

CITY OF IRWINDALE

5050 N. IRWINDALE AVE., IRWINDALE CA 91706 • PHONE: (626) 430-2200 • FACSIMILE: 962-4209



NOTICE AND AGENDA FOR THE SPECIAL MEETING OF THE

HOUSING AUTHORITY

H. MANUEL ORTIZ
MAYOR

LARRY G. BURROLA
MAYOR PRO TEM

ALBERT F. AMBRIZ
COUNCILMEMBER

MARK A. BRECEDA
COUNCILMEMBER

MANUEL R. GARCIA
COUNCILMEMBER

Please note
meeting start
time

THURSDAY, JUNE 3, 2021

▲5:30 P.M. - OPEN SESSION

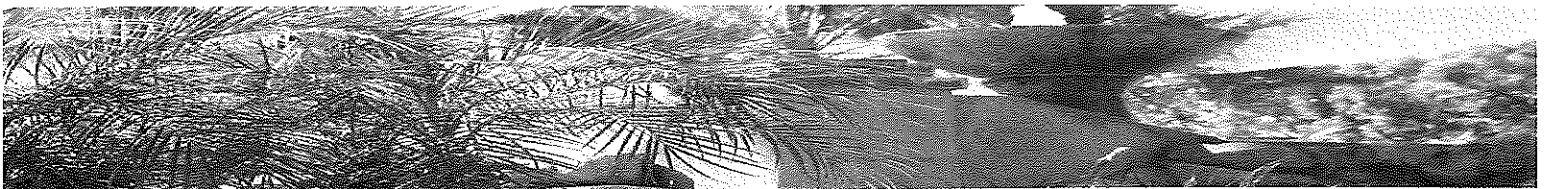
SPECIAL MEETING – CITY HALL COUNCIL CHAMBER *(Closed to the Public)* *Pursuant to Executive Order N-29-20*

The Governor has declared a State of Emergency to exist in California as a result of the threat of COVID-19 (aka the “Coronavirus”). The Governor also issued Executive Order N-25-20, which directs Californians to follow public health directives including canceling large gatherings. The Executive Order also allows local legislative bodies to hold meetings via conference calls while still meeting state transparency requirements.

The public’s health and well-being are the top priority for the City, and you are urged to take all appropriate health safety precautions. To facilitate this process, the meeting and opportunities to participate will also be available through the following options:

<https://us02web.zoom.us/j/84102219636>

Webinar ID: 841 0221 9636



Spontaneous Communications: The public is encouraged to address the City Council on any matter listed on the agenda or on any other matter within its jurisdiction. The City Council will hear public comments on items listed on the agenda during discussion of the matter and prior to a vote. The City Council will hear public comments on matters not listed on the agenda during the Spontaneous Communications period.

Pursuant to provisions of the **Brown Act**, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City Council meeting or other services offered by this City, please contact City Hall at (626) 430-2200. Assisted listening devices are available at this meeting. Ask the Chief Deputy City Clerk if you desire to use this device. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with disabilities. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Note: Staff reports are available for inspection at the office of the Chief Deputy City Clerk, City Hall, 5050 N. Irwindale Avenue, during regular business hours (8:00 a.m. to 6:00 p.m., Monday through Thursday).

Code of Ethics

As City of Irwindale Council Members, our fundamental duty is to serve the public good. We are committed to the principle of an efficient and professional local government. We will be exemplary in obeying the letter and spirit of Local, State and Federal laws and City policies affecting the operation of the government and in our private life. We will be independent and impartial in our judgment and actions.

We will work for the common good of the City of Irwindale community and not for any private or personal interest. We will endeavor to treat all people with respect and civility. We will commit to observe the highest standards of morality and integrity, and to faithfully discharge the duties of our office regardless of personal consideration. We shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of others.

We will inform ourselves on public issues, listen attentively to public discussions before the body, and focus on the business at hand. We will base our decisions on the merit and substance of that business. We will be fair and equitable in all actions, claims or transactions. We shall not use our official position to influence government decisions in which we have a financial interest or where we have a personal relationship that could present a conflict of interest, or create a perception of a conflict of interest.

We shall not take advantage of services or opportunities for personal gain by virtue of our public office that are not available to the public in general. We shall refrain from accepting gifts, favors or promises of future benefit that might compromise our independence of judgment or action or give the appearance of being compromised.

We will behave in a manner that does not bring discredit or embarrassment to the City of Irwindale. We will be honest in thought and deed in both our personal and official lives.

Ultimate responsibility for complying with this Code of Ethics rests with the individual elected official. In addition to any other penalty as provided by law, violation of this Code of Ethics may be used as a basis for disciplinary action or censure of a Council Member.

These things we hereby pledge to do in the interest and purposes for which our government has been established.

IRWINDALE CITY COUNCIL



OPEN SESSION – 5:30 P.M.**A. CALL TO ORDER****B. PLEDGE OF ALLEGIANCE****C. INVOCATION****D. ROLL CALL: Board Members: Albert F. Ambriz, Mark A. Breceda, Manuel R. Garcia;
Vice Chair Larry G. Burrola; Chair H. Manuel Ortiz****SPONTANEOUS COMMUNICATIONS**

Spontaneous communications are limited to the special meeting agenda items only.

1. CONSENT CALENDAR**A. Amendment of Las Casitas Guidelines to Revise Tenant Selection Process**

Recommendation: Approve amendment of the “Las Casitas” Irwindale Housing Authority Guidelines, Policies, and Procedures for Senior Low/Moderate Income Housing Apartment Rental Program to clarify that (1) the Executive Director is vested with the authority to make the final determination of priority rankings in the tenant selection process absent a tie; and (2) with regards to the existing blind priority ranking tie-breaking process for tenant selection, such procedure is to be carried out publicly by the Board during a duly noticed Board meeting.

Department: Administration

B. Quitclaim Deed to Terminate Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land, and Substitution of Trustee and Full Reconveyance – 2425 Ruelas Street, Irwindale, CA 91010

Recommendation: 1) Approve the Quitclaim Deed to Terminate Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land, and Substitution of Trustee and Full Reconveyance for the property located at 2425 Ruelas Street, Irwindale, CA 91010, and 2) authorize the Executive Director to execute the Quitclaim Deed to Terminate Affordable Housing Agreement, Option to Purchase and

Declaration of Covenants Running with Land, and Substitution of Trustee and Full Reconveyance, subject to Authority Counsel approval as to form.

Department: Administration

2. NEW BUSINESS

A. Mayans Housing Purchase Program – Award for 704 A Street

Recommendation: 1) Approve the proposed applicant to be considered for award at 704 A Street and direct staff to initiate recertification process. 2) Provide other direction to staff.

Department: Administration

B. Mayans Housing Purchase Program – Approval of Amendment No. 2 to Irwindale Housing Authority Guidelines, Policies, and Procedures for the Mayans Housing Purchase Program

Recommendation: Approve Amendment No. 2 of the Irwindale Housing Authority Guidelines, Policies, and Procedures for the Mayans Housing Purchase Program to clarify that (1) Staff is authorized to request and accept affidavits as the approved method for verifying information not readily determined through documentation; (2) an application and/or priority ranking cannot be assigned or assumed in any instance; (3) the definition of “Applicant”, includes “Co-Applicant”; (4) adding the definition of “Household” to require any “Applicant”, inclusive of a “Co-Applicant,” and any other person listed, to live in the home purchased through the Program as their primary residence, and clarify that in order to be considered a household member, each person who is at least eighteen (18) years of age must provide all required eligibility documentation.

Department: Administration

C. Equity Sharing Policy

Recommendation: Approve concept of proposed equity sharing policy for Substantial Rehabilitation and First Time Homebuyer programs and direct Authority Counsel to prepare formal policy for approval.

2. ADJOURN

AFFIDAVIT OF POSTING

I, Laura M. Nieto, Chief Deputy City Clerk, certify that I caused the agenda for the special meeting of the Housing Authority to be held on Thursday, June 3, 2021 be posted at the City Hall, Library, and Post Office on Wednesday, June 2, 2021.

Laura M. Nieto, MMC

Laura M. Nieto, MMC
Chief Deputy City Clerk

- ☐ City Council
☐ Successor Agency
☒ Housing Authority
☐ Reclamation Authority
☐ Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: ~~May 26, 2021~~ June 3, 2021
To: Honorable Chair and Members of the Housing Authority
From: William K. Tam, Executive Director
Issue: Amendment of Las Casitas Guidelines to Revise Tenant Selection Process

Executive Director's Recommendation:

Approve amendment of the "Las Casitas" Irwindale Housing Authority Guidelines, Policies and Procedures for Senior Low/Moderate Income Housing Apartment Rental Program to clarify that (1) the Executive Director is vested with the authority to make the final determination of priority rankings in the tenant selection process absent a tie; and (2) with regards to the existing blind priority ranking tie-breaking process for tenant selection, such procedure is to be carried out publicly by the Board during a duly noticed Board meeting.

Prepared and Submitted by:

Robert J. Lee, Assistant Authority Counsel

Electronically Approved

Reviewed by:

Adrian Guerra, Authority Counsel

Electronically Approved

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, Executive Director

BACKGROUND:

The Las Casitas Regulatory Agreement and Declaration of Covenants and Restrictions ("Agreement") and associated Irwindale Housing Authority Guidelines, Policies and Procedures for Senior Low/Moderate Income Housing Apartment Rental Program ("Guidelines") were executed and established pursuant to a Disposition and Development Agreement among the former Irwindale Community Redevelopment Agency, the Irwindale Housing Authority, and The Northridge Group, Inc., entered into March of 2011. The Agreement and Guidelines require that all persons residing in the affordable units comply with the tenant selection process prescribed therein. Generally, the requirements under the Agreement are (1) that tenant must be a senior citizen; and (2) compliance with the affordability mix priority. The Agreement also requires that rental priority be given to displaced persons entitled to preference under Health and Safety Code Section 33411.3 (when persons are displaced from a redevelopment project), and from among this group, the higher priority being given to City of Irwindale residents with other eligible persons being given secondary priority.

The Guidelines provide more detailed requirements for tenant selection and break down the process into four priority categories listed below:

First Priority:

- 9 extremely low
- 6 very low
- 5 low
- 5 moderate

Second Priority:

- Disabled – Priority 1
- Veteran – Priority 2
- None of the above - Priority 3

Third Priority:

- Shared Renter for longer than one (1) year prior to Application - Priority 1.
- Shared Renter for less than (1) year prior to Application - Priority 2.
- Persons residing in rental accommodations (single/married) for longer than one (1) year prior to Application - Priority 3.
- Persons residing in rental accommodations (single/married) for less than one (1) year prior to Application - Priority 4.
- Persons owning residence or other residential real property - Priority 5.

Final Priority:

- Category A Continuous Irwindale Resident - Priority 1
- Category B Continuous Resident - Priority 2
- Interrupted Resident - Priority 3
- Former Resident - Priority 4
- Immediate Family Member-Priority 5
- None of the above - Priority 6

The Guidelines' tenant application process is detailed below:

Application Procedure

1. Applications

- (a) Upon commencement of the application process, interested persons will be required to complete and sign an Application. As a material part of the Application, interested persons will be required to execute an authorization and waiver form for release of information from persons, firms, public entities and others who may retain data necessary for a complete analysis of the Application. Data needed will include name, address, telephone number, family composition and ages, declaration of income and assets, declaration of outstanding financial obligations, veteran status, declaration of physical status (with appropriate medical confirmation), declaration of home ownership status. (See: § 2.D.1(i).).

Appropriate assistance in completing the Application will be provided to interested persons, if requested.

- (b) Applications shall be submitted for review and screening.
- (c) Applications will then be assigned to the appropriate First Priority classification under § 2.C.1.
- (d) Within each primary eligibility classification (or priority), the Applications will be further prioritized according to the Second Priority Criteria set forth in § 2.C.2, above.
- (e) Applications will be further prioritized with each category by the Third Priority Criteria set forth in § 2.C.3, above.
- (f) Applications will be finally prioritized within each classification by the Final Eligibility Criteria set forth in § 2.C.4 :
- (g) Within the numerical allotments provided by the First Eligibility Criteria (§ 2.C.1), the final order of priority will be established by adding the numerical priority rating assigned to each Application. The Applications will be ranked,

in order of descending priority, with the smallest total number assigned being the highest priority. For example, an Applicant who is a Displaced Person (Priority 1), Shared Renter (Priority 1) and a Continuous Resident (Priority 1) will have a total Priority Rating of 3 and would be ranked higher than a person who is a "none of the above" (Priority 4), Property Owner (Priority 5) and an Immediate Family Member (Priority 5) with a total Priority Rating of 13.

- (h) In the event a tie occurs between two (2) or more Applicants, the total Priority Rating rank order will be assigned by a random blind drawing conducted by the Executive Director.
- (i) The Authority staff will verify the following data:
 - (i) name and address
 - (ii) residence requirement
 - (iii) employment
 - (iv) income
 - (v) existing equity/assets (if applicable)
 - (vi) credit history
 - (vii) property ownership
- (j) Documentation necessary to verify income, age, handicap (disability), and residency requirements shall be submitted with application documents and may include, but is not limited to: birth certificates, current pay check stubs, income tax returns, employment/salary verification, bank statements for all checking and/or savings accounts, telephone records and utility records, hospital admittance records, medical care records, and records of educational institutions and public agencies as the same are relevant to matters pertaining to verification of information submitted.
- (k) All data submitted shall be verified as true and correct under penalty of perjury of the laws of the State of California. Failure to so verify shall result in application rejection.
- (l) Ineligible Applicants shall be notified, in writing, with a statement indicating why the Applicant has been denied and advising the Applicant of his or her right to appeal the determination in writing within ten (10) days of the letter of denial. Appeals will be heard by the Authority Board and the Authority Board's determination shall be final.

- (m) Eligible Applicants shall be mailed the necessary rental agreement documents to begin processing the rental application. The Authority will provide such assistance as may be necessary to ensure timely and complete submissions.

2. Insufficient Eligible Applications

- (a) If there are insufficient eligible Applicants during the first thirty (30) days of the Application Deadline, the Board may authorize additional time for further applications which will be processed in accordance with the procedures set forth in § 2.D.1, above.
- (b) Priority for Applicants shall be strictly maintained in accordance with the application period during which submittal occurred. Additional Applicants authorized by the Board after the first thirty (30) days shall not be included with the first group of Applicants.
- (c) Once rental agreement documents have been approved, then a move-in date will be established.

The Guidelines' tenant application and selection process utilizes the priority and ranking system set forth above. If there is a tie between two or more applicants, the Executive Director conducts a tie-breaking process by a random blind drawing. However, the Guidelines do not state who will make the final determination of priority rankings absent a tie. On April 28, 2021, the Board directed that the Guidelines be amended so that the Executive Director is vested with such ultimate selection authority, with the understanding that the Guidelines already provide for an appeals process for any applicant deemed ineligible. Here, the Board would conduct the hearing on the appeal and the determination would be final. With regards to the tie-breaking process, the Board also directed the Guidelines be amended to include a requirement for the blind tie-breaking procedure to be publicly conducted by the Board during a duly noticed Board meeting.

The Board's approval of the proposed revised Guidelines would effectuate and implement these changes. Attached is the proposed amended Guidelines, both in clean form and in a tracked changes format so that the revisions are easily viewable.

FISCAL IMPACT:

None

ATTACHMENTS:

- Irwindale Housing Authority Guidelines, Policies and Procedures for Senior Low/Moderate Income Housing Apartment Rental Program (clean)
- Irwindale Housing Authority Guidelines, Policies and Procedures for Senior Low/Moderate Income Housing Apartment Rental Program (tracked changes)

**IRWINDALE HOUSING AUTHORITY
GUIDELINES, POLICIES AND
PROCEDURES FOR
SENIOR LOW/MODERATE INCOME
HOUSING APARTMENT RENTAL
PROGRAM**

Adopted by the:

Irwindale Housing Authority

Approved: March 9, 2011

Revised: May 26, 2021

GUIDELINES, POLICIES, AND PROCEDURES

SECTION 1. GENERAL

The Irwindale Housing Authority {"Authority"} has a goal of providing a multi-family housing stock for Irwindale residents to replace existing substandard housing units and to create safe and sanitary rental opportunities for seniors.

SECTION 2. PROGRAM GUIDELINES, POLICIES AND PROCEDURES

A. Definitions

1. Applicant

A person/family submitting a formal application for consideration and determination of eligibility to rent an apartment hereunder.

2. Application Deadline

The Application Deadline shall be the date established by the Authority as the deadline for submitting Applications for each apartment unit that becomes available.

3. Conflict of Interest

Authority Board members and officers, or management level employees of the Authority are deemed to have a conflict of interest and may not participate in this program. Persons who exercise operational responsibilities relative to any financing pertaining to the apartment project are similarly deemed to have a conflict of interest.

4. Continuous Resident

A "Continuous. Resident(s)" shall be placed in two (2) subcategories thereof: Those persons/families continuously residing in Irwindale since at least fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category A" Continuous Resident. Those persons/families continuously residing in Irwindale for at least thirty-six (36) months but establishing residence on or after fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category B" Continuous Resident.

5. Disabled Family

- (a) Any person or his/her family member who has a disability or handicap recognized under the Americans with Disabilities Act of 1990, as amended, which includes:

- (i) a physical or mental impairment that substantially limits one or more of the major life activities of such individual; .
 - (ii) a record of such an impairment; or
 - (iii) being regarded as having such an impairment (42 U.S.C. §12102.)
- (b) A handicap does not include current, illegal use of or addiction to a controlled substance. For purposes of this part, an individual shall not be considered to have a handicap solely because that individual is a transvestite. (24 C.F.R. § 100.201) As used in this definition:
- (c) "Physical or mental impairment" includes:
 - (i) Any physiological disorder or condition, cosmetic; disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs, cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or
 - (ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness; and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.
- (d) "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (e) "Has a record of such an impairment" means has a history of, or has been misclassified as having, a mental or physical . impairment that substantially limits one or more major life activities.
- (f) "Is regarded as having an impairment" means:
 - (i) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by another person as constituting such a limitation;

- (ii) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of other toward such impairment; or
- (iii) Has none of the impairments defined in paragraph (i) of this definition but is treated by another person as having such an impairment.

Medical certification of a disability or handicap is required from persons claiming disability who are not recipients of benefits under either 42 U.S.C. § 423 (Social Security Act) or § 102 (b) (5) of the Development Services and Facilities Construction Amendments of 1970. The laws and regulations cited in this Section may be amended from time to time by the appropriate governmental authority. Any such amendments that modify the definitions contained herein shall be automatically incorporated without formal action by the Authority.

6. Former Resident

Persons who previously resided within Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, but who do not currently reside in Irwindale, shall be considered to be Former Residents.

7. Handicapped Person

A person having a disability or handicap, which (a) is expected to be of long continued and indefinite duration, (b) substantially impedes the person's ability to live independently, and (c) is of such a nature that such ability could not be improved by more suitable housing. Any member of a family who is handicapped qualifies that family as a Disabled Family, (See: "*Disabled Family*".)

8. Immediate Family Member

Parents, grandparents, siblings, or children of Continuous Residents are considered to be Immediate Family Members.

9. Income Qualification Criteria

Extremely low, very low, low and moderate income qualification criteria shall be as set forth in Exhibit "A" hereto, which may be amended from time to time without formal action by the Authority or CRA to be consistent with state laws and regulations (Subchapter 2 of Chapter 6.5 of Division 1 of Title 25, California Code of Regulations; see also: California Health and Safety Code §§ 50106, 50105, 50079.5 and 50093.)

10. Interrupted Resident

Any person (or family) who resided in Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, moved away for a period of time, but has reestablished a bona fide residence within the City limits of Irwindale for at least one year prior to the Application Deadline shall be considered to be an Interrupted Resident.

11. Non-resident

Any person (or family) who is not now and has not been a resident of Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline.

12. Renter

An applicant successfully completing the application process and renting an apartment hereunder.

13. Senior

A Senior is a person who is at least sixty-two (62) years of age or older.

14. Shared Renter

Persons sharing rental accommodations with unrelated persons.

15. Veteran

Any person who has been honorably discharged from one of the military services of the United States shall be considered a Veteran.

B. Eligibility Criteria

Since the Senior Apartment Rental Program is an apartment rental program, there are two (2) primary criteria which must be met to determine eligibility:

1. Income eligibility under § 2.A.9, above.
2. Be a Senior as specified in § 2.A.12, above.

C. Priorities

Eligible applications from persons/families meeting basic income (extremely low, very low, low or moderate income) criteria, shall be processed based upon the following priority schedule and the application procedures in Section 2.D:

1. First Priority Criteria

- (a) Extremely low income persons/family - nine (9) apartment units
[subject to modification]
- (b) Very low income persons/family - six (6) apartment units
[subject to modification]
- (c) Low income persons/families - five (5) apartment units
[subject to modification]
- (d) Moderate income persons/families - five (5) apartment units
[subject to modification]

A primary goal of the Authority is to create, to the extent feasible, sufficient new rental units to meet the projected needs of Irwindale Seniors. Accordingly, and notwithstanding the initial allocations established in § 2. C.1, above, pertaining to the number of units allocated among the income categories, the Authority reserves the right to reallocate the final number of units specified for each income category, if deemed necessary and appropriate, to meet the quantified needs of Irwindale Seniors.

2. Second Priority Criteria

- (a) Disabled Family Priority 1
- (b) Veteran Priority 2
- (c) None of the above Priority 3

3. Third Priority Criteria

- (a) Shared Renter for longer than one (1) year prior to Application - Priority 1.
- (b) Shared Renter for less than (1) year prior to Application - Priority 2.
- (c) Persons residing in rental accommodations (single/married) for longer than one (1) year prior to Application - Priority 3.
- (d) Persons residing in rental accommodations (single/married) for less than one (1) year prior to Application - Priority 4.
- (e) Persons owning residence or other residential real property - Priority 5.

4. Final Priority Criteria

- (a) Category A Continuous Irwindale Resident - Priority 1

- (b) Category B Continuous Resident - Priority 2
- (c) Interrupted Resident - Priority 3
- (d) Former Resident - Priority 4
- (e) Immediate Family Member - Priority 5
- (f) None of the above - Priority 6

D. Application Procedure

I. Applications

- (a) Upon commencement of the application process, interested persons will be required to complete and sign an Application. As a material part of the Application, interested persons will be required to execute an authorization and waiver form for release of information from persons, firms, public entities and others who may retain data necessary for a complete analysis of the Application. Data needed will include name, address, telephone number, family composition and ages, declaration of income and assets, declaration of outstanding financial obligations, veteran status, declaration of physical status (with appropriate medical confirmation), declaration of home ownership status. (See: § 2.D.1(i)). Appropriate assistance in completing the Application will be provided to interested persons, if requested.
- (b) Applications shall be submitted for review and screening.
- (c) Applications will then be assigned to the appropriate First Priority classification under § 2.C.1.
- (d) Within each primary eligibility classification (or priority), the Applications will be further prioritized according to the Second Priority Criteria set forth in § 2.C.2, above.
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- (g) Within the numerical allotments provided by the First Eligibility Criteria (§ 2.C.1), the final order of priority will be established by adding the numerical priority rating assigned to each Application. The Applications will be ranked, in order of descending priority, with the smallest total number assigned being the highest priority.

For example, an Applicant who is a Displaced Person (Priority 1), Shared Renter (Priority 1) and a Continuous Resident (Priority 1) will have a total Priority Rating of 3 and would be ranked higher than a person who is a "none of the above" (Priority 4), Property Owner (Priority 5) and an Immediate Family Member (Priority 5) with a total Priority Rating of 13.

- (h) The Executive Director shall be vested with the authority to make the final determination of priority ratings. In the event a tie occurs between two (2) or more Applicants, the total Priority Rating rank order will be assigned by a random blind drawing publicly conducted by the Board during a duly noticed Board meeting.
- (i) The Authority staff will verify the following data:
 - (i) name and address
 - (ii) residence requirement
 - (iii) employment
 - (iv) income
 - (v) existing equity/assets (if applicable)
 - (vi) credit history
 - (vii) property ownership
- (j) Documentation necessary to verify income, age, handicap (disability), and residency requirements shall be submitted with application documents and may include, but is not limited to: birth certificates, current pay check stubs, income tax returns, employment/salary verification, bank statements for all checking and/or savings accounts, telephone records and utility records, hospital admittance records, medical care records, and records of educational institutions and public agencies as the same are relevant to matters pertaining to verification of information submitted.
- (k) All data submitted shall be verified as true and correct under penalty of perjury of the laws of the State of California. Failure to so verify shall result in application rejection.
- (l) Ineligible Applicants shall be notified, in writing, with a statement indicating why the Applicant has been denied and advising the Applicant of his or her right to appeal the determination in writing within ten (10) days of the letter of denial. Appeals will be heard by

the Authority Board and the Authority Board's determination shall be final.

- (m) Eligible Applicants shall be mailed the necessary rental agreement documents to begin processing the rental application. The Authority will provide such assistance as may be necessary to ensure timely and complete submissions.

2. Insufficient Eligible Applications

- (a) If there are insufficient eligible Applicants during the first thirty (30) days of the Application Deadline, the Board may authorize additional time for further applications which will be processed in accordance with the procedures set forth in § 2.D.1, above.
- (b) Priority for Applicants shall be strictly maintained in accordance with the application period during which submittal occurred. Additional Applicants authorized by the Board after the first thirty (30) days shall not be included with the first group of Applicants.
- (c) Once rental agreement documents have been approved, then a move-in date will be established.

**IRWINDALE HOUSING AUTHORITY
GUIDELINES, POLICIES AND
PROCEDURES FOR
SENIOR LOW/MODERATE INCOME
HOUSING APARTMENT RENTAL
PROGRAM**

Adopted by the:

Irwindale Housing Authority

Approved: March 9, 2011

Revised: May 26, 2021

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SECTION 1. GENERAL

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A. Definitions

1. Applicant

A person/family submitting a formal application for consideration and determination of eligibility to rent an apartment hereunder.

2. Application Deadline

The Application Deadline shall be the date established by the Authority as the deadline for submitting Applications for each apartment unit that becomes available.

3. Conflict of Interest

Authority Board members and officers, or management level employees of the Authority are deemed to have a conflict of interest and may not participate in this program. Persons who exercise operational responsibilities relative to any financing pertaining to the apartment project are similarly deemed to have a conflict of interest.

4. Continuous Resident

A "Continuous. Resident(s)" shall be placed in two (2) subcategories thereof: Those persons/families continuously residing in Irwindale since at least fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category A" Continuous Resident. Those persons/families continuously residing in Irwindale for at least thirty-six (36) months but establishing residence on or after fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category B" Continuous Resident.

5. Disabled Family

- (a) Any person or his/her family member who has a disability or handicap recognized under the Americans with Disabilities Act of 1990, as amended, which includes:

- (i) a physical or mental impairment that substantially limits one or more of the major life activities of such individual; .
 - (ii) a record of such an impairment; or
 - (iii) being regarded as having such an impairment (42 U.S.C. §12102.)
- (b) A handicap does not include current, illegal use of or addiction to a controlled substance. For purposes of this part, an individual shall not be considered to have a handicap solely because that individual is a transvestite. (24 C.F.R. § 100.201) As used in this definition:
- (c) "Physical or mental impairment" includes:
 - (i) Any physiological disorder or condition, cosmetic; disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs, cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or
 - (ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness; and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.
- (d) "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (e) "Has a record of such an impairment" means has a history of, or has been misclassified as having, a mental or physical . impairment that substantially limits one or more major life activities.
- (f) "Is regarded as having an impairment" means:
 - (i) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by another person as constituting such a limitation;

- (ii) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of other toward such impairment; or
- (iii) Has none of the impairments defined in paragraph (i) of this definition but is treated by another person as having such an impairment.

Medical certification of a disability or handicap is required from persons claiming disability who are not recipients of benefits under either 42 U.S.C. § 423 (Social Security Act) or § 102 (b) (5) of the Development Services and Facilities Construction Amendments of 1970. The laws and regulations cited in this Section may be amended from time to time by the appropriate governmental authority. Any such amendments that modify the definitions contained herein shall be automatically incorporated without formal action by the Authority.

6. Former Resident

Persons who previously resided within Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, but who do not currently reside in Irwindale, shall be considered to be Former Residents.

7. Handicapped Person

A person having a disability or handicap, which (a) is expected to be of long continued and indefinite duration, (b) substantially impedes the person's ability to live independently, and (c) is of such a nature that such ability could not be improved by more suitable housing. Any member of a family who is handicapped qualifies that family as a Disabled Family, (See: "*Disabled Family*".)

8. Immediate Family Member

Parents, grandparents, siblings, or children of Continuous Residents are considered to be Immediate Family Members.

9. Income Qualification Criteria

Extremely low, very low, low and moderate income qualification criteria shall be as set forth in Exhibit "A" hereto, which may be amended from time to time without formal action by the Authority or CRA to be consistent with state laws and regulations (Subchapter 2 of Chapter 6.5 of Division 1 of Title 25, California Code of Regulations; see also: California Health and Safety Code §§ 50106, 50105, 50079.5 and 50093.)

10. Interrupted Resident

Any person (or family) who resided in Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, moved away for a period of time, but has reestablished a bona fide residence within the City limits of Irwindale for at least one year prior to the Application Deadline shall be considered to be an Interrupted Resident.

11. Non-resident

Any person (or family) who is not now and has not been a resident of Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline.

12. Renter

An applicant successfully completing the application process and renting an apartment hereunder.

13. Senior

A Senior is a person who is at least sixty-two (62) years of age or older.

14. Shared Renter

Persons sharing rental accommodations with unrelated persons.

15. Veteran

Any person who has been honorably discharged from one of the military services of the United States shall be considered a Veteran.

B. Eligibility Criteria

Since the Senior Apartment Rental Program is an apartment rental program, there are two (2) primary criteria which must be met to determine eligibility:

1. Income eligibility under § 2.A.9, above.
2. Be a Senior as specified in § 2.A.12, above.

C. Priorities

Eligible applications from persons/families meeting basic income (extremely low, very low, low or moderate income) criteria, shall be processed based upon the following priority schedule and the application procedures in Section 2.D:

1. First Priority Criteria

- (a) Extremely low income persons/family - nine (9) apartment units
[subject to modification]
- (b) Very low income persons/family - six (6) apartment units
[subject to modification]
- (c) Low income persons/families - five (5) apartment units
[subject to modification]
- (d) Moderate income persons/families - five (5) apartment units
[subject to modification]

A primary goal of the Authority is to create, to the extent feasible, sufficient new rental units to meet the projected needs of Irwindale Seniors. Accordingly, and notwithstanding the initial allocations established in § 2. C.1, above, pertaining to the number of units allocated among the income categories, the Authority reserves the right to reallocate the final number of units specified for each income category, if deemed necessary and appropriate, to meet the quantified needs of Irwindale Seniors.

2. Second Priority Criteria

- (a) Disabled Family Priority 1
- (b) Veteran Priority 2
- (c) None of the above Priority 3

3. Third Priority Criteria

- (a) Shared Renter for longer than one (1) year prior to Application - Priority 1.
- (b) Shared Renter for less than (1) year prior to Application - Priority 2.
- (c) Persons residing in rental accommodations (single/married) for longer than one (1) year prior to Application - Priority 3.
- (d) Persons residing in rental accommodations (single/married) for less than one (1) year prior to Application - Priority 4.
- (e) Persons owning residence or other residential real property - Priority 5.

4. Final Priority Criteria

- (a) Category A Continuous Irwindale Resident - Priority 1

- (b) Category B Continuous Resident - Priority 2
- (c) Interrupted Resident - Priority 3
- (d) Former Resident - Priority 4
- (e) Immediate Family Member - Priority 5
- (f) None of the above - Priority 6

D. Application Procedure

1. Applications

- (a) Upon commencement of the application process, interested persons will be required to complete and sign an Application. As a material part of the Application, interested persons will be required to execute an authorization and waiver form for release of information from persons, firms, public entities and others who may retain data necessary for a complete analysis of the Application. Data needed will include name, address, telephone number, family composition and ages, declaration of income and assets, declaration of outstanding financial obligations, veteran status, declaration of physical status (with appropriate medical confirmation), declaration of home ownership status. (See: § 2.D.1(i)). Appropriate assistance in completing the Application will be provided to interested persons, if requested.
- (b) Applications shall be submitted for review and screening.
- (c) Applications will then be assigned to the appropriate First Priority classification under § 2.C.1.
- (d) Within each primary eligibility classification (or priority), the Applications will be further prioritized according to the Second Priority Criteria set forth in § 2.C.2, above.
- (e) Applications will be further prioritized with each category by the Third Priority Criteria set forth in § 2.C.3, above.
- (f) Applications will be finally prioritized within each classification by the Final Eligibility Criteria set forth in § 2.C.4.
- (g) Within the numerical allotments provided by the First Eligibility Criteria (§ 2.C.1), the final order of priority will be established by adding the numerical priority rating assigned to each Application. The Applications will be ranked, in order of descending priority, with the smallest total number assigned being the highest priority.

For example, an Applicant who is a Displaced Person (Priority 1), Shared Renter (Priority 1) and a Continuous Resident (Priority 1) will have a total Priority Rating of 3 and would be ranked higher than a person who is a "none of the above" (Priority 4), Property Owner (Priority 5) and an Immediate Family Member (Priority 5) with a total Priority Rating of 13.

- (h) **The Executive Director shall be vested with the authority to make the final determination of priority ratings.** In the event a tie occurs between two (2) or more Applicants, the total Priority Rating rank order will be assigned by a random blind drawing **publicly** conducted by the **Board during a duly noticed Board meeting** ~~Executive Director.~~
- (i) The Authority staff will verify the following data:
 - (i) name and address
 - (ii) residence requirement
 - (iii) employment
 - (iv) income
 - (v) existing equity/assets (if applicable)
 - (vi) credit history
 - (vii) property ownership
- (j) Documentation necessary to verify income, age, handicap (disability), and residency requirements shall be submitted with application documents and may include, but is not limited to: birth certificates, current pay check stubs, income tax returns, employment/salary verification, bank statements for all checking and/or savings accounts, telephone records and utility records, hospital admittance records, medical care records, and records of educational institutions and public agencies as the same are relevant to matters pertaining to verification of information submitted.
- (k) All data submitted shall be verified as true and correct under penalty of perjury of the laws of the State of California. Failure to so verify shall result in application rejection.
- (l) Ineligible Applicants shall be notified, in writing, with a statement indicating why the Applicant has been denied and advising the Applicant of his or her right to appeal the determination in writing within ten (10) days of the letter of denial. Appeals will be heard by

the Authority Board and the Authority Board's determination shall be final.

- (m) Eligible Applicants shall be mailed the necessary rental agreement documents to begin processing the rental application. The Authority will provide such assistance as may be necessary to ensure timely and complete submissions.

2. Insufficient Eligible Applications

- (a) If there are insufficient eligible Applicants during the first thirty (30) days of the Application Deadline, the Board may authorize additional time for further applications which will be processed in accordance with the procedures set forth in § 2.D.1, above.
- (b) Priority for Applicants shall be strictly maintained in accordance with the application period during which submittal occurred. Additional Applicants authorized by the Board after the first thirty (30) days shall not be included with the first group of Applicants.
- (c) Once rental agreement documents have been approved, then a move-in date will be established.

Electronic Payments

May 2021

May 1 - 15, 2021



Number	Vendor Name	Date	Amount
ACH	CalPERS-Medical	5/1/2021	241,827.34
ACH	CalPERS	5/3/2021	1,590.93
ACH	CalPERS	5/10/2021	542.28
ACH	CalPERS	5/12/2021	76,918.71
ACH	EDD	5/12/2021	20,052.67
ACH	Federal Tax	5/12/2021	51,490.14
ACH	Nationwide-457 Plan & Trust	5/6/2021	12,584.89
ACH	Nationwide-Roth Cotribution-457 Plan & Trust	5/6/2021	2,502.00

- ☐ City Council
☐ Successor Agency
☒ Housing Authority
☐ Reclamation Authority
☐ Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: ~~May 26, 2021~~ June 3, 2021
To: Honorable Chair and Members of the Housing Authority
From: William K. Tam, Executive Director
Issue: Quitclaim Deed to Terminate Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land, and Substitution of Trustee and Full Reconveyance – 2425 Ruelas Street, Irwindale, CA 91010

Executive Director's Recommendation:

1. Approve the Quitclaim Deed to Terminate Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land, and Substitution of Trustee and Full Reconveyance for the property located at 2425 Ruelas Street, Irwindale, CA 91010.
2. Authorize the Executive Director to execute the Quitclaim Deed to Terminate Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land, and Substitution of Trustee and Full Reconveyance, subject to Authority Counsel approval as to form.

Prepared and Submitted by:

Robert J. Lee, Assistant Authority Counsel

Electronically Approved

Reviewed by:

Adrian Guerra, Authority Counsel

Electronically Approved

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, Executive Director

Analysis:

1. On August 4, 2003, Daniel M. Rubio and Nelda E. Rubio (Owners) entered into an Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land (Deferred Housing Improvement Loan) (Agreement) with the Irwindale Redevelopment Agency (RDA) for the property located at 2425 Ruelas Street, Irwindale, CA 91010 (Property).
2. The Owners have fulfilled their obligations under the terms of the Agreement. Pursuant to the Agreement, the RDA loaned Owners \$49,571.90, which was secured by a deed of trust (Agency Deed of Trust). The Promissory Note indicates that repayment of the note amount is deferred and forgiven at the end of the 10 year period from the date of recordation of the Agreement. The Agreement was recorded February 5, 2004, which means the loan was forgiven on February 4, 2014.
3. Because the Owners had fulfilled their obligations under the terms of the Agreement and repayment of the note amount was deferred and forgiven at the end of the 10 year period, the Irwindale Housing Authority (IHA), as successor to the RDA, executed that certain Full Reconveyance dated February 26, 2014 which was recorded on May 21, 2014, as Instrument No. 20140523593 in the Official Records of Los Angeles County, California, purporting to reconvey all title and interest in the Property "to the person or persons legally entitled thereto" (Full Reconveyance) which in this instance, was the Owners. However, because the IHA, as beneficiary under the Agency Deed of Trust, did not substitute itself as trustee under the Agency Deed of Trust prior to execution of the Full Reconveyance, the IHA did not possess the authority to reconvey the Property and as such, seeks to rectify such oversight by substituting itself as the trustee and reconveying the Property through the proposed Substitution of Trustee and Full Reconveyance. It should be noted that neither the Full Reconveyance nor any associated Quitclaim Deed has been approved by the IHA Board.
4. It is now appropriate for the Board to approve the Quitclaim Deed to Terminate Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land (Quitclaim Deed), and Substitution of Trustee and Full Reconveyance, for the Property and authorize the Executive Director to execute the same, subject to Authority Counsel approval as to form. Doing so will terminate the Agreement and remove the Agency Deed of Trust from title once recorded.

FISCAL IMPACT:

None

ATTACHMENTS:

- Quitclaim Deed to Terminate Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land
- Substitution of Trustee and Full Reconveyance

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

Irwindale Housing Authority
5050 N Irwindale Avenue
Irwindale, California 91706
Attention: Housing Authority Administrator

APN: 8534-001-113; 8534-001-114

[SPACE ABOVE FOR RECORDER'S USE ONLY]
Exempt from filing/recording fees per Govt. Code §27383

**QUITCLAIM DEED TO TERMINATE
AFFORDABLE HOUSING AGREEMENT, OPTION TO PURCHASE AND
DECLARATION OF COVENANTS RUNNING WITH LAND**

GRANTOR DECLARES that this Quitclaim Deed is exempt from Recording Fees pursuant to California Government Code Section 27383 and exempt from Documentary Transfer Tax pursuant to California Revenue and Taxation Code Section 11922.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, IRWINDALE HOUSING AUTHORITY, a public body, corporate and politic (as successor Housing Authority to the Irwindale Redevelopment Agency) ("**Grantor**") hereby remises, releases and forever quitclaims to DANIEL M. RUBIO AND NELDA E. RUBIO, HUSBAND AND WIFE AS JOINT TENANTS ("**Grantee**"), any and all of Grantor's right, title and interest in the real property legally described on Exhibit A attached hereto with respect to only that certain "*Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land*" dated August 4, 2003, and recorded on February 5, 2004, as Instrument No. 04-0262812 in the Official Records of Los Angeles County, California ("**Agreement**").

This Quitclaim Deed is provided to confirm that the Agreement has terminated in accordance with its terms.

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed on its behalf by its respective officers thereunto duly authorized, this ____ day of May, 2021.

"GRANTOR"

ATTEST:

IRWINDALE HOUSING AUTHORITY,
a public body, corporate and politic

Laura M. Nieto
Chief Authority Assistant Secretary

By: _____
William K. Tam
Executive Director

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Adrian Guerra
Authority Counsel

EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles, City of Irwindale, and is described as follows:

LOT 9 OF TRACT NO. 45441, IN THE CITY OF IRWINDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1113, PAGE(S) 97 THROUGH 99 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8534-001-113; 8534-001-114

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 2021 before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

Irwindale Housing Authority
5050 N Irwindale Avenue
Irwindale, California 91706
Attention: Housing Authority Administrator

APN: 8534-001-113; 8534-001-114

[SPACE ABOVE FOR RECORDER'S USE ONLY]
Exempt from filing/recording fees per Govt. Code §27383

**QUITCLAIM DEED TO TERMINATE
AFFORDABLE HOUSING AGREEMENT, OPTION TO PURCHASE AND
DECLARATION OF COVENANTS RUNNING WITH LAND**

GRANTOR DECLARES that this Quitclaim Deed is exempt from Recording Fees pursuant to California Government Code Section 27383 and exempt from Documentary Transfer Tax pursuant to California Revenue and Taxation Code Section 11922.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, IRWINDALE HOUSING AUTHORITY, a public body, corporate and politic (as successor Housing Authority to the Irwindale Redevelopment Agency) ("**Grantor**") hereby remises, releases and forever quitclaims to DANIEL M. RUBIO AND NELDA E. RUBIO, HUSBAND AND WIFE AS JOINT TENANTS ("**Grantee**"), any and all of Grantor's right, title and interest in the real property legally described on Exhibit A attached hereto with respect to only that certain "*Affordable Housing Agreement, Option to Purchase and Declaration of Covenants Running with Land*" dated August 4, 2003, and recorded on February 5, 2004, as Instrument No. 04-0262812 in the Official Records of Los Angeles County, California ("**Agreement**").

This Quitclaim Deed is provided to confirm that the Agreement has terminated in accordance with its terms.

IN WITNESS WHEREOF, Grantor has caused this Quitclaim Deed to be executed on its behalf by its respective officers thereunto duly authorized, this ____ day of May, 2021.

"GRANTOR"

ATTEST:

Laura M. Nieto
Chief Authority Assistant Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Adrian Guerra
Authority Counsel

IRWINDALE HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
William K. Tam
Executive Director

EXHIBIT A
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The land referred to herein is situated in the State of California, County of Los Angeles, City of Irwindale, and is described as follows:

LOT 9 OF TRACT NO. 45441, IN THE CITY OF IRWINDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1113, PAGE(S) 97 THROUGH 99 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8534-001-113; 8534-001-114

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 2021 before me, _____, a notary public,
personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

NAME Irwindale Housing Authority
Attn: Executive Director

ADDRESS 5050 N Irwindale Avenue

CITY Irwindale
STATE & ZIP CA 91706

SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE

APN NOs. 8534-001-113; 8534-001-114

Exempt from payment of recording fees pursuant to Govt Code § 6103.

Irwindale Housing Authority, a public body, corporate and politic (as successor Housing Authority to the Irwindale Redevelopment Agency) is the beneficiary ("IHA") under that certain Deed of Trust with Assignment of Rents dated August 4, 2003, made by Daniel M. Rubio and Nelda E. Rubio, as husband and wife and joint tenants, as trustor, and First American Title Insurance Company, as trustee, which was recorded on February 5, 2004, as Instrument No. 04-0262811 in the Official Records of Los Angeles County, California, and affecting the land described in said Deed of Trust ("**Deed of Trust**").

The IHA executed that certain Full Reconveyance dated February 26, 2014 which was recorded on May 21, 2014, as Instrument No. 20140523593 in the Official Records of Los Angeles County, California, purporting to reconvey all title and interest affecting the land described in said Deed of Trust to the person or persons legally entitled thereto ("**Full Reconveyance**"). However, because the IHA, as beneficiary under the Deed of Trust, did not substitute itself as trustee under the Deed of Trust prior to execution of the Full Reconveyance, the IHA did not possess the authority to reconvey the land described in the Deed of Trust and as such, seeks to rectify such oversight by substituting itself as the trustee and reconveying the subject land through this Substitution of Trustee and Full Reconveyance.

IHA hereby:

- As beneficiary, substitutes itself as trustee under the Deed of Trust and accepts such appointment; and
- As substitute trustee, hereby RECONVEYS WITHOUT WARRANTY, TO THE PERSON OR PERSONS LEGALLY ENTITLED THERETO, all of the estate, title and interest held by it as trustee under the Deed of Trust.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, IHA as beneficiary and successor trustee has caused this instrument to be executed by its duly authorized officer.

Dated: _____, 2021

As Beneficiary and Substitute Trustee:

IRWINDALE HOUSING AUTHORITY,
a public body, corporate and politic

By: _____
William K. Tam, Executive Director

ATTEST:

Laura M. Nieto
Chief Authority Assistant Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Adrian Guerra
Authority Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 2021 before me, _____, a notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

- ☐ City Council
- ☐ Successor Agency
- ☒ Housing Authority
- ☐ Reclamation Authority
- ☐ Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: ~~May 26, 2021~~ June 3, 2021
To: Honorable Chair and Members of the Housing Authority
From: William K. Tam, Executive Director
Issue: Mayans Housing Purchase Program- Award for 704 A Street

Executive Director's Recommendation:

- 1) Approve proposed applicant to be considered for award at 704 A Street and direct staff to initiate recertification process.
- 2) Provide other direction to staff.

Prepared and Submitted by:

Jamie L. Traxler, Assistant Authority Counsel

Electronically Approved

Reviewed by:

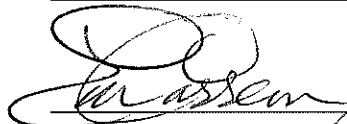
Adrian Guerra, Authority Counsel

Electronically Approved

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, Executive Director





Background and Analysis:

The Irwindale Housing Authority's ("Housing Authority") Mayans Housing Project affordable housing program ("Program") provides affordable single-family housing opportunities for first-time homebuyers. The Program was initiated in 2014, and the Housing Authority was recently notified that Phase 4 of the project, consisting of 7 total units, is nearing completion with an expected completion date this summer.

According to the Guidelines, Policies and Procedures for the Mayans Housing Purchase Program ("Guidelines"), all income-restricted units have been developed and offered for sale only to qualifying applicants pursuant to the Authority's income eligibility classification criteria.

At its special meeting on December 21, 2020, the Housing Authority Board terminated the Phase 4 Program lottery award for the low-income designated property located at 704 A Street due to the applicant household's income ineligibility. Pursuant to the Program Guidelines, the award for the house at 704 A Street goes to an income-qualified low-income household based on the Program's Priority List of ranked applicants. Attached hereto is a true and correct copy of the Irwindale Housing Authority Final Priority Listing dated September 16, 2019.

Since the unit at 704 A street is designated as low income, the next priority ranked applicant that will be considered by the Housing Authority to receive this unit is Mr. Juan Gonzalez.

In order to ensure that the unit goes to a qualifying applicant, staff will need to recertify Mr. Juan Gonzalez' 2020 income eligibility. The purpose of the recertification would be to certify the applicant's 2020 household income to ensure that it meets the Authority's income eligibility classification criteria for each income-restricted unit based on State of California Department of Housing and Community Development Division of Housing Policy Development ("HCD") 2020 income limits for California counties.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Irwindale Housing Authority Final Priority Listing dated September 16, 2019.

Attachment #2
Inwindale Housing Authority
Final Priority Listing
Dated: September 16, 2019

Control Number*	Lottery Number	Applicant Name	Co-Applicant Name	Family Size	Eligibility Classification	Final Eligibility Classification	Initial Priority Ranking
EXTREMELY LOW INCOME							
1	1	75	Efigenia Dominguez	5	1	1	2
3	2	33	Lawrence Burrola	2	2	1	3
2	3	37	Aundrea Alvarado	4	2	1	3
6	4	38	Amanda Orosco	2	2	1	3
75	9	51	Lavina Burrola	2	2	4	6
9	9	57	Karen Rodriguez	3	2	4	6
10	11	22	Susan Nunez	1	2	7	9
85	18	71	Angelica Gonzales	4	6	4	10

VERY LOW INCOME								
20	1	18	Delicia Ponce		1	2	1	3
16	2	28	Andrew Guillen		1	2	1	3
21	3	40	Mariana Quinones	Adam Quinones	4	2	1	3
18	4	43	Pete Marez		1	2	1	3
19	5	52	Ruben Mendoza	Ajaina Butler	4	2	1	3
17	6	78	Marguerite Lopez		4	2	1	3
4	6	67	Marlene L. Garcia		1	2	1	3
7	7	69	Angelica Torres		1	2	1	3
37	7	76	Veronica Ochoa	Juan Gutierrez	3	2	1	3
15	7	82	Alma L. Bravo	Jose Higareda	4	2	1	3
43	9	11	Victor Dominguez		1	2	2	4
45	10	15	Angelina Ramirez		3	2	2	4
22	8	31	Cassandra Bran Longria	Daniel Longoria	3	2	2	4
23	9	24	Travis Roberg	Mallory Martinez Roberg	5	2	4	6
12	10	10	Victor Robles		3	2	7	9
25	13	54	Veronica C. Espinoza		2	2	7	9
29	15	42	Marvin Herrera	Auda Amariles Cifuentes Bautista	3	6	4	10
30	16	62	Margarita Acevedo		1	6	5	11

LOW INCOME INCOME								
31	1	17	Karollna Arteaga		1	2	1	3
36	2	26	Joe R. Nunez, Jr.		5	2	1	3
32	3	32	Charles Belnavis		1	2	1	3
38	4	46	Donell N. Strobehn		5	2	1	3
33	5	56	Lydia Fonseca		4	2	1	3
5	5	39	Crystal Hernandez		1	2	1	3
39	11	16	Christine Acero		3	2	2	4
41	12	36	Nicolas Arellano		4	2	2	4
40	15	88	Roman R. Arce	Hermelinda Ponce de Arce	4	2	2	4
8	8	73	Angelo Villa	Andre Villa	2	2	2	4
77	8	9	Juan Gonzalez		2	2	4	6
76	10	80	Danielle Cortez	Christian Cortez	5	2	4	6
59	27	3	Monique Dominguez		1	2	7	9
28	11	6	Melissa Rebecca Jimenez		3	2	7	9
79	16	30	Ignacio Camacho		1	2	7	9

- ☐ City Council
☐ Successor Agency
☒ Housing Authority
☐ Reclamation Authority
☐ Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: ~~May 26, 2024~~ June 3, 2021

To: Honorable Chair and Members of the Housing Authority

From: William K. Tam, Executive Director

Issue: Mayans Housing Purchase Program- Approval of Amendment No. 2 to Irwindale Housing Authority Guidelines, Policies and Procedures for the Mayans Housing Purchase Program

Executive Director's Recommendation:

- 1) Approve Amendment No. 2 of the Irwindale Housing Authority Guidelines, Policies and Procedures for the Mayans Housing Purchase Program to clarify that (1) Staff is authorized to request and accept affidavits as the approved method for verifying information not readily determined through documentation; (2) an application and/or priority ranking cannot be assigned or assumed in any instance; (3) the definition of "Applicant," includes "Co-Applicant"; (4) adding the definition of "Household" to require any "Applicant", inclusive of a "Co-Applicant," and any other person listed, to live in the home purchased through the Program as their primary residence, and clarify that in order to be considered a household member, each person who is at least eighteen (18) years of age must provide all required eligibility documentation.

Prepared and Submitted by:

Jamie L. Traxler, Assistant Authority Counsel

ELECTRONICALLY
APPROVED

Reviewed by:

Adrian Guerra, Authority Counsel

ELECTRONICALLY
APPROVED

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, Executive Director

Background and Analysis:

The Irwindale Housing Authority's ("Housing Authority") Mayans Housing Project affordable housing program ("Program") provides affordable single-family housing opportunities for first-time homebuyers. Throughout its administration of the Program, Staff has fielded various inquiries and proceeded to process applications through informal policy decisions which has created the possibility for ambiguities in processing. In order to formalize Staff's processing procedures, Staff now proposes the following amendments to the Irwindale Housing Authority Guidelines, Policies and Procedures for the Mayans Housing Purchase Program ("Guidelines").

Affidavit Procedure

Housing Authority Staff has allowed for applicants to submit affidavits signed and submitted under penalty of perjury in order to verify information that cannot be verified through Documentation as described in Section (D)(1)(i) of the Guidelines, such as birth certificates, current pay check stubs, income tax returns, employment/salary verification, bank statements for all checking and/or savings accounts, telephone records and utility records, hospital admittance records, medical care records, and records of educational institutions and public agencies as the same are relevant to matters pertaining to verification of information submitted.

Staff is now proposing a formal amendment to the Guidelines which would authorize Staff to accept affidavits signed and submitted under penalty of perjury in order to verify information which cannot be readily verified through other means of Documentation.

Assignment or Assumption of Application

Housing Authority Staff have received inquiries as to whether an Applicant can assign their application to any other person, including a household or family member or third-party who was not listed in the application documents in the event that the Applicant is unable to complete the application process, such as death or incapacity. Essentially, the request asks that the designated person stand in the shoes of and assume the eligibility determination and priority ranking of the Applicant.

Staff have determined that an assignment and/or assumption of an Application and priority listing would violate Housing Authority Law and the Guidelines, and would deny any such request. Program applicants and their families are certified and determined to be eligible based on standardized criteria in order to ensure that any assistance provided by the Authority goes to households truly in need of assistance.

Any person who "assumed" a Program application would have to be treated as the Applicant, and Housing Authority Staff would be required to separately certify that person according to state law and the Authority's income eligibility and priority ranking criteria, which would render any "assignment" or "assumption" of an application and priority ranking invalid.

State law and the Housing Authority have developed eligibility standards and criteria which are designed to be applied equitably, and to allow an assignment or assumption

of an Application would allow for abuse of the Program and provide a loophole to circumvent Program eligibility requirements. For these reasons, Staff have determined that the Housing Authority should deny any request to assign or assume a Program application, and is now proposing a formal amendment to the Guidelines regarding the same.

Amending Definition of "Applicant" to include "Co-Applicant"

"Co-Applicant" is not defined in the Guidelines, however as part of its administration of the Program, Staff have always considered a Co-Applicant to be an "Applicant" defined under section 2(A)(1) as, "[a] person/family submitting a formal application for consideration and determination of eligibility to purchase a home hereunder." Staff now proposes formally amending the Guidelines to include the term "Co-Applicant" in the definition of "Applicant."

Adding a Definition for "Household"

Staff have always required a Co-Applicant and any other person who intends to occupy the home purchased through the Program to be included as a household member for purposes of determining household size, income qualification, and priority eligibility. This is because the income eligibility determination is directly dependent upon the total number of household members. Additionally, any household member must reside on the premises as their primary residence.

Therefore, Staff recommends adding the definition of "Household" to require any "Applicant", inclusive of a "Co-Applicant," and any other person listed, to live in the home purchased through the Program as their primary residence, and clarify that in order to be considered a household member, each person who is at least eighteen (18) years of age must provide all required eligibility documentation.

Conclusion

The Board's approval of the proposed revised Guidelines would immediately effectuate and implement these changes. Attached are the proposed amended Guidelines, both in clean form and in a tracked changes format so that the revisions are easily viewable.

FISCAL IMPACT:

None.

ATTACHMENTS:

- Amendment No. 2 of the Irwindale Housing Authority Guidelines, Policies and Procedures for the Mayans Housing Purchase Program (clean)
- Amendment No. 2 of the Irwindale Housing Authority Guidelines, Policies and Procedures for the Mayans Housing Purchase Program (tracked changes)

**IRWINDALE HOUSING AUTHORITY
GUIDELINES, POLICIES AND
PROCEDURES FOR THE
MAYANS HOUSING
PURCHASE PROGRAM
(Phase 4)**

**Adopted by the:
Irwindale Housing Authority**

Approved: December 18, 2013

Amendment No. 2: May 26, 2020

GUIDELINES, POLICIES, AND PROCEDURES FOR THE MAYANS HOUSING PURCHASE PROGRAM

SECTION 1. GENERAL

The Irwindale Housing Authority ("Authority") is pursuing the development of a housing project, known as the "Mayans" project, which is intended to include affordable single family homes on several sites in the City of Irwindale. The Authority has adopted these Guidelines, Policies, and Procedures to govern the marketing of the homes in the project to further the Authority's goals of providing additional single-family housing stock for Irwindale residents to replace existing substandard housing units and to create decent, safe and sanitary first time ownership opportunities.

SECTION 2. MAYANS HOUSING PURCHASE PROGRAM GUIDELINES, POLICIES AND PROCEDURES

A. Definitions

1. *Applicant*

A person/family submitting a formal application for consideration and determination of eligibility to purchase a home hereunder. For all purposes used herein, the term "Applicant" shall mean and include a "Co-Applicant."

2. *Application Deadline*

The Application Deadline shall be the date established by the Authority as the deadline for submitting Applications for this program.

3. *Conflict of Interest*

Authority Board members and officers of the Authority or Agency, or management level employees of the Authority are deemed to have a conflict of interest and may not participate in this program. Persons who exercise operational responsibilities relative to any financing pertaining to the Mayans project are similarly deemed to have a conflict of interest.

4. *Continuous Resident*

A "Continuous Residents)" shall be placed in two (2) subcategories thereof: Those persons/families continuously residing in Irwindale since at least fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category A" Continuous Resident. Those persons/families continuously residing in Irwindale for at least thirty-six (36) months but establishing residence on or after

fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category B" Continuous Resident.

5. *Dependent*

Dependent shall be an immediate family member who resides with an Irwindale resident or former resident,

6. *Disabled Family*

(a) Any person or his/her family member who has a disability or handicap recognized under the Americans with Disabilities Act of 1990, as amended, which includes:

(i) a physical or mental impairment that substantially limits one or more of the major life activities of such individual;

(ii) a record of such impairment; or

(iii) being regarded as having such an impairment (42 U.S.C. §12102.)

(b) A handicap does not include current, illegal use of or addiction to a controlled substance. For purposes of this part, an individual shall not be considered to have a handicap solely because that individual is a transvestite. (24 C.F.R. § 100.201) As used in this definition.

(c) "Physical or mental impairment" includes:

(i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs, cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or

(ii) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term "physical or mental impairment" includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation,

emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

- (d) "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (e) "Has a record of such an impairment" means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.
- (f) "Is regarded as having an impairment" means:
 - (i) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by another person as constituting such a limitation;
 - (ii) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of other toward such impairment; or
 - (iii) Has none of the impairments defined in paragraph (i) of this definition but is treated by another person as having such an impairment.

Medical certification of a disability or handicap is required from persons claiming disability who are not recipients of benefits under either 42 U.S.C, § 423 (Social Security Act) or § 102 (b) (5) of the Development Services and Facilities Construction Amendments of 1970. The laws and regulations cited in this Section may be amended from time to time by the appropriate governmental authority, Any such amendments that modify the definitions contained herein shall be automatically incorporated without formal action by the Authority.

7. *Displaced Person*

A Displaced Person shall have the meaning set forth in Government Code section 7260 and encompass those persons/families who have been displaced by the former Irwindale Community Redevelopment Agency or Irwindale Housing Authority from legal residential units on or after September 1,2008. A Displaced Person subject to this definition shall have priority over other categories of persons pursuant to Section 2. C below.

8. *Elderly Family*

An Elderly Family is a family where any member is at least sixty-two (62) years of age or older.

9. *Employed within City Limits*

Those persons/families continuously working in the City of Irwindale for at least thirty-six (36) months preceding the Application Deadline.

10. *First Time Homebuyer*

Persons who have not owned a home in whole or part shall be considered First Time Homebuyers. Security interests shall not be deemed ownership unless actual residency took place.

11. *Former Resident*

Persons who previously resided within Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, but who do not currently reside in Irwindale, shall be considered to be Former Residents.

12. *Handicapped Person*

A person having a disability or handicap, which (a) is expected to be of long continued and indefinite duration, (b) substantially impedes the person's ability to live independently, and (c) is of such a nature that such ability could not be improved by more suitable housing. Any member of a family who is handicapped qualifies that family as a Disabled Family. (See: "***Disabled Family***".)

13. *Immediate Family Member*

Parents, grandparents, siblings, or children of Continuous Residents are considered to be Immediate Family Members.

14. *Income Qualification Criteria (APPLICABLE TO INCOME-RESTRICTED UNITS ONLY)*

Extremely low, very low, low and moderate income qualification criteria shall be as set forth in Exhibit "A" hereto, which may be amended from time to time without formal action by the Authority to be consistent with state laws and regulations (Subchapter 2 of Chapter 6.5 of Division 1 of Title 25, California Code of Regulations; see also: California Health and Safety Code §§ 50106, 50105, 50079.5 and 50093.)

15. *Interrupted Resident*

Any person (or family) who resided in Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, moved away for a period of time, but has reestablished a bona fide residence within the City limits of Irwindale for at least one year prior to the Application Deadline shall be considered to be an Interrupted Resident.

16. *Household*

A household is comprised of an Applicant, and any other person or family member who intend to share residency in the unit, and whose income and resources are available to meet the family's needs. All household members must occupy a home purchased through this Program as their primary residence. Each household member who is at least eighteen (18) years of age must submit all required eligibility documentation as specified herein.

17. *Non-Resident*

Any person (or family) who is not now and has not been a resident of Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline.

18. *Purchaser*

An applicant successfully completing the application process and purchasing a home hereunder.

19. *Veteran*

Any person who has been honorably discharged from one of the military services of the United States shall be considered a Veteran.

B. Eligibility Criteria

Since the Mayans Housing Purchase Program is a sales program, there are three (3) primary criteria which must be met to determine eligibility:

1. Qualification for an appropriate mortgage loan to finance the purchase.
2. Income eligibility under § 2.A.12, above, for units restricted to low to moderate income persons.
3. Be at least eighteen (18) years of age at time of purchase.

C. Priorities

Eligible applications from persons/families meeting basic income (extremely low, very low, low or moderate income) criteria for the Mayans Housing Purchase Program shall be processed based upon the following priority schedule and the application procedures in Section 2.D:

1. First Priority Criteria: Income Eligibility Classification (applicable to income-restricted units only)

Phase 1 & 2

- (a) Extremely low income persons/family - three (3) -restricted homes **[subject to modification]**
- (b) Very low income persons/family - six (6) restricted homes **[subject to modification]**
- (c) Low income persons/families - six (6) restricted homes **[subject to modification]**
- (d) Moderate income persons/families - six (6) restricted homes **[subject to modification]**

Phase 3

- (a) Extremely low income persons/family - one (1) -restricted homes **[subject to modification]**
- (b) Very low income persons/family - three (3) restricted homes **[subject to modification]**
- (c) Low income persons/families - two (2) restricted homes **[subject to modification]**

Phase 4

- (a) Very low income persons/family - four (4) restricted homes **[subject to modification]**
- (b) Low income persons/families - three (3) restricted homes **[subject to modification]**

A primary goal of the Authority is to create, to the extent feasible, sufficient new owner-occupied single family residences to meet the projected needs of First Time Homebuyers. Accordingly, and notwithstanding the initial allocations established in § 2.C.1, above, pertaining to the number of units allocated among the income categories, the Authority retains the right to reallocate the final number of units specified for each income category, if deemed necessary and appropriate, to meet the quantified needs of First Time Homebuyers.

2. Second Priority Criteria:

- (a) Displaced Person Priority 1

- | | |
|--------------------------|------------|
| (b) First Time Homebuyer | Priority 2 |
| (c) Disabled Family | Priority 3 |
| (d) Veteran | Priority 4 |
| (e) Elderly | Priority 5 |
| (f) None of the above | Priority 6 |

3. Third Priority Criteria

- (a) Category A Continuous Irwindale Resident - Priority 1
- (b) Category 8 Continuous Resident - Priority 2
- (c) Interrupted Resident - Priority 3
- (d) Former Resident - Priority 4
- (e) Immediate Family Member - Priority 5
- (f) Employed within the City of Irwindale City limits - Priority 6
- (g) None of the above - Priority 7

4. Disqualification or Termination of Applicant. Should any applicant be unable to secure financing following selection of a home, the provisions of Section 2.D.2(d) below shall apply. Further, the Authority retains the right to terminate any applicant's right to continue to participate in the Mayans Housing Selection Program at any time pursuant to Section 2.D,1(j) below.

D. Application Procedure

1. Applications

- (a) Upon commencement of the application process, interested persons will be required to complete and sign an Application. As a material part of the Application, interested persons will be required to execute an authorization and waiver form for release of information from persons, firms, public entities and others who may retain data necessary for a complete analysis of the Application. Data needed will include name, address, telephone number, family composition and ages, declaration of income and assets, declaration of outstanding financial obligations, veteran status, declaration of physical status (with appropriate medical confirmation), declaration of home ownership status. {See; § 2.D.1(i)} Applications shall also include a requirement of the applicant to secure a "Preliminary Loan Approval Letter" from a qualified lender or

mortgage broker that is working with the applicant. The "Preliminary Loan Approval Letter" shall indicate the names of the applicants), verification that a credit check and reference has been completed and the amount of preliminary loan approval for the applicant(s).

IMPORTANT: APPLICATIONS AND A "PRELIMINARY LOAN APPROVAL LETTER" MUST BE RECEIVED BY THE AUTHORITY PRIOR TO THE APPLICATION DEADLINE. APPLICATIONS RECEIVED AFTER THE APPLICATION DEADLINE WILL NOT BE CONSIDERED FOR THIS PROGRAM.

Appropriate assistance in completing the Application will be provided to interested persons, if requested.

- (b) Applications along with the "Preliminary Loan Approval Letter" shall be submitted for review and screening.
- (c) Applications for income-restricted units will then be assigned to the appropriate First Priority classification under § 2.G.1.
- (d) Applications will then be assigned the applicable numerical priority rating according to the Second Priority Criteria set forth in § 2.C.2, above.
- (e) Applications will then be further prioritized with each category by the Third Priority Criteria set forth in § 2.C.3, above.
- (f) Within the numerical allotments provided by the First Eligibility Criteria (§ 2.C.1), the final order of priority will be established by adding the numerical priority rating assigned to each Application. The Applications will be ranked, in order of descending priority, with the smallest total number assigned being the highest priority. For example an Applicant who is a First Time Homebuyer (Priority 2 in the Secondary Priority Criteria), and Category A Continuous Inwindale Resident (Priority 1 in the Third Priority Criteria) will have a total Priority Rating of 3 and would be ranked higher than an Applicant who is a "none of the above" (Priority 6 in the Second Priority Criteria) and an Immediate Family Member (Priority 5 in the Third Priority Criteria) with a total Priority Rating of 11.
- (g) In the event a tie occurs between two (2) or more Applicants, the total Priority Rating rank order will be assigned by a random blind drawing conducted by the Executive Director.

(h) The Authority staff will verify the following data:

- (i) name and address
- (ii) residence requirement (in) employment
- (iii) income
- (iv) existing equity/assets (if applicable)
- (v) credit history
- (vi) property ownership

- (i) Documentation necessary to verify income, age, handicap (disability), and residency requirements shall be submitted with application documents and may include, but is not limited to: birth certificates, current pay check stubs, income tax returns, employment/salary verification, bank statements for all checking and/or savings accounts, telephone records and utility records, hospital admittance records, medical care records, and records of educational institutions and public agencies as the same are relevant to matters pertaining to verification of information submitted.
- (j) If Authority staff is unable to verify necessary information through Documentation as described in Section (D)(1)(i) herein, Staff may request and accept a submitted affidavit signed under penalty of perjury to verify any such required information.
- (k) All data submitted shall be verified as true and correct under penalty of perjury of the laws of the State of California. Should any applicant submit data to the Authority, which is untrue, incorrect or misleading, the applicant's right to participate in the Mayans Housing Selection Program shall be terminated at any time during the process.
- (l) Ineligible or terminated Applicants shall be notified, in writing, with a statement from the Executive Director indicating why the Applicant has been denied and advising the Applicant of his or her right to appeal the determination in writing within ten (10) days of the letter of denial. Appeals will be heard by the Authority Board and the Authority Board's determination shall be final.

2. Applications

- (a) If by the Application Deadline there are Insufficient eligible Applicants for the available units, the Authority Board may extend the Application Deadline to accept additional applications which will be processed in accordance with the procedures set forth in § 2.D.1, above.
- (b) Priority for Applicants shall be strictly maintained in accordance with the application period during which submittal occurred. Additional Applicants authorized by the Board after the first thirty (30) days shall not be included with the first group of Applicants.
- (c) Once financing has been approved escrow will be entered into. Upon release of funds in an amount sufficient to purchase the unit, then title will transfer to the Applicant/Purchaser.
- (d) Following the award of a home pursuant to the house selection process conducted on September 16, 2019, should any Applicant fail to secure a preliminary loan approval letter by September 30, 2019, the Authority shall notify the Applicant in writing of such failure and, if not remedied within seven (7) calendar days after the date of such notice, the Applicant's right to continue to participate in the Mayans Housing Purchase Program shall terminate and the Authority shall select the next applicant in the final priority listing (dated June 5, 2019) for such home.
- (e) An Application submitted to the Authority as provided herein shall not be assigned by the Applicant to any other person for any reason. An Application submitted to the Authority as provided herein shall not be assumed by any other person for any reason.

SECTION 3. FINANCING

The Authority will provide second trust deed financing to assist the purchasers of the income-restricted units, in exchange for the affordability restrictions described in Section 4 below. Such financing shall be subject to additional procedures and guidelines which shall be established by the Authority.

SECTION 4. ADDITION OWNERSHIP REQUIREMENTS

- A. All Purchasers of income-restricted units shall be required to enter into appropriate instruments (promissory notes, deed restrictions, repurchase options, etc.), as determined by the Authority, with regard to maintenance of the home for very low to moderate income purposes for at least forty- five (46)

years or longer as determined by the Authority and required by law (the "Restriction Period" hereinafter). (See: California Health and Safety Code § 33334.3) The affordability restrictions are described in general below, but the provisions of the promissory note, deed of trust, and regulatory agreement will control.

- B. Purchasers of income-restricted units shall be restricted from selling the home purchased hereunder to any person other than another income-qualified buyer or the Authority during the Restriction Period (minimum forty-five (45) years). The resale price to another income-qualified buyer will be restricted to an affordable housing cost which will be determined in accordance with the promissory note, deed of trust, and regulatory agreement. Under certain limited circumstances an income-restricted unit may be sold to a non-qualified buyer, but in that event the Authority will receive a portion of the increase in equity. The percentage of equity coming back to the Authority decreases the longer the home is owned by an income-qualified buyer. The equity sharing procedures and percentages are contained in the regulatory agreement.
- C. The Purchaser of an income-restricted unit shall be precluded from encumbrancing, mortgaging, hypothecating or allowing the imposition of liens on the home without the prior, express written permission of the Authority. The limits for such encumbrances shall be the same as the limits set by the Authority for their housing rehabilitation loans, and may be adjusted from time to time. Further limitations are described in the regulatory agreement
- D. The Purchaser of an income-restricted unit shall use and occupy the home purchased hereunder as the Purchaser's principal place of residence upon close of escrow or within such timeline as may be established by the Authority and shall continue to so use and occupy the home for the duration of the Restriction Period to the exclusion of all other abodes. The Purchaser shall not rent or lease the home for any reason at any time during the Restriction Period.
- E. If the Purchaser of an income-restricted unit fails to make all payments in a timely manner or to keep the home lien free, the Authority shall maintain the right to repurchase or foreclose on the home in accordance with the promissory note, deed of trust, and regulatory agreement
- F. A household, family unit, or immediate family members may qualify to purchase only one home under this program. For the purposes of this program, adult, nondependent siblings shall not be prohibited from qualifying independently as a separate household or family unit provided they do not reside together or share housekeeping expenses or duties.
- G. Every deed given by the Authority shall refer to these Guidelines and be binding as conditions, covenants and restrictions running with the land.

**IRWINDALE HOUSING AUTHORITY
GUIDELINES, POLICIES AND
PROCEDURES FOR THE
MAYANS HOUSING
PURCHASE PROGRAM
(Phase 4)**

**Adopted by the:
Irwindale Housing Authority**

Approved: December 18, 2013

Amendment No. 2: May 26, 2020

GUIDELINES, POLICIES, AND PROCEDURES FOR THE MAYANS HOUSING PURCHASE PROGRAM

SECTION 1. GENERAL

The Irwindale Housing Authority ("Authority") is pursuing the development of a housing project, known as the "Mayans" project, which is intended to include affordable single family homes on several sites in the City of Irwindale. The Authority has adopted these Guidelines, Policies, and Procedures to govern the marketing of the homes in the project to further the Authority's goals of providing additional single-family housing stock for Irwindale residents to replace existing substandard housing units and to create decent, safe and sanitary first time ownership opportunities.

SECTION 2. MAYANS HOUSING PURCHASE PROGRAM GUIDELINES, POLICIES AND PROCEDURES

A. Definitions

1. ***Applicant***

A person/family submitting a formal application for consideration and determination of eligibility to purchase a home hereunder. For all purposes used herein, the term "Applicant" shall mean and include a "Co-Applicant."

2. ***Application Deadline***

The Application Deadline shall be the date established by the Authority as the deadline for submitting Applications for this program.

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Authority Board members and officers of the Authority or Agency, or management level employees of the Authority are deemed to have a conflict of interest and may not participate in this program. Persons who exercise operational responsibilities relative to any financing pertaining to the Mayans project are similarly deemed to have a conflict of interest.

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A "Continuous Residents)" shall be placed in two (2) subcategories thereof: Those persons/families continuously residing in Irwindale since at least fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category A" Continuous Resident. Those persons/families continuously residing in Irwindale for at least thirty-six (36) months but establishing residence on or after

fifteen (15) year period immediately preceding the Application Deadline shall be identified as "Category B" Continuous Resident.

5. *Dependent*

Dependent shall be an immediate family member who resides with an Irwindale resident or former resident,

6. *Disabled Family*

(a) Any person or his/her family member who has a disability or handicap recognized under the Americans with Disabilities Act of 1990, as amended, which includes:

(i) a physical or mental impairment that substantially limits one or more of the major life activities of such individual;

(ii) a record of such impairment; or

(iii) being regarded as having such an impairment (42 U.S.C. §12102.)

(b) A handicap does not include current, illegal use of or addiction to a controlled substance. For purposes of this part, an individual shall not be considered to have a handicap solely because that individual is a transvestite. (24 C.F.R. § 100.201) As used in this definition.

(c) "Physical or mental impairment" includes:

(i) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological; musculoskeletal; special sense organs; respiratory, including speech organs, cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine; or

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emotional illness, drug addiction (other than addiction caused by current, illegal use of a controlled substance) and alcoholism.

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 - (i) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by another person as constituting such a limitation;
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 - (iii) Has none of the impairments defined in paragraph (i) of this definition but is treated by another person as having such an impairment.

Medical certification of a disability or handicap is required from persons claiming disability who are not recipients of benefits under either 42 U.S.C, § 423 (Social Security Act) or § 102 (b) (5) of the Development Services and Facilities Construction Amendments of 1970. The laws and regulations cited in this Section may be amended from time to time by the appropriate governmental authority, Any such amendments that modify the definitions contained herein shall be automatically incorporated without formal action by the Authority.

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8. *Elderly Family*

An Elderly Family is a family where any member is at least sixty-two (62) years of age or older.

9. *Employed within City Limits*

Those persons/families continuously working in the City of Irwindale for at least thirty-six (36) months preceding the Application Deadline.

10. *First Time Homebuyer*

Persons who have not owned a home in whole or part shall be considered First Time Homebuyers. Security interests shall not be deemed ownership unless actual residency took place.

11. *Former Resident*

Persons who previously resided within Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, but who do not currently reside in Irwindale, shall be considered to be Former Residents.

12. *Handicapped Person*

A person having a disability or handicap, which (a) is expected to be of long continued and indefinite duration, (b) substantially impedes the person's ability to live independently, and (c) is of such a nature that such ability could not be improved by more suitable housing. Any member of a family who is handicapped qualifies that family as a Disabled Family. (See: "***Disabled Family***".)

13. *Immediate Family Member*

Parents, grandparents, siblings, or children of Continuous Residents are considered to be Immediate Family Members.

14. *Income Qualification Criteria (APPLICABLE TO INCOME-RESTRICTED UNITS ONLY)*

Extremely low, very low, low and moderate income qualification criteria shall be as set forth in Exhibit "A" hereto, which may be amended from time to time without formal action by the Authority to be consistent with state laws and regulations (Subchapter 2 of Chapter 6.5 of Division 1 of Title 25, California Code of Regulations; see also: California Health and Safety Code §§ 50106, 50105, 50079.5 and 50093.)

15. *Interrupted Resident*

Any person (or family) who resided in Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline, moved away for a period of time, but has reestablished a bona fide residence within the City limits of Irwindale for at least one year prior to the Application Deadline shall be considered to be an Interrupted Resident.

16. Household

A household is comprised of an Applicant, and any other person or family member who intend to share residency in the unit, and whose income and resources are available to meet the family's needs. All household members must occupy a home purchased through this Program as their primary residence. Each household member who is at least eighteen (18) years of age must submit all required eligibility documentation as specified herein.

~~16.~~17. *Non-Resident*

Any person (or family) who is not now and has not been a resident of Irwindale for at least thirty-six (36) consecutive months within the fifteen (15) year period immediately preceding the Application Deadline.

~~17.~~18. *Purchaser*

An applicant successfully completing the application process and purchasing a home hereunder.

~~18.~~19. *Veteran*

Any person who has been honorably discharged from one of the military services of the United States shall be considered a Veteran.

B. Eligibility Criteria

Since the Mayans Housing Purchase Program is a sales program, there are three (3) primary criteria which must be met to determine eligibility:

1. Qualification for an appropriate mortgage loan to finance the purchase.
2. Income eligibility under § 2.A.12, above, for units restricted to low to moderate income persons.
3. Be at least eighteen (18) years of age at time of purchase.

C. Priorities

Eligible applications from persons/families meeting basic income (extremely low, very low, low or moderate income) criteria for the Mayans Housing Purchase Program shall be processed based upon the following priority schedule and the application procedures in Section 2.D:

1. First Priority Criteria: Income Eligibility Classification (applicable to income-restricted units only)

Phase 1 & 2

- (a) Extremely low income persons/family - three (3) -restricted homes **[subject to modification]**
- (b) Very low income persons/family - six (6) restricted homes **[subject to modification]**
- (c) Low income persons/families - six (6) restricted homes **[subject to modification]**
- (d) Moderate income persons/families - six (6) restricted homes **[subject to modification]**

Phase 3

- (a) Extremely low income persons/family - one (1) -restricted homes **[subject to modification]**
- (b) Very low income persons/family - three (3) restricted homes **[subject to modification]**
- (c) Low income persons/families - two (2) restricted homes **[subject to modification]**

Phase 4

- (a) Very low income persons/family - four (4) restricted homes **[subject to modification]**
- (b) Low income persons/families - three (3) restricted homes **[subject to modification]**

A primary goal of the Authority is to create, to the extent feasible, sufficient new owner-occupied single family residences to meet the projected needs of First Time Homebuyers. Accordingly, and notwithstanding the initial allocations established in § 2.C.1, above, pertaining to the number of units allocated among the income categories, the Authority retains the right to reallocate the final number of units specified for each income category, if deemed necessary and appropriate, to meet the quantified needs of First Time Homebuyers.

2. Second Priority Criteria:

- (a) Displaced Person Priority 1

(b) First Time Homebuyer	Priority 2
(c) Disabled Family	Priority 3
(d) Veteran	Priority 4
(e) Elderly	Priority 5
(f) None of the above	Priority 6

3. Third Priority Criteria

- (a) Category A Continuous Irwindale Resident - Priority 1
- (b) Category 8 Continuous Resident - Priority 2
- (c) Interrupted Resident - Priority 3
- (d) Former Resident - Priority 4
- (e) Immediate Family Member - Priority 5
- (f) Employed within the City of Irwindale City limits - Priority 6
- (g) None of the above - Priority 7

4. Disqualification or Termination of Applicant. Should any applicant be unable to secure financing following selection of a home, the provisions of Section 2.D.2(d) below shall apply. Further, the Authority retains the right to terminate any applicant's right to continue to participate in the Mayans Housing Selection Program at any time pursuant to Section 2.D.1(j) below.

D. Application Procedure

1. Applications

- (a) Upon commencement of the application process, interested persons will be required to complete and sign an Application. As a material part of the Application, interested persons will be required to execute an authorization and waiver form for release of information from persons, firms, public entities and others who may retain data necessary for a complete analysis of the Application. Data needed will include name, address, telephone number, family composition and ages, declaration of income and assets, declaration of outstanding financial obligations, veteran status, declaration of physical status (with appropriate medical confirmation), declaration of home ownership status. {See; § 2.D.1(i)} Applications shall also include a requirement of the applicant to secure a "Preliminary Loan Approval Letter" from a qualified lender or

mortgage broker that is working with the applicant. The "Preliminary Loan Approval Letter" shall indicate the names of the applicants), verification that a credit check and reference has been completed and the amount of preliminary loan approval for the applicant(s).

IMPORTANT: APPLICATIONS AND A "PRELIMINARY LOAN APPROVAL LETTER" MUST BE RECEIVED BY THE AUTHORITY PRIOR TO THE APPLICATION DEADLINE. APPLICATIONS RECEIVED AFTER THE APPLICATION DEADLINE WILL NOT BE CONSIDERED FOR THIS PROGRAM.

Appropriate assistance in completing the Application will be provided to interested persons, if requested.

- (b) Applications along with the "Preliminary Loan Approval Letter" shall be submitted for review and screening.
- (c) Applications for income-restricted units will then be assigned to the appropriate First Priority classification under § 2.G.1.
- (d) Applications will then be assigned the applicable numerical priority rating according to the Second Priority Criteria set forth in § 2.C.2, above.
- (e) Applications will then be further prioritized with each category by the Third Priority Criteria set forth in § 2.C.3, above.
- (f) Within the numerical allotments provided by the First Eligibility Criteria (§ 2.C.1), the final order of priority will be established by adding the numerical priority rating assigned to each Application. The Applications will be ranked, in order of descending priority, with the smallest total number assigned being the highest priority. For example an Applicant who is a First Time Homebuyer (Priority 2 in the Secondary Priority Criteria), and Category A Continuous Irwindale Resident (Priority 1 in the Third Priority Criteria) will have a total Priority Rating of 3 and would be ranked higher than an Applicant who is a "none of the above" (Priority 6 in the Second Priority Criteria) and an Immediate Family Member (Priority 5 in the Third Priority Criteria) with a total Priority Rating of 11.
- (g) In the event a tie occurs between two (2) or more Applicants, the total Priority Rating rank order will be assigned by a random blind drawing conducted by the Executive Director.

(h) The Authority staff will verify the following data:

(i) name and address

(ii) residence requirement (in) employment

(iii) income

(iv) existing equity/assets (if applicable)

(v) credit history

(vi) property ownership

(i) Documentation necessary to verify income, age, handicap (disability), and residency requirements shall be submitted with application documents and may include, but is not limited to: birth certificates, current pay check stubs, income tax returns, employment/salary verification, bank statements for all checking and/or savings accounts, telephone records and utility records, hospital admittance records, medical care records, and records of educational institutions and public agencies as the same are relevant to matters pertaining to verification of information submitted.

(j) If Authority staff is unable to verify necessary information through Documentation as described in Section (D)(1)(i) herein, Staff may request and accept a submitted affidavit signed under penalty of perjury to verify any such required information.

(k) All data submitted shall be verified as true and correct under penalty of perjury of the laws of the State of California. Should any applicant submit data to the Authority, which is untrue, incorrect or misleading, the applicant's right to participate in the Mayans Housing Selection Program shall be terminated at any time during the process.

(l) Ineligible or terminated Applicants shall be notified, in writing, with a statement from the Executive Director indicating why the Applicant has been denied and advising the Applicant of his or her right to appeal the determination in writing within ten (10) days of the letter of denial. Appeals will be heard by the Authority Board and the Authority Board's determination shall be final.

2. Applications

- (a) If by the Application Deadline there are Insufficient eligible Applicants for the available units, the Authority Board may extend the Application Deadline to accept additional applications which will be processed in accordance with the procedures set forth in § 2.D.1, above.
- (b) Priority for Applicants shall be strictly maintained in accordance with the application period during which submittal occurred. Additional Applicants authorized by the Board after the first thirty (30) days shall not be included with the first group of Applicants.
- (c) Once financing has been approved escrow will be entered into. Upon release of funds in an amount sufficient to purchase the unit, then title will transfer to the Applicant/Purchaser.
- (d) Following the award of a home pursuant to the house selection process conducted on September 16, 2019, should any Applicant fail to secure a preliminary loan approval letter by September 30, 2019, the Authority shall notify the Applicant in writing of such failure and, if not remedied within seven (7) calendar days after the date of such notice, the Applicant's right to continue to participate in the Mayans Housing Purchase Program shall terminate and the Authority shall select the next applicant in the final priority listing (dated June 5, 2019) for such home.
- ~~(d)~~(e) An Application submitted to the Authority as provided herein shall not be assigned by the Applicant to any other person for any reason. An Application submitted to the Authority as provided herein shall not be assumed by any other person for any reason.

SECTION 3. FINANCING

The Authority will provide second trust deed financing to assist the purchasers of the income-restricted units, in exchange for the affordability restrictions described in Section 4 below. Such financing shall be subject to additional procedures and guidelines which shall be established by the Authority.

SECTION 4. ADDITION OWNERSHIP REQUIREMENTS

- A. All Purchasers of income-restricted units shall be required to enter into appropriate instruments (promissory notes, deed restrictions, repurchase options, *etc.*), as determined by the Authority, with regard to maintenance of the home for very low to moderate income purposes for at least forty- five (46)

years or longer as determined by the Authority and required by law (the "Restriction Period" hereinafter). (See: California Health and Safety Code § 33334.3) The affordability restrictions are described in general below, but the provisions of the promissory note, deed of trust, and regulatory agreement will control.

- B. Purchasers of income-restricted units shall be restricted from selling the home purchased hereunder to any person other than another income-qualified buyer or the Authority during the Restriction Period (minimum forty-five (45) years). The resale price to another income-qualified buyer will be restricted to an affordable housing cost which will be determined in accordance with the promissory note, deed of trust, and regulatory agreement. Under certain limited circumstances an income-restricted unit may be sold to a non-qualified buyer, but in that event the Authority will receive a portion of the increase in equity. The percentage of equity coming back to the Authority decreases the longer the home is owned by an income-qualified buyer. The equity sharing procedures and percentages are contained in the regulatory agreement.
- C. The Purchaser of an income-restricted unit shall be precluded from encumbrancing, mortgaging, hypothecating or allowing the imposition of liens on the home without the prior, express written permission of the Authority. The limits for such encumbrances shall be the same as the limits set by the Authority for their housing rehabilitation loans, and may be adjusted from time to time. Further limitations are described in the regulatory agreement
- D. The Purchaser of an income-restricted unit shall use and occupy the home purchased hereunder as the Purchaser's principal place of residence upon close of escrow or within such timeline as may be established by the Authority and shall continue to so use and occupy the home for the duration of the Restriction Period to the exclusion of all other abodes. The Purchaser shall not rent or lease the home for any reason at any time during the Restriction Period.
- E. If the Purchaser of an income-restricted unit fails to make all payments in a timely manner or to keep the home lien free, the Authority shall maintain the right to repurchase or foreclose on the home in accordance with the promissory note, deed of trust, and regulatory agreement
- F. A household, family unit, or immediate family members may qualify to purchase only one home under this program. For the purposes of this program, adult, nondependent siblings shall not be prohibited from qualifying independently as a separate household or family unit provided they do not reside together or share housekeeping expenses or duties.
- G. Every deed given by the Authority shall refer to these Guidelines and be binding as conditions, covenants and restrictions running with the land.

- ☐ City Council
- ☐ Successor Agency
- ☒ Housing Authority
- ☐ Reclamation Authority
- ☐ Joint Powers Authority

City of
IRWINDALE
AGENDA REPORT

Date: June 3, 2021
To: Honorable Chair and Members of the Housing Authority
From: William K. Tam, Executive Director
Issue: Equity Sharing Policy

Executive Director's Recommendation:

Approve concept of proposed equity sharing policy for Substantial Rehabilitation and First Time Homebuyer programs and direct Authority Counsel to prepare formal policy for approval.

Prepared and Submitted by:

Robert J. Lee, Assistant Authority Counsel

Electronically Approved

Reviewed by:

Adrian Guerra, Authority Counsel

Electronically Approved

Eva Carreon, Finance Director / City Treasurer

Approved by:

William K. Tam, Executive Director

BACKGROUND:

On March 10, 2021, the Board of the Inwindale Housing Authority ("Authority") reviewed and considered the Authority's current equity sharing practices to determine whether certain modifications to the current practices should be made to allow affordable homeowners to retain a larger proportion of sale proceeds, and directed staff to bring back suggested modifications to be implemented through a policy.

In coordination with the Authority Counsel's office, the Executive Director formulated proposed terms of a modified equity sharing policy, which would differ depending on whether the Authority is operating under the Substantial Rehabilitation ("SR") program or First Time Homebuyer ("FTH") program. On April 5, 2021, the Board considered concepts for possible adoption of an equity sharing policy for the Authority's SR and FTH programs that was proposed by the Executive Director and vetted by Authority Counsel. Boiled down to their essence, the proposed equity sharing ratios for both programs was 25%, meaning the Authority would retain 25% of the sale price in excess of the affordable housing price in the event of sale of the affordable home unit prior to expiration of the legally required 45-year period while the homeowner would retain 75%, with some variations in the percentages for the FTH program depending on the amount of the Authority loan given to homeowner. The Board was of the opinion that 25% to be retained by the Authority was too high and directed the Executive Director and Authority Counsel to explore options to allow homeowners to retain a higher percentage.

On April 28, 2021, after the Board considered further reduced equity sharing ratios for both programs, this time with proposed 15% and 20% equity sharing ratios for the SR and FTH programs, respectively, the Board once again directed staff to bring back suggested options to allow homeowners to retain still higher percentages.

Now, the Board is being asked to consider equity sharing ratios in the amounts of 10% for the SR program and 15% for the FTH program, with no variations in the ratio for the FTH program depending on the amount of loan given by the Authority as was the case with the proposed ratios that were recommended during the April 5 and April 28 meetings.

Under the current proposal, for the SR program, the Authority loan would be forgiven by 1/20 on an annual basis for 20 years after which time the entire loan would be forgiven. During that 20-year period, the equity sharing ratio would be 10%; thereafter, until expiration of the 45-year period, the equity sharing ratio would decrease by 0.4% per annum. For the FTH program, the Authority loan would be forgiven by 1/30 on an annual basis for 30 years after which time the entire loan would be forgiven. During that 30-year period, the equity sharing ratio would be 15%; thereafter, until expiration of the 45-year period, the equity sharing ratio would decrease by 1% per annum. Examples of the above are provided later in this report.

There are two statutes to bear in mind when establishing any equity sharing ratios. First, the affordable housing statutes provide that all new or substantially rehabilitated housing units developed or otherwise assisted with moneys from the Low and Moderate Income Housing Fund shall remain available at affordable housing cost to, and occupied by,

persons and families of low or moderate income and very low income and extremely low income households for the longest feasible time, but for not less than 45 years for owner-occupied units.

Section 33334.3 of the Health and Safety Code provides that:

the agency may permit sales of owner-occupied units prior to the expiration of the 45-year period for a price in excess of that otherwise permitted under this subdivision pursuant to an adopted program which protects the agency's investment of moneys from the Low and Moderate Income Housing Fund, including, but not limited to, an equity sharing program which establishes a schedule of equity sharing that permits retention by the seller of a portion of those excess proceeds based on the length of occupancy. The remainder of the excess proceeds of the sale shall be allocated to the agency and deposited in the Low and Moderate Income Housing Fund.

Put another way, the statutes permit equity sharing programs to be established allowing sale of owner-occupied units prior to expiration of the 45-year period for a price in excess of the affordable housing price, **so long as the agency's investment of moneys from the Low and Moderate Income Housing Fund is protected**, including through implementation of a schedule of equity sharing that permits seller and the agency to retain a portion of sale proceeds based on length of occupancy prior to sale. This means that so long as the agency's loan or any current balance of the loan is paid back (including any interest), the agency's investment of moneys from the Low and Moderate Income Housing Fund is protected. Any excess monies collected from the sale retained by the agency are to be deposited in the Low and Moderate Income Housing Fund.

The statute does not prescribe any particular apportionment of how much of the excess sale proceeds are to be retained by the seller and agency, and it is up to each individual agency to determine the schedule. In making this type of determination, communities must choose between maintaining affordability and allowing homebuyers to keep up with rising home prices. Strict resale restrictions will maintain affordability but will not allow homeowners to gain enough equity to buy an equivalent house on the open market. On the other hand, more generous equity sharing will require the public agency to provide additional subsidies in the future with every resale in order to keep the homes affordable. This is the push-pull that each housing authority that elects to adopt an equity sharing program needs to address, and there is no exact science to help determine which approach should be utilized.

Inherent in the equity sharing analysis, however, is the continued assumption that the Authority will be operating an affordable housing program well into the future. As the Board is aware, with the dissolution of redevelopment the Authority will at some point in time run out of funding. Specifically with regards to equity sharing, when equity sharing is invoked, the Authority loses the unit as an affordable housing unit; the issue here is that for certain units funded by the former redevelopment agency, the Authority, in its capacity as the housing successor, possesses the duty to replace those units which of course requires

continued funding. This requirement is set forth in Section 33413 of the Health and Safety Code, as follows:

Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market **as part of a redevelopment project** that is subject to a written agreement with the agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency.

Therefore, if the continued long-term operation of the affordable housing program is within the Authority's plans, it would be beneficial for the Board to consider a higher equity sharing ratio as one way to fund replacement units required by Section 33413 after repayment of any loans. On the other hand, if a long-term program does not appear feasible or desired, then the Board could consider a lower equity sharing ratio as long as the Authority recoups its investment pursuant to Section 33334.3.

Currently, the equity sharing practices of the Authority provide for the Authority to retain the lion's share of the excess sale proceeds until year 40 of the 45-year affordable housing period which, when compared against several other affordable housing programs within the State, falls within the very high end of the spectrum. Accordingly, it is very difficult for affordable homeowners in the City of Irwindale to build meaningful equity in their affordable homes in an effort to improve their financial status which is one of the paramount objectives of affordable housing programs, including the Authority's programs, throughout the State.

DISCUSSION:

Under both the SR and FTH programs, the equity sharing appreciation amount ("ESAA") would be established based on the difference between the sale price that is in excess of the affordable housing price and the original purchase price of the home paid by the affordable homeowner.

Example 1:

SR (for sales within first 20 years) and FTH (for sales within first 30 years):

- \$500,000 (sale price) – \$400,000 (original purchase price) = \$100,000 (ESAA).

Example 2:

SR (for sales after first 20 years) and FTH (for sales after first 30 years):

- \$600,000 (sale price) – \$400,000 (original purchase price) = \$200,000 (ESAA).

The loan term for the Authority loan would be 20 years under the SR program and 30 years for the FTH program, the latter being an attempt to align with the typical private 30-year loan obtained by homeowners in a standard purchase of a home.

The proposed equity sharing formulas under the SR and FTH programs are detailed below; since the equity sharing program is integrally related to the loan programs, details of the associated proposed loan programs are also provided below.

Substantial Rehabilitation:

Loan Details:

- Loan period to be 20 years.
- Principal on the loan to be reduced by 5% (1/20) per annum during the 20-year period.
- The entire loan is forgiven after 20 years.

Equity Sharing Details:

- For the first 20 years of the loan, the equity sharing ratio ("ESR") to be retained by the Authority is 10% of the ESAA.
- For years 21 through 45, the ESR will decrease by 0.4% per annum starting in year 21 until year 45 is reached.

Example 1:

- Assume ESAA of \$100,000 and sale during year 5 of 45-year term. Under this assumption:
 - The homeowner would need to repay the remaining balance of the Authority loan; and
 - After applying a 10% ESR to the \$100,000 ESAA, the amount of sale proceeds retained by the Authority will be \$10,000 and the homeowner retains the remaining \$90,000.

Example 2:

- Assume ESAA of \$200,000 and sale just after year 25 of 45-year term. Under this assumption:
 - The Authority loan has been forgiven after 20 years. Therefore, the homeowner is not required to repay any portion of the loan.
 - After applying a 8% ESR (10% is reduced by 0.4% per year for 5 years resulting in an ESR of 8%) to the \$200,000 ESAA, the amount of sale proceeds retained by the Authority is \$16,000 and the homeowner retains the remaining \$184,000.

First Time Homebuyer:

Loan Details:

- Loan period to be 30 years.
- Principal on the loan to be reduced by 1/30 per annum during the 30-year period.
- The entire loan is forgiven after 30 years.

Equity Sharing Details:

- For the first 30 years of the loan, the equity sharing ratio ("ESR") to be retained by the Authority is 15% of the ESAA.
- For years 31 through 45, the ESR will decrease by 1% per annum starting in year 31 until year 45 is reached.

Example 1:

- Assume ESAA of \$100,000 and sale during year 5 of 45-year term. Under this assumption:
 - The homeowner would need to repay the remaining balance of the Authority loan; and
 - After applying a 15% ESR to the \$100,000 ESAA, the amount of sale proceeds retained by the Authority will be \$15,000 and the homeowner retains the remaining \$85,000.

Example 2:

- Assume ESAA of \$200,000 and sale just after year 35 of 45-year term. Under this assumption:
 - The Authority loan has been forgiven after 30 years. Therefore, the homeowner is not required to repay any portion of the loan.
 - After applying a 10% ESR (15% is reduced by 1% per year for 5 years resulting in an ESR of 10%) to the \$200,000 ESAA, the amount of sale proceeds retained by the Authority is \$20,000 and the homeowner retains the remaining \$180,000.

As proposed, this policy:

- Maintains the 45 year covenant period.
- Protects the investment of the Low and Moderate Income Housing Funds by only forgiving the SR loan after 20 years and FTH loan after 30 years.
- After forgiveness of the loan, the Authority is still entitled to equity sharing as provided under state law, but not in a manner that it retains the lion's share of the appreciation as under the current policy. Rather, since the value of the loan has been forgiven, its investment is fully recovered and it is not necessary to retain most of the appreciation. The majority of the appreciation is retained by the homeowner after the forgiveness period.

It should be noted that the foregoing sets forth only the general concepts of the proposed equity sharing policy, as any additional particulars would be incorporated into the policy, as may be appropriate.

FISCAL IMPACT:

Unknown at this time.