntarily participating, in certain cases, they may not be entitled to relocation benefits.
4. Encourage owner investors to relocate tenants to available vacant units during the course of rehabilitation or pay expenses on behalf of replaced tenants.
5. Provide counseling and referral services to assist displaced persons to find alternate housing in the neighborhood.
6. Work with landlords, real estate brokers, and/or hotel/motel managements to locate vacancies for households facing displacement.
7. When necessary, use public funds, such as HOME funds, to pay moving costs and provide relocation payments to households displaced by assisted activities.
8. Require owner investors who participate in assisted rehabilitation to agree to continue to rent to Targeted Income Group tenants and agree to rent limitations, for a period of at least five years.

Temporary Relocation of Residential Tenants

When necessary or appropriate, tenants may be required to relocate temporarily for the project. The relocation period will not exceed 90 days. All conditions of temporary relocation will be reasonable. Any tenant required to relocate temporarily will be helped to find another place to live which is safe, sanitary and of comparable value. He or she may move in with family and friends and still receive full or partial temporary assistance. A tenant receiving temporary relocation shall receive the following:

1. Increased housing costs (e.g. rent increase, security deposits) and
2. Payment for moving and related expenses, as follows:
 - a. Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified.
 - b. Packing, crating, unpacking, and uncrating of personal property.
 - c. Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;

- d. Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
- e. Insurance for the replacement value of personal property in connection with the move and necessary storage;
- f. The replacement value of property lost, stolen or damaged in the process of moving (not through the fault of the displaced person, his or her agent, or employee) where insurance covering such loss, theft or damage is not reasonably available.
- g. Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
- h. Any costs of credit checks required to rent the replacement dwelling;
- i. Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - 1) Interest on a loan to cover moving expenses; or
 - 2) Personal injury; or
 - 3) Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
 - 4) Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

Temporary Relocation of Owner Occupied

Since all rehabilitation work for owner occupants is voluntary, an owner occupant may only be eligible for temporary relocation benefits when his or her residential unit is approved for rehabilitation/reconstruction. Allowable temporary relocation expenses are the same as those listed above for tenants.

Recordkeeping

The City will maintain records of occupants of Redevelopment Agency/CalHFA (HELP) fund assisted units from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable program regulations. Appropriate advisory services will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe and sanitary dwelling. Notices shall be written in plain, understandable language. Persons who are unable to read and understand the notice (e.g., illiterate, foreign language, or impaired vision or other disability) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number

of a person who may be contacted for answers to questions or other needed help. The Advisory Notices to be provided are as follows:

1. General Information Notice: As soon as feasible when an owner is applying for Redevelopment Agency/CalHFA (HELP) financing for purchase, the tenant of a housing unit will be mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy his or her present house (or another owned by the owner investor) upon completion of rehabilitation. The tenant will be informed that rent after rehabilitation will not exceed current rent or 30 percent of his or her average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that rehabilitation can be completed, suitable housing will be made available and he or she will be reimbursed for all reasonable extra expenses. The tenant will be cautioned that he or she will not be provided relocation assistance if he or she decides to move for personal reasons.

2. Notice at Time of "Initiation of Negotiations": As soon as feasible when the rehabilitation application has been approved, the tenant of a housing unit scheduled for rehabilitation will be informed of the Initiation of Negotiations and again informed of the above reasonable terms and conditions under which the person may lease and occupy the property upon completion of the project. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance.

3. Notice for Persons to be Displaced: If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public, or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. After a comparable replacement dwelling has been made available, the tenant will be given a 90-day advance written notice of the earliest date he or she may be required to move. If the tenant's continued occupancy of the property would constitute a substantial danger to health or safety, less than 90 days' advance notice may be provided. Justification of such an urgent need will be documented in the participant's job file. Another instance where the 90-day notice is not required is if the tenant makes an informed decision to relocate and vacates the property without prior notice.