

**SUBMITTAL TO THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

134



FROM: Housing Authority

SUBMITTAL DATE:
November 21, 2012

SUBJECT: Revision to Mobile Home Tenant Loan Program for Mountain View Estates Mobile Home Park

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached Revised Mobile Home Tenant Loan Program and Application;
2. Approve the proposed increase of the program maximum loan amount to \$67,500 per loan; and
3. Authorize the Executive Director of the Housing Authority of the County of Riverside, or designee, to take the necessary steps to implement the program revisions, including, but not limited to, signing subsequent, necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: 2010 Tax Allocation Housing Bond Proceeds

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: ANNIE T. SAHHAR
DATE: 11/21/12
Departmental Concurrence

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 4.1 of 6/28/11

District: 4/4

Agenda Number:

10.1

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

The Mobile Home Tenant Loan program was adopted by the Board of Directors of the former Redevelopment Agency for the County of Riverside on September 10, 1999, and modified on June 28, 2011. The program, since its inception, has assisted more than 600 low income households.

The program offers a loan to mobile home owners who are tenants of unpermitted mobile home parks and whose mobile home does not comply with State and local laws and does not have the physical or structural capacity to be repaired. The primary objective of the program is to provide financing for the replacement of substandard mobile homes that will serve eligible households. Eligibility is restricted to very low income mobile home owner/occupants located in parks in the unincorporated area of Riverside County.

The program has historically leveraged funds to maximize program success. Matching funds have been provided by a variety of sources that include the Joe Serna Jr. Farmworker Housing Grant (JSJFWHG) Program administered by the State of California. The JSJFWHG eligibility is restricted to farmworker households.

The program has been authorized to proceed with activities related to the closure of the Duro Mobile Home Park and tenant relocation to the Mountain View Estates Mobile Home Park. Although a large percentage of the subject households are farmworker households, there are some that are not. Also, matching funds are limited and may be exhausted before this work is complete. A higher loan limit will allow full funding of individual loans as needed.

In order to meet the goals of the program and serve the priorities of the Duro and Mountain View projects the Housing Authority requests an increase of the maximum loan amount from \$45,000 to \$67,500. The increased loan maximum will allow assistance to those eligible through the Mobile Home Tenant Loan Program who may not be eligible for matching funds from other programs.

Pursuant to Assembly Bill x1 26, the redevelopment dissolution bill, the Riverside County Board of Supervisors adopted Resolution No. 2012-035 on January 10, 2012, which designated the Housing Authority of the County of Riverside as the successor agency for the redevelopment housing function. On the same date, the Housing Authority of the County of Riverside Board of Commissioners accepted, via adoption of Resolution No. 2012-001, the responsibility for performing all activities as the successor to the redevelopment housing function. On February 1, 2012, all California redevelopment agencies were eliminated and the Housing Authority of the County of Riverside assumed the redevelopment housing functions of the successor agency. The program guidelines have been revised to reflect that the Housing Authority of the County of Riverside is the successor housing entity to the Redevelopment Agency for the County of Riverside.

County Counsel for the Housing Authority of the County of Riverside has reviewed and approved the attached Revised Mobile Home Tenant Loan Program and Application. Staff recommends approval.

FINANCIAL DATA:

The Successor Agency 2010 Tax Allocation Housing Bond Proceeds are the funding source for this activity and are identified in the Recognized Obligation Payment Schedules I, II and III. The Housing Authority has budgeted this expense in the FY 2012/13 budget.

Attached: Revised Mobile Home Tenant Loan Program and Revised Application

Revised Mobile Home Tenant Loan Program
Program Guidelines

**Programa De Préstamos Para Dueños De Casas
Móviles (Revisada)**
Guía del Programa

Housing Authority of the County of Riverside
(Autoridad de Vivienda del Condado de Riverside)
44-199 Monroe Street
Suite B
Indio, CA 92201
760-863-2552

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PROGRAM DESCRIPTION

Two (2) of the five (5) affordable housing priorities identified by the Housing Authority as the Successor Housing entity to the Redevelopment Agency for the County of Riverside (“Housing Authority”) are to:

- Address farm worker and migrant farm worker housing needs in western Riverside County and the Coachella Valley;
- Improve the conditions of substandard housing and improve the conditions of existing housing affordable to very low-income households whose incomes do not exceed 50% area median income for the County, adjusted by family size at the time of occupancy, as defined by California Health and Safety Code Sections 50079.5 and 50105.

The Labor Market Information Division of the State of California Employment Development Department identified an average of 15,100 farm labor jobs in Riverside County in 2005. Approximately half of that average (7,550) can be attributed to the Coachella Valley region. In a comprehensive survey among 525 farm workers, 72% were identified as living year-round in the Coachella Valley. Approximately 88% lived in conventional housing situations including apartments, houses and mobile homes. Over two-thirds were renters and live with family member. Among those interviewed, 2% identified that they lived in situations not meant for human habitation such as outdoors, cars, trailers on private property, or in converted garages.

Within its procedural monitoring of residential units, the County of Riverside has identified many Mobile Home Parks and Agricultural Housing Facilities in the Coachella Valley, inhabited by farm worker labor in mobile home coaches which are not in compliance with federal and state law and regulations and local ordinances. Many dwelling units have been identified and / or declared as substandard.

The Housing Authority and the County of Riverside have also determined that many tenants of the Mobile Home Parks and Agricultural Housing Facilities are owners of the mobile home coaches while renting the parking spaces from park or facility owners. Many mobile home coaches require improvements and repairs. While many tenants may not have the financial capacity to provide for improvements such that would allow the mobile home coach to come to compliance with federal and state law and regulations and local ordinances, the Housing Authority shall offer its continued commitment to the identified housing priorities listed above.

Therefore, the Housing Authority has established the Mobile Home Tenant Loan Program to provide financial assistance to mobile home coach owners in their efforts to comply with applicable federal and state law and regulations and local ordinances.

PROGRAM OBJECTIVES

The Housing Authority’s primary objective is to provide financing for the replacement of existing mobile home coaches that will serve very low-income farm workers of the Coachella Valley in the County of Riverside. Households living in such mobile home

coaches would otherwise be forced to vacate resulting in displacement of the farm workers residing within them. Funds designated for this program shall be from the Housing Authority Tax Allocation Housing Bond Proceeds and shall comply with all State regulations compliant to the California Redevelopment Law included as Section 33000 of the California Health & Safety Code.

Financing will be provided in the form of a loan at a 0.0% fixed rate of interest, secured by the mobile home coach, in amounts and terms necessary to make the mobile home coach replacement financially feasible to very low-income households whose incomes do not exceed 50% area median income for the County, adjusted by family size at the time of occupancy, as defined by California Health and Safety Code Sections 50079.5 and 50105. The maximum loan limit shall be \$67,500. The maximum loan limit will be limited to the amount necessary to replace the mobile.

The Housing Authority's Mobile Home Tenant Loan Program has been designed to help meet the following objectives:

1. Address farm worker and migrant farm worker housing needs in the Coachella Valley;
2. Improve the conditions of substandard housing and improve the conditions of existing housing affordable to very low income very low-income farm worker households whose incomes do not exceed 50% area median income for the County, adjusted by family size at the time of occupancy, as defined by California Health and Safety Code Sections 50079.5 and 50105;
3. Provide assistance to mobile home coach owners in order to allow them to continue to provide the Coachella Valley the much needed farm labor; and
4. Mitigate the displacement of farm workers in the Coachella Valley as a result of closure of substandard residential facilities.

Since, farm worker housing needs in the Coachella Valley have been listed as a housing priority of the County of Riverside's Consolidated Plan, the program objectives of the Mobile Home Tenant Loan Program have been pre-determined. With this program, the Housing Authority continues its focus and commitment to meeting the housing needs of its low-income population and, in this case, specifically those needs that pertain to farm worker and migrant farm worker housing needs.

PROGRAM REQUIREMENTS

Minimum Threshold Requirements

In order to be considered for funding, projects must meet certain minimum threshold requirements. If any of the threshold requirements are not met at the time of final application review, the project will not receive funding consideration. The threshold requirements are summarized below:

1. The applicant must own and occupy the mobile home coach that is being replaced, provide verification of ownership of the mobile home coach, and shall require a no sale title transfer to the Housing Authority of the current and substandard mobile home for eventual salvage by the Housing Authority;
2. The Mobile Home Park or Agricultural Housing Facility in which the mobile home coach is parked must be located within the unincorporated area of the County of Riverside; and
3. The mobile home coach replacement should be new, however, the purchase of a used mobile home coach may be permitted and approved at the discretion of the Housing Authority if the rehabilitation of such unit inclusive of the purchase price and any fees associated with the purchase is determined to be feasible by the Housing Authority; and
4. The maximum loan limit will be Sixty Seven Thousand, Five Hundred Dollars (\$67,500); and
5. The applicant must have an eligibility income not to exceed very low-income limits, 50% area median income for the County, adjusted by family size at the time of occupancy, as defined by California Health and Safety Code Sections 50079.5 and 50105.

Loan Requirements

Should the applicant meet all threshold requirements then the applicant will be required to agree to the following loan requirements:

1. Financial assistance will be limited to the amount necessary to replace the mobile home coach (plus the cost of installation) with a maximum loan limit of \$67,500;
2. Financial assistance will be limited to the identified gap in financing required to complete the project with a maximum loan limit of \$67,500;
3. All loans will be principal only loans and shall not have any interest attached;
4. All loan principal will be deferred until such time as the mobile home coach in question transfers ownership, except as provided for in paragraph five (5) of this Loan Requirements subsection, at which time all loan principal amounts, not yet forgiven, as described in paragraph 4 of this Loan Requirements subsection, shall be due and payable from the proceeds of the sale;
5. All loans shall have a minimum term of forty-five (45) years;
6. Loan principal will be forgiven at a rate of 1/45, of the original balance, per year of consecutive and concurrent ownership and occupancy of the

mobile home coach, by the applicant. At the end of a forty-five (45) year period of consecutive and concurrent ownership and occupancy of the mobile home coach, by the applicant, all principal loan amounts shall be completely forgiven;

7. Loans shall be assumable, all applicants must meet the program and eligibility criteria as established by the Mobile Home Tenant Program;
8. Assumable loans shall only be permitted if the amount to be expended for the rehabilitation of the mobile home coach inclusive of unpaid property taxes and/or any costs required to be paid does not exceed 50% of the original price paid for the mobile home coach to be assumed;
9. All loan funds will be immediately due and payable if loan funds are misallocated;
10. All applicants must provide security for the loan with the financed mobile home coach as collateral. The Housing Authority will require a lien registration and custody of the certificate of ownership;
11. All persons listed as title holders to the property which is being pledged as security for the loan must sign all loan documentation, security instruments and loan conditions;
12. Property owned by a joint venture, corporation, general or limited partnership or limited liability company will not be eligible;
13. All persons listed as title holders to the property which is being pledged as security for the loan and all signatories to all loan documentation, security instruments and loan conditions must occupy the mobile home coach as their principal residence and meet income eligibility requirements;
14. All borrowers must agree to maintain the mobile home coach in compliance with all applicable federal and state law and regulations and local ordinances for the duration of the term of the loan;
15. Borrowers shall indemnify and hold harmless the Housing Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Directors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of borrowers, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this application, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of borrowers, its officers, agents, employees, subcontractors, agents or representatives from this Agreement. Borrowers shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Housing Authority, the County of Riverside,

its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Directors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions. With respect to any action or claim subject to indemnification herein by borrowers, borrowers shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of Housing Authority; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes borrowers indemnification to Housing Authority as set forth herein. Borrowers obligation hereunder shall be satisfied when borrowers have provided to Housing Authority the appropriate form of dismissal relieving Housing Authority from any liability for the action or claim involved. The specified insurance limits required in the application shall in no way limit or circumscribe borrower's obligations to indemnify and hold harmless Housing Authority herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the borrowers from indemnifying the Housing Authority to the fullest extent allowed by law.

16. The replacement coach must be similar in size and structure as the coach currently occupied by the applicant except as provided for in paragraphs 16, 17, 18 and 19 of this section;
17. The replacement coach must meet Federal Occupancy Standards of two (2) person per bedroom plus one (1) person;
18. The replacement coach must meet applicable Housing Quality Standards;
19. The replacement coach must meet County of Riverside Installation Standards;
20. All replacement must be installed in the unincorporated areas of the County of Riverside;
21. If the installation of the new mobile home for which the applicant is soliciting loan funds utilizes any other source of public funds (local, state or federal) then the applicant and installation project shall be required to comply with state prevailing wage requirements as applicable by the laws of the State of California; and
22. All applicants shall be required to attend and be certified by a qualified home ownership-training course.

APPLICATION SUBMISSION

Applications are accepted, reviewed, and awards are made on a first-come, first-served basis throughout the Fiscal Year provided sufficient funds are available.

The role of the Ombudsman, assigned by the Housing Authority, shall be to provide assistance to property owners and tenants, including bilingual services, with the completion of forms, liaison with the State and other County agencies, technical assistance with the development of plans and access to loan programs.

In order to request financial assistance the applicant shall:

1. Submit a completed and fully executed application package with all required attachments. A complete application package shall at minimum include the following:
 - a. Three (3) years of personal income tax returns and/or W-2s for each adult member of the household;
 - b. Verification of current income for each adult member of the household;
 - c. Verification of park tenancy by the applicant; and
 - d. Verification of title showing unit ownership by the applicant.
2. Be available for further clarifications, requests and follow up questions during the review process.

EVALUATION GUIDELINES

Applications are accepted, reviewed, and awards made on a first-come, first-served basis based on the application approval date, throughout the Fiscal Year provided sufficient funds are available. The evaluation process will include a four-fold examination:

Review of Minimum Threshold Requirements

Housing Authority staff representatives will review the applicant's submission to make a determination as to meeting the minimum threshold requirements as described above in the REQUIREMENTS section of this document.

The applicant's submission will not proceed beyond this point of the review process should it be determined that the applicant does not meet all minimum threshold requirements and until the applicant is able to make the proper corrections in order to meet all the minimum threshold requirements. The applicant will then need to resubmit the loan application.

Review of Eligible Uses of Funds

Financial assistance will be limited to the amount necessary and for the purpose of purchasing a replacement unit (plus installation costs) with a maximum loan limit amount of \$67,500.

Eligible uses of funds provided under the Mobile Home Tenant Loan Program will include normal project costs for the replacement of a mobile home coach. Eligible uses of funds will may include, but are not limited to, the following eligible uses:

- (i) Purchase of replacement coaches;
- (ii) Transport costs for purchase of replacement coaches;
- (iii) Installation costs for purchase of replacement coaches;
- (iv) Home ownership opportunities;
- (v) Installation fees for purchase of replacement coaches; and
- (vi) Professional fees.

Ineligible uses of program loan funds shall include, but are not limited to, the following:

- (i) Repair, transport, installation or removal of mobile homes coaches located on Indian Land;
- (ii) Refinancing or consolidation of existing debt;
- (iii) Improvements to the residential units occupied by the Mobile Home Park or Agricultural Housing Facility owner / operator or any tenant which is not located on the site;
- (iv) Improvements, repairs to or replacement of any residential units owned and / or occupied by the Mobile Home Park or Agricultural Housing Facility owner or operator;
- (v) Consultant fees to personnel other than licensed professionals;
- (vi) Operating and maintenance costs;
- (vii) Costs incurred prior to project approval; and
- (viii) Non-capital equipment.

Review of Loan Requirements

Housing Authority staff will review the applicant's submission to make a determination as to meeting the Loan Requirements as described above in the REQUIREMENTS section of this document.

The applicant's submission will not proceed beyond this point of the review process should it be determined that the applicant does not meet all Loan Requirements and until the applicant is able to make the proper corrections in order to meet all these requirements. The applicant will then need to resubmit the loan application.

LOAN APPROVAL PROCESS

The Executive Director or designee for the Housing Authority, the only individual authorized to approve such loans, must approve all Mobile Home Tenant Loan Program loans.

A Mobile Home Tenant Loan Program application will be reviewed by and shall have approval recommendation by a Development Specialist and a Principal Development Specialist. Final approval will be made by the Executive Director or designee for the Housing Authority.

The approving individuals shall consider the analysis, required in the EVALUATION GUIDELINES section of this document, prepared by the Mobile Home Tenant Loan Program representative.

Mobile Home Tenant Loan Program staff shall meet as needed in order to allow for efficient provision of program assistance.

Applicants and potential applicants are advised that the Executive Director or designee for the Housing Authority is the only individual that has the authority to approve Mobile Home Tenant Loan Program applications. No representation, oral or in writing by any staff person of the Housing Authority or any other County department or agency, constitutes a commitment on behalf of the Housing Authority.

The Board of Commissioners of the Housing Authority shall receive all appeals of credit decisions made by Mobile Home Tenant Loan Program staff.

LOAN CLOSING PROCESS

Should the Mobile Home Tenant Loan Program approve the loan, the following steps will be necessary for loan closing:

1. Loan documentation, security instruments and loan conditions will be prepared by the Housing Authority;

2. Borrower will then execute all loan documentation, security instruments and loan conditions;
3. Proper execution and/or recordation of all loan documentation, security instruments and loan conditions plus compliance with all loan conditions, loan fund disbursement will be conducted by an approved Escrow company;
4. All loan disbursements will be controlled by the Housing Authority in such a manner, to be determined by the Housing Authority, as to ensure project completion without misallocation of loan funds;
5. All loan disbursements and subsequent loan repayments will be in compliance with loan documentation, security instruments and loan conditions;
6. All loan documentation, security instruments and loan conditions shall be notarized by an approved Escrow company(property must be located in the unincorporated areas of the County of Riverside); and
7. All loan documentation; security instruments and loan conditions shall not be released from recordation until termination of the loan term.

Revised Mobile Home Tenant Loan Program
Application

**Programa De Préstamos Para Dueños De
Casas Móviles (Revisada)**
Aplicación

Housing Authority of the County of Riverside
(Autoridad de Vivienda del Condado de Riverside)
44-199 Monroe Street, Suite B
Indio, CA 92201
760-863-2552

By signing this document I / WE hereby certify that the information provided herein by me is true, complete, and correct to the best of my knowledge, and I hereby authorize the Housing Authority as Successor Housing entity to the Redevelopment Agency for the County of Riverside to request and obtain any pertinent credit and asset information regarding the individual(s) provided herein by me and I instruct any creditor to provide the requested information to:

Firmando este documento YO/Nosotros certificamos que la información proporcionada por mí es cierta, completa, y correcta al mejor de mi conocimiento, y autorizo por este medio que la Autoridad de Vivienda como entidad de vivienda sucesor de la Agencia de Reurbanización del Condado de Riverside solicite y obtenga cualquier información pertinente de crédito y otro bienes con respecto a los individuos indicados en esta aplicación y doy permiso que cualquier prestamista proporcione la información solicitada:

Housing Authority
for the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504

Housing Authority
for the County of Riverside
44-199 Monroe Street, Suite B
Indio, CA 92201

Signature of Applicant/ <i>Firma de Solicitante</i>	Date/ <i>Fecha</i>
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Signature of Applicant/ <i>Firma de Solicitante</i>	Date/ <i>Fecha</i>
--	-----------------------

Signature of Applicant/ <i>Firma de Solicitante</i>	Date/ <i>Fecha</i>
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Signature of Applicant/ <i>Firma de Solicitante</i>	Date/ <i>Fecha</i>
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ATTACHMENT 1
CERTIFICATION

The undersigned hereby submit(s) this Application for Assistance to the Housing Authority of the County of Riverside (HACR). It is understood by the Applicant that:

Las personas que firmaron abajo someten esta aplicación de asistencia a la La Autoridad de Vivienda del Condado de Riverside (HACR). El solicitante entiende que:

1. HACR will only provide an opportunity to apply for the Mobile Home Tenant Loan Program, and does not represent nor guaranties that the Applicant will indeed qualify to receive any such loan. The HACR Executive Director or designee ONLY authority to approve loans; and

HACR proporcionara solamente una oportunidad de solicitar el Programa de Prestamos para Dueños De Casas Móviles, y no representa o no garantiza que el solicitante va a calificar para recibir el préstamo. El Director Ejecutivo o designado de HACR va ser la ÚNICA autoridad para aprobar el préstamo; y

2. The applicant will indemnify and hold harmless the HACR and the County of Riverside from any and all loss or injury (including attorney's fees incurred with attorneys of HACR's choice) resulting from:

El Solicitante va indemnizar y sostendrá al HACR y el Condado de Riverside y de cualquiera y todo lo perdido o daños (incluyendo los honorarios de un abogado incurridos por la abogada HACR) resultando de:

- a. Failure by Applicant(s) to receive such loan; and/or
La pérdida de parte del solicitante de no recibir el tal préstamo; y/o
- b. Any loss or liability to Applicant(s) or the business of Applicant(s).
Cualquier pérdida o responsabilidad a los solicitantes o el negocio de lo(s) solicitantes.

CERTIFICATION/CERTIFICACIÓN:

1. The undersigned certifies under penalty of perjury that the information provided in this application is complete and accurate.

La persona que firma certifica bajo pena de perjurio que la información proporcionada en esta aplicación es complete y exacta.

2. The applicant will conform to all applicable law and local policies and regulations (HACR staff will provide, upon request, applicable policies and regulations).

El solicitante va conformar con todas las leyes pertinentes y las pólizas locales y las regulaciones (el personal de HACR propocionara, cuando pedido, las pólizas y regulaciones aplicable)

Signature of Applicant/
Firma de Solicitante

Date/
Fecha

Signature of Applicant/
Firma de Solicitante

Date/
Fecha

Signature of Applicant/
Firma de Solicitante

Date/
Fecha

Signature of Applicant/
Firma de Solicitante

Date/
Fecha

ATTACHMENT 2
INCOME LIMITS

2012 Income Guidelines

Family Size	50% Very Low Income
1 Person	\$23,450
2 Person	\$26,800
3 Person	\$30,150
4 Person	\$33,500
5 Person	\$36,200
6 Person	\$38,900
7 Person	\$41,550
8 Person	\$44,250