

Affordable Ownership Housing Regulations

Developer Requirements



**The City of Huntington Beach and the
Huntington Beach Redevelopment Agency**

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I. INTRODUCTION

A. Affordable Ownership Programs

Inclusionary Housing Program

The Inclusionary Ordinance requires at least 10% of all new housing construction of three or more units to be affordable for Very Low, Low, or Moderate-Income Households. This requirement is increased to 15% for projects located within a redevelopment project area.

Developers are typically required to meet their Affordable Ownership Units obligation within the market rate residential development. With approval from the City, a portion of Affordable Ownership Units may be provided at alternative locations. Developers may designate newly constructed units as affordable to meet their requirement, or they may substantially rehabilitate¹ existing housing units and designate them as affordable. In-lieu fees can be paid by right for projects with between three and 30 units, and for fractional unit obligations, as set forth in the Inclusionary Ordinance.

Housing Density Bonus Program

California Government Code Section 65915 provides for density bonuses to affordable housing projects. State law currently offers a density bonus to developments that impose specified income and affordability covenants over at least a 30-year term. However, the income and affordability restrictions are only required to be imposed on the first home buyer. If the home buyer resells the unit at an unrestricted market rate price, the City is entitled to receive a share of the equity appreciation in the home.

California Government Code Section 65915 allows cities to extend the income and affordability term, and to impose irrevocable covenants, if an inclusionary housing ordinance has been adopted by the city. The City's density bonus ordinance exercises this option.

Projects that are 100% restricted to senior citizens are entitled to receive a flat 20% density bonus. Comparatively, the allowable density bonus for income restricted projects increases as the percentage of affordable units provided in the project increases. The maximum density bonus allowed under the State Density Bonus is 35%. The applicable sliding scales are:

¹ Based on the California Health & Safety Code Section 33413(2)(A)(iv) definition of substantial rehabilitation. The developer must demonstrate that the unit is not available at Affordable Rent.

Very-Low Income		Low Income		Moderate Income	
%	Density	%	Density	%	Density
Affordable	Bonus	Affordable	Bonus	Affordable	Bonus
5%	20.0%	10%	20.0%	10%	5%
6%	22.5%	11%	21.5%	11%	6%
7%	25.0%	12%	23.0%	12%	7%
8%	27.5%	13%	24.5%	13%	8%
9%	30.0%	14%	26.0%	14%	9%
10%	32.5%	15%	27.5%	15%	10%
11%	35.0%	16%	29.0%	16%	11%
		17%	30.5%	17%	12%
		18%	32.0%	18%	13%
		19%	33.5%	19%	14%
		20%	35.0%	20%	15%
				21%-40%	16%-35% ²

Redevelopment Housing Program

Housing Set-Aside and Inclusionary Housing

H&SC Section 33334.2 stipulates that not less than 20% of all property tax increment revenue allocated to the Agency be used to increase, improve, and preserve the community's supply of low and moderate income housing, at an affordable price, to persons and families of Very-Low, Low, and Moderate incomes. Further, H&SC Section 33413(b) imposes inclusionary housing production requirements on the following development activity within redevelopment project areas:

1. All newly developed residential units; and
2. Any substantially rehabilitated units that received Agency assistance.

The Agency is required to ensure that at least 15% of all the residential development and applicable substantial rehabilitation within the redevelopment project areas is set-aside for Low and Moderate Income Households. Of this total, at least 40% of the units must be allocated to Very-Low Income Households. The units used to fulfill the production obligation must be subject to long-term income and affordability covenants; the covenants for ownership units must run for at least 45-years.

² Each 1% increase in the percentage of affordable units allows for a 1% increase in the allowable density bonus.

The inclusionary housing production obligations are applicable on an aggregate basis; the obligation is not required to be fulfilled in each individual development. If the appropriate findings are made at a public hearing, the obligation can be aggregated among all of the City's redevelopment project areas. The obligation may also be fulfilled outside of a redevelopment project area; however, then the credit is limited to .5 units per unit produced.

B. Purpose of Affordable Ownership Housing Regulations

City Role in the Affordable Ownership Housing Process

The primary objective of the Affordable Ownership Housing Program is to provide affordable housing to residents who would otherwise have difficulty owning a home in Huntington Beach. Persons interested in purchasing an Affordable Ownership Unit through the City's Affordable Ownership Housing Program, must apply to and be approved by the City. It must be noted that the various Ownership programs offered by the City may have differing eligibility and continuing home owner requirements.

The Affordable Housing Administrator will authorize a sale transaction only when it determines that the buyer is an Eligible Purchaser, and that the unit is being sold at the Affordable Sales Price. For the duration of the required Affordability Period, the participant is subject to continuing home owner requirements, which are outlined in greater detail in these Affordable Ownership Housing Regulations. In addition, if there is a Transfer of ownership during the Affordability Period, the Affordable Ownership Unit must be sold at the Affordable Sales Price to a buyer approved by the City.

The City staff will conduct workshops with prospective Owners and real estate brokers at proposed large-scale inclusionary housing projects to describe the requirements imposed by the Affordable Ownership Housing Program. In addition, the City will distribute notice to Owners in advance of any City Council action to modify the Affordable Ownership Housing Regulations.

Affordable Ownership Housing Agreements

The principal mechanism the City uses to establish Affordable Ownership Units are the CC&Rs, Deeds of Trust, and other governing documents recorded against the subdivision or individual unit. While the individual terms of these agreements are controlling, these Affordable Ownership Housing Regulations address the following:

1. The eligibility criteria to be imposed on prospective home purchasers;
2. The procedures to be followed when buying, selling or Transferring units;

3. The methodology for setting the maximum sales price;
4. The establishment of the minimum and maximum down payments that can be made by home buyers;
5. The regulations that will be imposed on the financing of Affordable Ownership Units;
6. The circumstances under which the Affordability Covenants will be subordinated to the deed of trust held by a mortgage lender;
7. The complaints and appeals process available to program participants; and
8. The monitoring and enforcement activities that will be undertaken by the City.

In the event there is an irreconcilable conflict between the City's Deed of Trust and the Affordable Ownership Housing Regulations or the CC&Rs, the City's Deed of Trust will control.

II. DEFINITIONS OF TERMS

“Affordability Covenant” shall mean the CC&Rs restricting the sales price of the Unit, and limiting the maximum income of any purchaser of the unit.

“Affordable Housing Administrator” has the day-to-day authority for making determinations related to these Affordable Ownership Housing Regulations. The Affordable Housing Administrator will be appointed by the Program Director.

“Affordable Ownership Housing Program” shall include ownership homes developed under the Inclusionary Housing Program, using the California Density Bonus Law, or developed with Agency financial assistance.

“Affordable Sales Price” shall mean the maximum price of an Affordable Ownership Unit, as calculated according to the formula described in these Affordable Ownership Housing Regulations. The formula is based on the requirements imposed by H&SC Section 50052.5.

“Affordable Ownership Unit” shall mean a home in Huntington Beach that is made affordable by CC&Rs that restrict ownership, occupancy and the Affordable Sales Price as described in these Affordable Ownership Housing Regulations.

“Affordability Period” shall be defined for each Affordable Ownership Unit Project. The covenant period will be identified in the CC&Rs that are recorded on legal title for each Affordable Ownership Unit. The covenant period will commence upon the close of escrow the first unit sold in each phase of the Affordable Ownership Project. At the end of the original term, the CC&Rs will expire.

“Agency” shall mean the Redevelopment Agency of the City of Huntington Beach.

“Agency Loan” shall mean a loan or any other form of financial assistance provided by the Agency to assist a qualifying household in the purchase an Affordable Ownership Unit.

“CC&Rs” shall the Covenants, Conditions and Restrictions executed by the City and the Owner of an Affordable Ownership Unit.

“City” shall mean the City of Huntington Beach, California.

“City Council” shall mean the City Council of the City of Huntington Beach.

"City Manager" is the City Manager of the City of Huntington Beach. The City Manager has the ultimate authority to evaluate appeals submitted in relation to these Affordable Ownership Housing Regulations.

"County" shall mean the County of Orange.

"County Median Income" shall mean the Median Income adjusted by actual household size as published annually by HCD for the County.

"Eligible Purchaser" shall mean a purchaser who meets the eligibility criteria set forth in these Affordable Ownership Housing Regulations.

"Fair Market Value" shall mean the value of the property as determined by a property appraisal performed by a licensed appraiser.

"Gift Funds" shall mean the gift funds an applicant applies to the down payment on the purchase of a home.

"Gross Income" shall mean all income from whatever source from all adult household members derived as provided in the Internal Revenue Code (26 USC Section 61), whether or not exempt from Federal income tax. Such income includes, but is not limited to, the following:

1. Wages and salaries including overtime pay
2. Compensation for services, including fees, commissions, tips and bonuses
3. Net income derived from business
4. Gains derived from dealings in property
5. Interest
6. Rents
7. Royalties
8. Dividends
9. Alimony
10. Child Support
11. Annuities
12. Income from life insurance and endowment contracts
13. Pensions
14. Income from discharge of indebtedness
15. Distribution share of partnership gross income

16. Income in respect of a decedent
17. Income from an interest in an estate or trust
18. Public benefits including but not limited to AFDC, SSI, disability income
19. When a household has net family assets in excess of \$5,000, income shall include the actual amount of income, if any, derived from all of the household assets or 10 percent of the value of such assets, whichever is greater.

"Housing Cost" shall mean and include all of the following costs associated with ownership of an affordable home, calculated for a 12-month period:

1. Principal and interest on a mortgage loan at the defined interest rate;
2. Property tax and assessments;
3. Home Owner Association (HOA) fees.
4. Fire and casualty insurance covering replacement value of property improvements;
5. Property maintenance and repairs; and
6. A reasonable utility allowance, as determined by the City.

"HCD" means the California Housing and Community Development Department.

"H&SC" shall mean the California Health and Safety Code.

"HUD" shall mean the United States Department of Housing and Urban Development.

"Inclusionary Ordinance" shall mean the Inclusionary Housing Ordinance adopted by the City. The Inclusionary Ordinance is currently found in (Section 230.26 of the City Zoning Code.

"Inclusionary Housing Program" shall mean the City's program to implement the Inclusionary Ordinance.

"Low Income" refers to households whose incomes meet the standards defined by the H&SC Section 50079.5. Generally Low Income means household income that does not exceed 80% of the County Median Income, as adjusted for household size. However, the maximum household income amount for Low Income households shall be set at the amount published by HCD annually. Low Income is sometimes also referred to as Lower Income.

"Low Income Household" or "Lower Income Household" shall mean individuals or households who have an adjusted gross income that does not exceed Low Income.

"Median Income" is calculated by HCD using non-aggregated census income data and applying trending factors for metropolitan statistical areas (MSA) throughout the country. The MSA for Huntington Beach is Orange County.

"Median Income Household" shall mean individuals or households who have an adjusted gross income that does not exceed Median Income.

"Moderate Income" refers to households whose incomes meet the standards defined by the H&SC Section 50093. Generally, Moderate Income means household income that does not exceed 120% of the County Median Income, as adjusted for household size. The maximum household income amount for Moderate Income households shall be set at the amount published by HCD annually.

"Moderate Income Household" shall mean individuals or households who have an adjusted gross income that does not exceed Moderate Income.

"Mortgage Interest Rate " refers to the mortgage interest rate that must be used in the Affordable Sales Price calculation. The Mortgage Interest Rate is based on the 30-year, 90-day yield, fixed-interest rate for a fully amortizing loan with no points and no loan origination fees. The Mortgage Interest Rate will be the lowest pertinent rate published in Financial.com for the three months immediately preceding the proposed home purchase.

"Owner" shall mean the purchaser of an Affordable Ownership Unit, having been approved by the City.

"Ownership Housing Project" refers to a market rate project that is subject to the City's Inclusionary Housing Ordinance, or is using the California Density Bonus Law, or is being developed with Agency financial assistance.

"Program Director" has the ultimate authority to evaluate appeals submitted to the terms of these Affordable Ownership Housing Regulations. The Program Director will be appointed by the City Manager

"Transfer" shall mean any sale, transfer, lease, exchange, assignment or conveyance of an Affordable Ownership Unit, including any portion or interest in an Affordable Ownership Unit or other disposition of any interest in an Affordable Ownership Unit, whether voluntary or involuntary.

"Very-Low Income" refers to households whose incomes meet the standards defined by the H&SC Section 50105. Generally Very-Low Income means household income that does not exceed 50% of the County Median Income, as adjusted for household size.

The maximum household income amount for Very-Low Income households shall be set at the amount published by HCD annually.

"Very-Low Income Household" shall mean individuals or households who have an adjusted gross income that does not exceed Very-Low Income.

III. PROGRAM ADMINISTRATION

A. General

The City defines the requirements that are imposed by the Affordable Ownership Housing Program. The Affordable Housing Administrator oversees the Affordable Units upon their completion, which includes calculating Affordable Sales Prices, determining home buyer eligibility, approving Transfers, and monitoring program compliance.

B. Fair Housing Policy

Program participants must comply fully with all Federal, State, and local non-discrimination laws. Specifically, program participants shall not discriminate on account of race, color, sex, religion, sexual orientation, creed, ancestry, national or ethnic origin, age, family or marital status, handicap or disability, or deny any family or individual the opportunity to apply for or participate in the Affordable Ownership Housing Program.

C. Privacy Rights

All eligibility applications are held in strict confidence and are not considered public records (H&SC Section 34332). Requests for the City to release information involving an applicant or participant must be accompanied by a written release request from the applicant or participant and/or a court order, unless disclosure is authorized under Federal or State law.

H&SC Section 33334.3 requires redevelopment agencies to compile, maintain and make available to the public on the internet, a database of existing new and substantially rehabilitated units that are subject to income and affordability covenants. The on-line database will be updated annually and will include the following information:

1. The address and parcel number of the income restricted property.
2. The number of units and the number of bedrooms.
3. The year of construction completion.
4. The date when the affordability covenant or restriction was recorded.
5. The document number of the recording.
6. The expiration date of the covenant or restriction.

7. The date and document number of any covenants or notices that may be recorded when an ownership unit is resold.

D. City Includes Redevelopment Agency

These Affordable Ownership Housing Regulations shall apply equally to all affordable ownership programs administered by the City and the Agency. As used in these Regulations, the word 'City' means and includes the 'Agency'.

E. Authorization

The Program Director and/or a designee are authorized to sign all documents requiring approvals related to the development, sales, waivers, subordinations, and any non-substantial changes to these Affordable Ownership Housing Regulations.

F. Affordable Ownership Housing Regulations

Each developer participating in the Affordable Ownership Housing Program will receive a copy of the Affordable Ownership Housing Regulations. These Regulations may be updated from time-to-time to increase the programs' effectiveness; modifications will require City Council approval. Each transaction will include CC&Rs and a Deed of Trust that will be executed by the City and the Owner. In the event there is a conflict between the Deed of Trust and the Affordable Ownership Housing Regulations or the CC&Rs, the Deed of Trust will prevail.

IV. DETERMINATION OF ELIGIBLE PURCHASER

A. Prospective Home Buyer List

To assist the developer in identifying potential purchasers, the City will create an interest list on the City's website. Sufficient information will be provided to allow prospective purchasers to determine whether they meet the eligibility standards imposed on the home. The prospective purchasers will then self-report their income information for use by the home seller. The following terms will be imposed on the interest list:

1. To remain in the database, prospective home buyers will be required to respond to an email request every 30 days.
2. The City does not bear any responsibility for the accuracy of the information submitted by prospective home buyers.
3. It is the developer's responsibility to select an Eligible Purchaser.

The City cannot provide an assurance that the information submitted by prospective home buyers is accurate or complete, or that that the City will ultimately determine that the prospective buyer is an Eligible Purchaser. That determination can only be made after the home buyer submits a complete Home Buyer Application.

B. Required Eligibility Documentation

Applicants will be required to furnish proof demonstrating their eligibility to purchase an Affordable Ownership Unit. Applicants unable to provide satisfactory evidence of income, assets, composition, or other qualifying criteria will not be considered Eligible Purchasers, and will not be allowed to purchase an Affordable Ownership Unit.

C. Applicant Eligibility Criteria

United States Citizenship/Legal Residency

Applicants and all household members must be United States Citizens or have the right to permanently reside in the United States. Acceptable citizenship documentation includes a birth certificate or a Permanent Resident Card.

Household and Unit Size Compatibility

Applicant households must be compatible with the size of the unit to be purchased. The maximum household sizes are set as follows:

Number of Bedrooms in the Home	Maximum Number of Occupants
1	3
2	5
3	7
4	9

Owner Occupancy

Applicants must certify that the Affordable Ownership Unit will be owner-occupied at all times, and will not be rented or leased.

Ownership of Other Residential Real Estate

Applicants may not own other residential property, including mobile home property, unless the property will be sold prior to or in conjunction with the purchase of an Affordable Ownership Unit.

Verifiable Income

All adult household members, except stay-at-home spouses or domestic partners and dependents, must have at least one continuous year of verifiable income and at least two years of income tax payment history in the United States at the time of application. This requirement is increased to two continuous years of verifiable personal and business income for self-employed individuals. To make accurate verification possible, applicants may not have changed employment status within six months of application.

Co-Applicants

Co-applicants must demonstrate at least one full year of current joint residency at time of application.

Divorced or Separated Applicants

Divorced or legally separated household members must provide a copy of the divorce decree or legal separation document signed by a court officer. Otherwise separated married household members must demonstrate at least one year of complete financial and residential separation at time of application for the couple to be considered separate for purposes of determining eligibility. If this cannot be demonstrated, the couple must submit the application as co-applicants.

Joint Custody of Children

Applicants with joint custody of children must have custodial parent rights defined in a divorce decree for a child to be considered part of the household. This rule shall not be interpreted as disallowing children from living with parents with less than 50% custody rights; it is solely intended to be applied when determining household size for initial program eligibility.

Composition of Household

Once the application is submitted, the household composition cannot be altered.

D. Income Eligibility Criteria

Gross Income

The City will consider gross income for all adult household members when determining applicant eligibility. In the event an applicant uses a co-signer on a mortgage loan, the gross income of the co-signer will be considered part of the household income. The funds included in Gross Income are detailed in the definitions section of these Affordable Ownership Housing Regulations.

Maximum Income

The maximum allowable income is set forth for each project and/or unit by the Affordability Covenants or any other applicable affordable ownership housing agreement recorded on legal title to the property. Income levels include, but are not limited to Very-Low, Low, Median, and Moderate as defined in these Affordable Ownership Housing Regulations.

Minimum Income

Monthly household income must be at least twice as much as the monthly housing cost incurred by the Owner. Housing cost includes principal and interest on mortgage loans; property tax assessments; HOA dues; insurance costs; property maintenance and repairs costs; and utilities costs.

Household Assets

The total value of assets owned by an applicant prior to the purchase of the home cannot exceed 50% of the purchase price of the Affordable Ownership Unit.

V. HOME BUYER APPLICATION AND DISCLOSURE DOCUMENTS

A. Program Application

Applicants must complete and submit the City's Home Buyer Application and all required attachments. The Affordable Housing Administrator will review the application for completeness and will notify the applicant of any missing information and/or documents. Incomplete applications will not be considered for eligibility. Applicants will be given 10 business days to provide all missing information and/or documents. Failure to provide requested information and/or documents will constitute cause for denial of eligibility.

The Affordable Housing Administrator will evaluate the completed application to determine whether the applicant is an Eligible Purchaser. The application must clearly demonstrate eligibility with respect to all Home Buyer Eligibility Requirements. Applications that do not provide satisfactory evidence of income, assets, or other qualifying criteria will not be approved.

At the written request of an applicant, the Program Director or a designee, at his/her sole discretion, may waive certain Home Buyer Eligibility Requirements.

B. Submittal Requirements

Household Composition Documents

For all adult household members, the City will require a photocopy of a driver license or California photo identification. For minors, the City will require a copy of the birth certificate. If the birth certificate for a minor is not available, the City may accept the following: adoption papers, custody agreement, court-ordered assignment, or verification from a social services agency.

School Registration Documents

Adult household members who are dependents of the applicant and who are full-time students will be required to provide copies of school transcripts or registration verification showing current full-time student status.

Evidence of Current Joint Residency

Co-applicants are required to demonstrate one full year of current joint residency. Acceptable verification may be in the form of the following: joint bank accounts or other shared financial history, leases or other evidence of cohabitation, or credit reports showing evidence of relationship.

Verification of Divorce or Separation Status

Divorced or legally separated household members must provide a copy of the divorce decree or legal separation document signed by a court officer. Married, but separated, couples must demonstrate at least one full year of complete financial and residential separation at time of application to be considered separated for purposes of determining eligibility. If this cannot be demonstrated, the couple must submit the application as co-applicants.

Financial Data

Authorization to Obtain Credit History

Each adult household member must authorize the City to obtain reports from credit reporting agencies. The City will determine when it is necessary to obtain one or more credit report(s) per individual. Such reports will be used only to confirm applicant information such as current and previous addresses, current and previous employers, marital status, loan history, income to debt ratio and other related information.

Mortgage Pre-Qualification Letter and Loan Application Packet

Applicants must submit a copy of a pre-qualification letter and full application packet from a licensed mortgage lender. The application packet will include, but shall not be limited to the typed and signed fully completed mortgage application, loan underwriting analysis, truth in lending disclosure, income verification, and credit verification.

The mortgage loan application packet will be used by the City to verify the following: residency history; employment history; income, liabilities; assets (including real estate ownership); United States residency status; and down payment and mortgage financing amounts.

Checking, Savings, and Investment Account Statements

Applicants must submit copies of the three most recent months of statements for all accounts, including checking, savings, or other investment accounts owned in part or full by all adult household members. These account statements must demonstrate evidence of funds for the identified down payment amount. These statements must also demonstrate current period and year-to-date income earned on each account through interest and/or dividends.

Tax Returns

All adult household members will be required to provide signed copies of their two most recent Federal income tax statements. These statements must include all schedules and attachments. Applicants unable to provide copies of Federal income tax statements will be required to obtain tax history printouts from the Internal Revenue Service. Applicants may be requested to sign an authorization for release of information to the City from the Internal Revenue Service for further verification of income. Referrals to the Internal Revenue Service may be made for confirmation of income statements on a case-by-case basis.

Applicants are required to submit the identified tax statements. Applicants unable to provide tax information for any reason will not be eligible to participate in the program.

Tax returns will be used by the City to verify the following: residency history; family composition; income history (including amounts and types of income); and real estate ownership.

Income Verification

Employment Income

In the order of preference, the following employment income verification sources listed below will be considered acceptable. The documentation must specify the amount and type of pay (i.e. wages, overtime wages, commissions, and bonuses), frequency of pay, and year to date earnings:

1. Check stubs or earning statements showing employee's gross pay per pay period and frequency of pay. The check stubs should include the year-end statement for the last full year of employment, and the most recent three months of pay periods.
2. Letter from the employer on company letterhead and signed by an authorized company representative.

Future income related to overtime, commissions and bonuses can be difficult to accurately predict; if necessary, these forms of income may be estimated based on historical amounts.

Income from a Business

Net income from a business owned in part or full by an applicant will be considered when determining income eligibility. Net income is defined as business receipts or sales less expenses that are essential to the operation of the business.

To estimate current net business income, the City will require the two most recent Federal tax returns, four most recent quarterly tax filings, and one full year of business and personal checking, savings, and other investment account statements for all business owners/partners. Applicants with less than one full year of verifiable business income history will not be considered for eligibility to purchase an Affordable Ownership Unit.

Applicants must itemize gross business receipts or sales for the period covered by the most recent Federal tax return and forecast gross business receipts or sales for the year beyond the time of application. The applicants must also itemize the business expenses that were applied to determine net business income for both periods.

The City will analyze all tax returns, quarterly tax filings, account statements, and income/expense forecasts when determining net business income. Applicants that are unable to provide satisfactory evidence of business income or expenses will be denied eligibility for purchase of an Affordable Ownership Unit.

Social Security, Pensions, Supplementary Security Income (SSI), Welfare, Disability Income

Applicants must submit a copy of their most recent award or benefit notification letter prepared and signed by the authorizing agency. At the Program Director's sole discretion, checks or bank deposit slips that show only net amounts remaining after deductions for SSI or Medicare may be accepted when award letters cannot be obtained.

Alimony or Child Support

Verification of alimony or child support income will be considered acceptable in the order listed:

1. Copy of a separation of settlement agreement or a divorce decree stating amount and type of support and payment schedules.
2. A notarized letter from the person paying the support notarized attesting to the amount and terms of support payments.

3. Federal income tax returns.

Residential Purchase Agreement

Applicants must submit a copy of the fully completed and executed Residential Purchase Agreement for the Affordable Ownership Unit. The City will review this agreement to verify the total purchase price, the deposit amount, the first trust deed mortgage terms and any secondary financing terms. The City has approval rights over any amendments to the Residential Purchase Agreement made after the submittal of a Home Buyer Application.

Terms that will not be allowed include, but are not limited to:

1. The escrow period cannot exceed 90 days.
2. The seller cannot lease the property back from the buyer for more than one month following the close of escrow.
3. Buyers cannot be required to pay fees that are customarily paid by the seller.
4. Buyers cannot be required to pay any extraordinary fees.
5. No financing can be carried back by the seller.

Affordability Period

Under the current regulations, the Affordability Period will run for not less than 45 years. However, the Affordability Period for each Affordable Ownership Unit will be defined in the Deed of Trust and CC&Rs recorded on legal title to the property. In the event there is a conflict between the Deed of Trust and the Affordable Ownership Housing Regulations or the CC&Rs, the term identified in the Deed of Trust will prevail.

Disclosure Documents

Applicants and co-applicants must be listed as owners of the property. Applicants and co-applicants must execute the following documents:

Special Disclosure

Applicants are required to submit an original, fully completed and signed Special Disclosure on a form approved by the City that confirms that the applicant received the Affordable Ownership Housing Regulations, and has had the opportunity to ask questions about the terms and conditions.

Certificate of Purchaser

Applicants are required to submit an original, fully completed and signed Certificate of Purchaser on a form approved by the City. This document must summarize the proposed purchase transaction, and include an acknowledgement by the buyer of the CC&Rs recorded by the City on the Affordable Ownership Unit.

Buyer and Seller Declaration

Applicants are required to submit a fully signed Buyer and Seller Declaration (with original signatures) stating that under penalty of perjury the parties have not entered into, and will not enter into any agreements, other than the Purchase Agreement for the purpose of exchanging money or other personal property with a cost of more than \$500.

Recorded Notice of Affordability Covenant

The City will record the CC&Rs imposed on the Affordable Ownership Units. The CC&Rs will identify the income and affordability restrictions; and the covenant term.

Real Estate Transfer Disclosure

A Real Estate Transfer Disclosure Statement must be signed by both the seller and the buyer. The Statement must include language approved by the City describing the affordable housing restrictions imposed on the property. The applicant must also acknowledge in writing that restrictions will be imposed on the future resale of the property.

Promissory Note

The City and the applicant must execute a Promissory Note in an amount equal to the difference between the estimated market value and the Affordable Sales Price of the unit at the time of sale.

Deed of Trust

The City will record a Deed of Trust on the property at an amount equal to the Promissory Note. The Deed of Trust will be used to ensure the affordability covenants are recorded on title, and will remain an obligation on the property throughout the defined covenant period.

VI. AFFORDABLE SALES PRICE

A. General Policy

Affordable Ownership Units can only be sold at the defined Affordable Sales Price. This price will be calculated based on the specific CC&Rs recorded on the Affordable Ownership Units. The Affordable Sales Price is the maximum price for which an Affordable Ownership Unit may be resold at any time during the Affordability Covenant period. The Affordable Sales Price is likely to be lower than the fair market value of the property.

The City's Affordable Ownership Housing Programs are subject to the following basic financial requirements:

1. A prospective home-seller must submit a Request for the Maximum Affordable Sales Price to the Affordable Housing Administrator in order to determine the Affordable Sales Price for the home.
2. The Affordable Sales Price will be valid for 90 days. Once the Price is determined, it will not be modified during the 90-day period.
3. Prospective home buyers will be entitled to receive one free Affordable Sales Price determination per calendar year. Additional requests for Affordable Sales Price calculations will be subject to the current fee schedule established by resolution of the City Council. When applicable, fee payment must be made at time of application.

B. Affordable Sales Price Calculations

The Affordable Sales Price is equal to the Maximum Mortgage Amount plus the defined Down Payment. Both the Maximum Mortgage and the defined Down Payment must be calculated in accordance with the methodology defined in these Affordable Ownership Housing Regulations.

The amount of the Affordable Sales Price is calculated on the basis of the identified variables. Two especially important variables used in determining the Affordable Sales Price are the County Median Income and the mortgage interest rate. As these variables change over time, the Affordable Sales Price can increase or decrease; the Affordable Sales Price is in no way tied to market prices.

The calculation methodology, and the applicable variables, will be posted on the City's website. The actual calculation will be based on the Affordability Covenants executed between the City and the Owner.

Household Size

For the purposes of the Affordable Sales Price calculations, the household size is set at the number of bedrooms in the unit plus one. For example, the imputed household size for three-bedroom home is four persons. The H&SC Section 50052.5 refers to this as "the household size appropriate for the unit". However, this is not meant to be an occupancy cap; it is simply a benchmark used to create a consistent methodology for calculating the Affordable Sales Price.

Income

Projects developed under the Affordable Ownership Housing Program must adhere to the affordable housing cost methodology imposed by the Affordability Covenants imposed on the home. The standards currently being imposed by the Affordable Housing Program are based on the calculation methodology defined in H&SC Section 50052.5. H&SC Section 50052.5 uses the following household income levels to calculate the Affordable Sales Price:

1. Low Income: 70% of the County Median Income for a household size equal to the number of bedrooms in the unit plus one.
2. Moderate Income: 110% of the County Median Income for a household size equal to the number of bedrooms in the unit plus one.

Housing Related Expenses

The non-mortgage related expenses will be calculated based on standards defined by the City. The expenses and standards are as follows:

1. Property Taxes and Assessments: The tax rate applied to determine the annual property tax cost will be set at 1.08% of the purchase price of an Affordable Ownership Unit.
2. HOA Fees: The HOA fees will be set at the amount actually charged for the home being purchased.
3. The following costs will be set by the City annually, and will be posted on the City's website:

- a. Fire and Casualty Insurance: The City will periodically survey local insurance companies to determine the typical annual cost of insuring a home for its replacement value.
- b. Property Maintenance and Repairs: The City will apply a nominal cost allowance to cover the costs Owners will typically bear for maintaining their property over a one-year period.
- c. Utilities: The City will apply utility cost allowances based on data published by the Orange County Housing Authority.

Supportable Mortgage Payments

The supportable mortgage payments will be established using the following equation:

Benchmark Annual Household Income
<u>(Less) Annual Housing Related Expenses</u>
Property Taxes and Assessments
HOA Fees
Fire and Casualty Insurance
Property Maintenance and Repairs
Utilities
Total Annual Housing Related Expenses
Income Available for Mortgage Payments

Maximum Mortgage Amount

The Maximum Mortgage Amount is equal to the present value of the Income Available for Mortgage Payments over a 30-year term. The discount rate used to determine the present value is set at the Mortgage Interest Rate. The Mortgage Interest Rate will be posted on the City’s website, and will be updated monthly.

Down Payment

The Affordable Sales Price calculation is based on a benchmark down payment amount that is not tied to the actual down payment contributed by the home buyer. The amount set for Affordable Sales Price calculation purposes is 10% of the total purchase price.

The actual down payment amount will vary from unit-to-unit, and will not impact the Affordable Sales Price. Rather, the actual down payment will be subtracted from the Affordable Sales Price to determine the actual mortgage amount for the home.

VII. FINANCING REQUIREMENTS

A. Down Payment Requirements

Minimum and Maximum Down Payment

The minimum down payment is set at 5% of the total purchase price for the home, and the maximum down payment is set at 50% of the purchase price of the home. The Program Director or a designee has the authority to review and approve variations to the established minimum and maximum amounts.

Gift Funds

The City does not impose a cap on the amount of gift funds an applicant can apply to the down payment on a home purchase. However, gift funds are included in the defined down payment cap.

B. Purchase Money Mortgage Requirements

1. The City may consider subordinating the income and affordability covenants to the mortgage financing used to purchase the home. This subordination will only be approved if the Program Director or a designee can make the finding that it would not be feasible for the home buyer to obtain conventional financing unless the covenants are subordinated to the mortgage financing.
2. Home buyers must obtain conventional, fully amortizing, fixed interest rate mortgages with a term of at least 30 years. No interest only loans, negative amortization loans, balloon payment loans or variable interest rate loans will be allowed.
3. The loan to value ratio (LTV) of the mortgage(s) used to acquire the home cannot exceed the lesser of:
 - a. 95% of the property's appraised value, or
 - b. The Affordable Sales Price.
4. Many lenders allow borrowers to obtain a loan without providing verifiable income information; this is commonly referred to as a Stated-Income Loan. The use of this mortgage product may impair the City's ability to determine the applicant's eligibility to participate in the City's Affordable Ownership Housing Program. Therefore, unless income can otherwise be documented to the satisfaction and

approval of the Program Director or a designee, applicants will not be allowed to use Stated-Income Loans to finance the purchase of an Affordable Ownership Unit.

5. All primary mortgages and any secondary financing must be secured by a loan agreement and a deed of trust from banks or companies licensed to make home loans in California. Loans from family members, friends, or other non-licensed entities shall be considered gift funds to the applicant, as defined in these Affordable Ownership Housing Regulations.

VIII. COMPLAINTS AND APPEALS

Complaints concerning the City's Affordable Ownership Housing Program should be made in writing and addressed to the Affordable Housing Administrator. Complaints will be accepted only if they are in writing and are received within 30 days from the event giving rise to the complaint. The Affordable Housing Administrator will contact the complainant to attempt to resolve the matter. A written response from the Affordable Housing Administrator will be made to the complainant within 10 business days.

If a complainant is not satisfied with the written response, a request for an appeal may be filed with the Program Director. The written request must set forth the reasons for the appeal and must be received by the Program Director within 15 days from the date of the Affordable Housing Administrator's written response. In the event the request does not meet these requirements, the complainant will be notified that the request is denied; otherwise, the complainant will be invited to meet with the Program Director. The Program Director will provide the complainant with an opportunity to advocate his/her position and to resolve the matter. The Program Director's response will be made in writing within 10 business days following the meeting.

IX. MONITORING AND ENFORCEMENT

A. General Policy

The City is committed to assuring that its affordable housing resources reach only eligible households so that program integrity can be maintained. Owners are required to cooperate with the City in promptly providing all information requested by the City in monitoring compliance with program requirements.

B. File Audits Upon Close of Purchase

Upon the close of a purchase transaction, the City will obtain the following information from the escrow company:

1. The original City Deed of Trust and notice of affordability restrictions on Transfer of property executed by the Owner and recorded on the property; and
2. Copies of:
 - a. The Promissory Note;
 - b. The final buyer and seller settlement statements; and
 - c. The buyer's title policy.

City staff will review these documents to ensure that the City's Deed of Trust and notice of affordability restrictions on Transfer were properly completed, executed, and recorded on legal title of the Affordable Ownership Unit. City staff will also ensure that the financial terms of the purchase transaction are consistent with those that were approved at the time of the application.

C. Program Abuse and Fraud Protections

City staff will investigate suspected program abuse and fraud as appropriate. Staff will take the necessary and appropriate steps, both administrative or legal, to enforce program requirements.

Referrals, Complaints, or Tips

The City will follow up on referrals that are received by mail, by telephone, or in person, which allege that the developer or applicant are violating program rules. Such follow up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the written allegation or a summary of the verbal allegation will be placed in the Owner's file.

Internal File Review

The City will investigate instances where it discovers, as a result of administering the program, information or facts that conflict with previous file data, or are in any way discrepant with statements made by the developer/applicant.

Referrals to the City Attorney

In the event of a breach or potential breach of program requirements, the City may institute legal action to enforce compliance with the program requirements, and to enjoin any actions by Owners that violate program requirements. The City's legal remedies may additionally include the following:

1. Civil citations with monetary penalties for violations of the Affordable Ownership Housing Regulations;
2. Recovering any rent that may have been received by an Owner;
3. Reversing sales not approved by the City, and
4. Instituting foreclosure proceedings.

ATTACHMENT A

**INCLUSIONARY HOUSING ORDINANCE
(ORDINANCE NO. _____)**

AN ORDINANCE OF THE CITY OF HUNTINGTON BEACH
AMENDING THE HUNTINGTON BEACH ZONING AND
SUBDIVISION ORDINANCE BY ADDING NEW SECTION
230.26 THERETO ENTITLED "AFFORDABLE HOUSING"

WHEREAS, the City Council of the City of Huntington Beach does hereby ordain as follows:

SECTION 1. That the Huntington Beach Zoning and Subdivision Ordinance is hereby amended by adding new Section 230.26 thereto, entitled "Affordable Housing," said chapter to read as follows:

230.26 Affordable Housing

A. Purpose.

1. The purpose and intent of this Chapter is to implement the goals, objectives and policies of the City's Housing Element. It is intended to encourage very low, low-and median income housing, which is integrated, compatible with and complements adjacent uses, and is located in close proximity to public and commercial services.
2. The affordable housing program is one tool the City utilizes to meet its commitment to provide housing affordable to all economic sectors, and to meet its regional fair-share requirements for construction of affordable housing.

B. Applicability. This section shall apply to new residential projects three (3) or more units in size.

1. A minimum of ten (10) percent of all new residential construction shall be affordable housing units.
2. Rental units included in the project shall be made available to very low or low-income households based on the Orange County Median Income, adjusted for appropriate family size, as published by the United States Department of Housing and Urban Development or established by the State of California, pursuant to Health and Safety Code Section 50093, or a successor statute.
3. For sale units included in the project shall be made available to very low, low or median income level households based on the Orange County Median Income, adjusted for appropriate family size, as published by the United States Department of Housing and Urban Development or established by the State of California, pursuant to Health and Safety Code Section 50093, or a successor statute.
4. Developers of residential projects consisting of nine or fewer units may elect to pay a fee in lieu of providing the units on-site to fulfill the requirement of the Section, unless the affordable housing requirement is outlined as part of a specific plan

project.

5. Developers of residential projects may elect to provide the affordable units at an off-site location pursuant to subsection B unless otherwise outlined as part of a specific plan project. If affordable units are off-site, they must be under the full control of the applicant, or other approved party.
6. New residential projects shall include construction of an entirely new project or new units added to an existing project. For purposes of determining the required number of affordable housing units, only new units shall be counted.

C. Fees in Lieu of Construction.

1. Fees paid to fulfill the requirements of this Section shall be placed in the City's Affordable Housing Trust Fund, the use of which is governed by subsection E.
2. The amount of the in-lieu fees shall be calculated using the fee schedule established annually by resolution of the City Council.
3. One hundred (100) percent of the fees required by this Section shall be paid prior to issuance of a building permit.
4. Fees paid as a result of new residential projects shall be based upon the total number and size of the new residential units which are to be constructed.

D. Off-Site Construction of Affordable Units. Except as may be required by the California Coastal Act and/or the California Government Code Section 65590 or a successor statute, developers may provide the required affordable housing off-site, at one or several sites, within the City of Huntington Beach.

1. Off-site projects may be new construction or major physical rehabilitation, equal to more than one-third the value of the existing improvement, excluding land value, of existing non-restricted units conditioned upon being restricted to long-term affordability. "At Risk" units identified in the Housing Element or mobile homes may be used to satisfy this requirement.
2. All affordable off-site housing shall be constructed or rehabilitated prior to or concurrently with the primary project. Final approval (occupancy) of the first market rate residential unit shall be contingent upon the completion and public availability, or evidence of the applicant's reasonable progress towards attainment of completion, of the affordable units.

E. Miscellaneous Provisions.

1. The conditions of approval for any project that requires affordable units shall specify the following items:

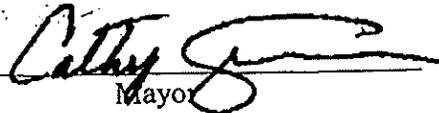
- (a) The density bonus being provided pursuant to Section 230.14, if any;
 - (b) The number of affordable units;
 - (c) The number of units at each income level as related to Orange County Median Income; and
 - (d) A list of any other incentives offered by the City.
2. An Affordable Housing Agreement outlining all aspects of the affordable housing provisions shall be executed between the applicant and the City and recorded with the Orange County Recorder's Office prior to issuance of the first building permit.
3. The Agreement shall specify an affordability term of not less than sixty (60) years.
4. In a project requiring an in-lieu fee, the applicant shall execute and record an Agreement to pay an Affordable Housing In-Lieu Fee.
5. All affordable on-site units in a project shall be constructed concurrently with or prior to the construction of the primary project units unless otherwise approved through a phasing plan. Final approval (occupancy) of the first market rate residential unit shall be contingent upon the completion and public availability, or evidence of the applicant's reasonable progress towards attainment of completion, of the affordable units.
6. All affordable units shall be reasonably dispersed throughout the project unless otherwise designed through a master plan, shall contain on average the same number of bedrooms as the market rate units in the project, and shall be comparable with the market rate units in terms of exterior appearance, materials and finished quality.
7. Affordable Housing Trust Funds shall be used for projects which have a minimum of fifty (50) percent of the dwelling units affordable to very low- and low- income households, with at least twenty (20) percent of the units available to very low-income households. Concurrent with establishing the annual fee schedule pursuant to subsection C, the City Council shall by resolution set forth the permitted uses of Affordable Housing Trust Funds. All units that obtain Affordable Housing Trust Funds shall maintain the affordability of the units for a minimum of sixty (60) years. The funds may, at the discretion of the City Council, be used for pre-development costs, land or air rights acquisition, rehabilitation, land write downs, administrative costs, gap financing, or to lower the interest rate of construction loans or permanent financing.
8. New affordable units shall be occupied in the following manner:
 - (a) If residential rental units are being demolished and the existing tenant(s) meets the eligibility requirements, he/she shall be given the right of first refusal to occupy the affordable unit(s); or

- (b) If there are no qualified tenants, or if the qualified tenant(s) chooses not to exercise the right of first refusal, or if no demolition of residential rental units occurs, then qualified households or buyers will be selected.

F. Price of Affordable Units. Affordable units shall be sold or rented at prices affordable to very low, low- or median-income households pursuant to terms of the Affordable Housing Agreement.

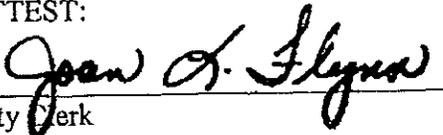
SECTION 2. This ordinance shall become effective thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the 1 day of November, 2004.



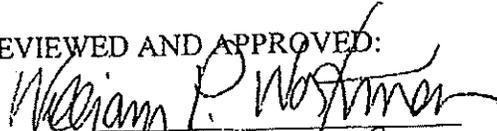
 Mayor

ATTEST:



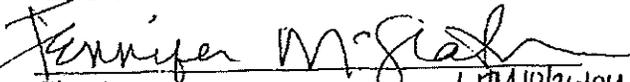
 City Clerk

REVIEWED AND APPROVED:



 City Administrator *td PCG*

APPROVED AS TO FORM:



 City Attorney *LHM 10/22/04*

INITIATED AND APPROVED:



 Director of Planning

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss:
CITY OF HUNTINGTON BEACH)

I, JOAN L. FLYNN, the duly appointed, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing ordinance was read to said City Council at a regular meeting thereof held on the 18th day of October, 2004, and was again read to said City Council at a regular meeting thereof held on the 1st day of November, 2004, and was passed and adopted by the affirmative vote of at least a majority of all the members of said City Council.

AYES: Sullivan, Boardman, Cook, Winchell

NOES: Green, Coerper

ABSENT: Hardy

ABSTAIN: None

I, Joan L. Flynn, CITY CLERK of the City of Huntington Beach and ex-officio Clerk of the City Council, do hereby certify that a synopsis of this ordinance has been published in the Huntington Beach Fountain Valley Independent on November 11, 2004.

In accordance with the City Charter of said City

Joan L. Flynn, City Clerk

Robin Roberts

Deputy City Clerk

Joan L. Flynn
City Clerk and ex-officio Clerk
of the City Council of the City
of Huntington Beach, California

ATTACHMENT B

DEVELOPER'S INTRODUCTION TO THE CITY OF HUNTINGTON BEACH AFFORDABLE OWNERSHIP HOUSING PROGRAM

DEVELOPER'S INTRODUCTION TO THE CITY OF HUNTINGTON BEACH AFFORDABLE OWNERSHIP HOUSING PROGRAMS

AFFORDABLE HOUSING PROGRAMS

The City of Huntington Beach (City) Affordable Ownership Housing Regulations cover the following three programs:

1. The City's Inclusionary Housing Ordinance;
2. The density bonus mandated by the State of California for projects that meet defined income and affordability standards; and
3. The affordable housing production requirements imposed on residential projects developed within redevelopment project areas.

The following is an overview of the three programs.

Inclusionary Housing Program

The City requires all new ownership housing projects with three or more units to set-aside 10% of the units for Moderate-Income Households. In certain areas of the City a 15% requirement is imposed (see Redevelopment Housing Program below).

The basic requirement of the inclusionary housing ordinance is that the developers must include the designated number of income restricted units within their market rate projects. However, with approval from the City Council, the following options are available:

1. Developers may impose income and affordability covenants on newly constructed units in alternate locations.
2. Developers can acquire existing projects, substantially rehabilitate the units, and then impose income and affordability covenants on the units. To exercise this option, the rehabilitation must meet the standards imposed by California Health and Safety Code Section 33413 (2)(A)(iv), and the developer must be able to demonstrate that the achievable market rents are higher than the income restricted rents.
3. Developers can pay a fee in lieu of fulfilling the inclusionary housing obligation on residential projects that include between three and 30 units.

Housing Density Bonus Program

California Government Code Section 65915 provides density bonuses to housing projects that impose specific income and affordability covenants over at least a 30-year term. However, the income and affordability restrictions are only required to be imposed on the first home buyer. If the home buyer resells the unit at an unrestricted market rate price, the City is entitled to receive a share of the equity appreciation in the home. The other key components of the law are:

1. A 20% density bonus is offered to "for sale" projects that include 10% low income units or 5% very-low income units. The density bonus is increased on a sliding scale up to 35% if additional income restricted units area included in the project.
2. A 5% density bonus is available to "for sale" projects that set aside 10% of the units for moderate income households. The density bonus increases on a sliding scale up to 35% as the number of moderate income units increases.
3. A 20% density bonus is available to all senior citizen projects.

Redevelopment Housing Program

California Health and Safety Code Section 33413(b) (Section 33413) imposes inclusionary housing production requirements on redevelopment project areas adopted after January 1, 1976. Specifically, Section 33413 requires redevelopment agencies to ensure that at least 15% of the residential units constructed in Project Areas are subject to long-term income and affordability covenants. All the Project Areas in Huntington Beach were adopted after 1976, and to assist in fulfilling the Section 33413 obligation, the City's inclusionary housing policy imposes a 15% affordable housing requirement on residential projects located in a Project Area.

REGULATIONS

The Affordable Ownership Housing Regulations provides developers with the following information:

1. The eligibility criteria to be imposed on prospective home purchasers;
2. The procedures to be followed when buying, selling or transferring units;
3. The methodology for setting the maximum sales price;
4. The establishment of the minimum and maximum down payments that can be made by home buyers;
5. The regulations that will be imposed on the financing of affordable units;

6. The circumstances under which the income and affordability covenants will be subordinated to the deed of trust held by a mortgage lender;
7. The complaints and appeals process available to program participants; and
8. The monitoring and enforcement activities that will be undertaken by the City.

CITY CONTACT

The requirements that are imposed on ownership housing projects are detailed in the Affordable Ownership Housing Regulations adopted by the City Council. Persons interested in obtaining the Regulations and/or learning more about the City's affordable housing program may contact:

Denise Bazant
Program Administrator
City of Huntington Beach
2000 Main Street
Huntington Beach, California 92648
(714) 536-5470
dbazant@surfcity-hb.org

ATTACHMENT C

HOME BUYER APPLICATION & DISCLOSURES

CITY OF HUNTINGTON BEACH INCLUSIONARY HOUSING PROGRAM



HOMEBUYER APPLICATION

PLEASE ALLOW UP TO 10 BUSINESS DAYS
FOR REVIEW

HOMEBUYER APPLICATION INSTRUCTIONS

1.	Fill out the application completely for all adults and children who are anticipated to live in the home. Unrelated applicants must show at least one full year of joint residency.
2.	All adult household members must have at least <u>one-full year of verifiable income</u> and Federal tax payment history in the United States at the time of application. Self-employed individuals must provide at least one continuous year of verifiable personal and business income .
3.	Gross income (before taxes and deductions) must be disclosed for all household members. Income includes any money received from any source, such as wages, interest, dividends, distributions, annuities, pensions, child support, alimony, etc.
4.	Changes in employment may not have occurred within four months of application (such as a job change, termination, or decrease in salary).
5.	Adult household members with no income must be a spouse or dependent of the applicant.
6.	Separated applicants (not yet divorced) must have verifiable evidence of at least one full year of complete financial and residential separation.
7.	Applicants with joint custody of children must verify at least 50% custody rights for a child to be considered part of the household.
8.	Applicants may not own other residential property, including mobile home property, unless such property will be sold prior to or in conjunction with the purchase of an affordable unit.
9.	First time homebuyers are required to pay a minimum down payment of 5% of the purchase price. Homebuyers who have owned residential property within three years are required to pay a minimum down payment of 10% of the purchase price.
10.	The City does not impose a cap on the amount of gift funds. However, gift funds are included in calculation of household assets and defined in down payment cap.
11.	The total value of liquid assets owned by an applicant cannot exceed one-half of the purchase price of the affordable home (assets do not include pension or retirement funds).
12.	Household income may not exceed the maximum income limit as stipulated for each Inclusionary Housing Program project (low, median, or moderate income).
13.	Household income cannot be less than the minimum amount required to pay the cost of owning a home. This amount is equal to twice the annual homeownership cost, which includes mortgage, insurance, taxes, maintenance, and homeowner association dues.
14.	Applicants must use conventional mortgage financing. Interest-only and stated-income loans are not allowed.
15.	Applicant households must be compatible with the size of the unit to be purchased. No more than two persons per bedroom will be allowed.
16.	Applicants must certify that they will reside in the affordable unit as their primary residence.
17.	Applicants must have the right to permanently reside in the United States.
18.	The City of Huntington Beach reserves the right to request any documents and/or information needed to verify program eligibility. It is the applicant's responsibility to demonstrate eligibility to purchase an Inclusionary Housing Program home. Applicants unable to provide satisfactory evidence of income, assets, or other qualifying criteria will not be considered.



**CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM
HOMEBUYER ELIGIBILITY APPLICATION**

This application must be completed, attached with all applicable required documents, signed by all applicants and submitted to the Housing Division. Applicants should complete this form as "Applicant" or "Co-applicant" as applicable. Co-applicant information must be provided for all adult household members and/or individuals to be designated on the property title. In such cases, Co-Applicant income and credit history will be used as a basis for eligibility qualification.

1. PROPERTY INFORMATION				
Address of Property to be Purchased			Project / Neighborhood Name	
2. APPLICANT / HOUSEHOLD INFORMATION				
Name of Applicant			Name of Co-Applicant	
Marital Status	Date of Birth	Marital Status	Date of Birth	
Social Security #	Driver License #	Social Security #	Driver License #	
Employment Status	# Years at Current Address	Employment Status	# Years at Current Address	
Current Address _____ Own _____ Rent			Current Address _____ Own _____ Rent	
Home / Work / Cell Phone/FAX #	Email Address	Home / Work / Cell Phone/FAX #	Email Address	
If residing at current address for less than two years, complete the following:				
Prior Address _____ Own _____ Rent			Prior Address _____ Own _____ Rent	
List all additional adults and children anticipated to live in the home. Use additional pages if necessary.				
1	Name	Date of Birth	Social Security #	Relationship to Applicant
	Current Address (if different than applicant's)		Employment Status (if adult)	
2	Name	Date of Birth	Social Security #	Relationship to Applicant
	Current Address (if different than applicant's)		Employment Status (if adult)	

3	Name	Date of Birth	Social Security #	Relationship to Applicant
	Current Address (if different than applicant's)		Employment Status (if adult)	
4	Name	Date of Birth	Social Security #	Relationship to Applicant
	Current Address (if different than applicant's)		Employment Status (if adult)	

List full names of all persons that will appear on the title of the home:

	Name	Relationship
1		
2		

3. HOUSEHOLD INCOME

List gross monthly income (before taxes and deductions) from all sources for all adult household members expected to live in the home. Consider the following as income: any money regularly received from any source. Use additional pages if necessary.

	Name	Name	Name
Employer Name Address Phone			
Position / Title			
Number of Years at this Job			
Base Employment Income			
Overtime / Bonuses / Commissions			
Dividends / Interest from Investments			
Pension / Social Security			
Child Support / Alimony			
Other (please describe)			
Total Monthly Income (add the Monthly Income Subtotal for all adult household members)			
Total Annual Household Income (Total Monthly Income x 12)			

<p>Minimum Monthly Income Calculation</p> <p>Add the following monthly Housing costs (from loan application, realtor, or mortgage lender/broker):</p> <p>Mortgage Payment _____</p> <p>Property Tax Payment _____</p> <p>Homeowner Association Dues _____</p> <p>Other Housing Costs <u>256 (3-bdrm)</u></p> <p>(insurance, maintenance, utilities)</p> <p>TOTAL _____</p> <p>(Total monthly housing costs cannot exceed 1/2 of mo. household income)</p>	<p>Maximum Income (2011 Income Limits)</p> <p>Household Income cannot exceed the limit below for the appropriate income level and household size:</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Household Size</th> <th style="text-align: center;">Low Income Limit</th> <th style="text-align: center;">Median Income Limit</th> <th style="text-align: center;">Moderate Income Limit</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">\$51,700</td> <td style="text-align: center;">\$58,950</td> <td style="text-align: center;">\$70,750</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">\$59,100</td> <td style="text-align: center;">\$67,350</td> <td style="text-align: center;">\$80,850</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">\$66,500</td> <td style="text-align: center;">\$75,800</td> <td style="text-align: center;">\$90,950</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">\$73,850</td> <td style="text-align: center;">\$84,200</td> <td style="text-align: center;">\$101,050</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">\$79,800</td> <td style="text-align: center;">\$90,950</td> <td style="text-align: center;">\$109,150</td> </tr> </tbody> </table>	Household Size	Low Income Limit	Median Income Limit	Moderate Income Limit	1	\$51,700	\$58,950	\$70,750	2	\$59,100	\$67,350	\$80,850	3	\$66,500	\$75,800	\$90,950	4	\$73,850	\$84,200	\$101,050	5	\$79,800	\$90,950	\$109,150
Household Size	Low Income Limit	Median Income Limit	Moderate Income Limit																						
1	\$51,700	\$58,950	\$70,750																						
2	\$59,100	\$67,350	\$80,850																						
3	\$66,500	\$75,800	\$90,950																						
4	\$73,850	\$84,200	\$101,050																						
5	\$79,800	\$90,950	\$109,150																						

4. HOUSEHOLD ASSETS

List checking, savings, and other investment accounts below for all adult household members. Use Addition pages if necessary.

Name and Address of Bank, S&L, Credit Union, Other		Name and Address of Bank, S&L, Credit Union, Other	
Account #	Account Type	Account #	Account Type
Name(s) on Account	Balance	Name(s) on Account	Balance
Name and Address of Bank, S&L, Credit Union, Other		Name and Address of Bank, S&L, Credit Union, Other	
Account #	Account Type	Account #	Account Type
Name(s) on Account	Balance	Name(s) on Account	Balance
Name and Address of Bank, S&L, Credit Union, Other		Name and Address of Bank, S&L, Credit Union, Other	
Account #	Account Type	Account #	Account Type
Name(s) on Account	Balance	Name(s) on Account	Balance

Real Estate Owned

<u>Address</u>	<u>Market Value of Property</u>	<u>Outstanding Mortgages/Liens</u>	<u>Owner Equity</u>
_____	(_____)	– (_____)	= (_____)

Cash Value of Retirement Accounts & Pension Funds	Cash Value of Other Assets
---	----------------------------

Total Value of Assets (Including Real Estate Equity)	
---	--

5. HOUSEHOLD LIABILITIES

List outstanding liabilities for all adult household members, including auto loans, revolving charge accounts, real estate loans, alimony, child support, etc. Use additional pages if necessary.

Name and Address of Creditor		Name and Address of Creditor	
Account #	Monthly Payment	Account #	Monthly Payment
Name(s) on Acct.	Unpaid Balance	Name(s) on Acct.	Unpaid Balance
Name and Address of Creditor		Name and Address of Creditor	
Account #	Monthly Payment	Account #	Monthly Payment
Name(s) on Acct.	Unpaid Balance	Name(s) on Acct.	Unpaid Balance
Name and Address of Creditor		Name and Address of Creditor	
Account #	Monthly Payment	Account #	Monthly Payment
Name(s) on Acct.	Unpaid Balance	Name(s) on Acct.	Unpaid Balance
Name and Address of Creditor		Name and Address of Creditor	
Account #	Monthly Payment	Account #	Monthly Payment
Name(s) on Acct.	Unpaid Balance	Name(s) on Acct.	Unpaid Balance
Total Balance of Liabilities (add the Unpaid Balances of all Liabilities)			

6. PURCHASE INFORMATION

Name of Real Estate Agent	Agent's Company Name & Address	Telephone & Fax
Name of Mortgage Lender/Broker Agent	Lender/Broker Company Name & Address	Telephone & Fax
TOTAL Purchase Price of Property (including all associated costs) \$ _____ Initials (see note below) _____	Mortgage Amount(s) 1 st : _____ 2 nd : _____	Mortgage Terms

*Note: All adult household members must initial next to the Total Purchase Price of Property above, acknowledging that the price of the property is restricted under the City of Huntington Beach Affordable Housing Program. By initialing this price, you indicate your understanding and agreement that no payment will be made separate from this price and/or separate from the attached Residential Purchase Agreement by you or by anyone on your behalf.

7. SOURCES OF FUNDS FOR DOWN PAYMENT & CLOSING COSTS

List all funds intended to be used from bank accounts, Certificates of Deposit, mutual funds, and other sources for meeting down payment and closing costs needs:

	Source of Funds	Amount to be Used for Down Payment
1		
2		
3		

8. ADDITIONAL INFORMATION

Does any household member have any ownership interest in Real Estate? Yes No If yes, provide list of properties owned.

Will the Inclusionary Housing Program Unit be your permanent residence? Yes No If no, attach explanation.

Do all household members have the right to permanently reside in the US? Yes No If no, attach explanation.

Have any household members terminated employment in past 4 months? Yes No If yes, attach explanation.

9. REQUIRED DOCUMENTS

1.	Copy of California driver license or identification for all adult household members; copy of birth certificate for all dependents.
2.	Copy of Residential Purchase Agreement and Real Estate Transfer Disclosure Statement (with City-required affordable housing program disclosure language) signed by both the buyer and seller (required language on page 11).
3.	Completed and signed City forms: (a) Certificate of Purchaser, (b) Special Disclosure, and (c) Background and Financial Investigation Authorization.
4.	Copy of complete loan packet from mortgage lender (stated income and interest only loans are not allowed). The loan packet must include the fully completed, typed and signed application, loan underwriting analysis, Truth-In-Lending Disclosure, income and asset verification, and conditions for final loan approval.
5.	Copy of 3 most recent months of checking, savings, and other investment account statements for all adult household members. If self-employed, 12 months of personal and business account statements are required. Account statements must demonstrate sufficient funds for down payment.
6.	Copy of 3 most recent months of pay stubs. Pay stubs must clearly identify business name, employee name, salary rate, hours worked, pay period, gross income, and year to date income.
7.	Signed copies of 2 most recent years of federal tax returns (with all schedules and attachments), including W2s & 1099s for all adult household members; if self employed, include 4 most recent quarterly tax filings.
8.	If applicable: copy of divorce decree evidencing dissolution of marriage, child custody, child support, and/or alimony.
9.	If applicable: copy of pension statement, Social Security verification, welfare verification, or other income verification.
10.	If applicable, school registration documents for adult, full-time student household members.
11.	If applicable, evidence of sale of real estate. Sale of any residential real estate must be completed before final approval can be given for purchase of Inclusionary Housing Program unit.

CERTIFICATION: I/We certify that the information provided in this Inclusionary Housing Program Eligibility Application is true and correct as of the date set forth opposite my/our signature(s) and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to fine or imprisonment or both and liability for monetary damages to the City, its agents, insurers, and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application.

Applicant's Signature	Date	Co-Applicant's Signature	Date
X		X	

Please Note: Before submitting your application to the City, check carefully to make sure you have neatly and completely filled out the application and attached all required documents. Illegible or incomplete applications will not be accepted.



**CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM
BACKGROUND & FINANCIAL INVESTIGATION AUTHORIZATION**

THIS FORM MUST BE SIGNED BY ALL ADULT HOUSEHOLD MEMBERS

By signing below, you provide irrevocable consent to the City of Huntington Beach for a background investigation and review of your financial affairs, budget, outstanding accounts, obligations, and debt. You understand that information obtained by the City may be governed by the Fair Credit Reporting Act (15 USC 181 ET Seq.) as it may be amended from time to time. Credit information will be obtained for affordable housing program eligibility review purposes only, and not for credit granting purposes or credit repair. All adult household members must sign this consent, attesting that you are the true and correct individual described below. Use additional pages if necessary.

Full Legal Name (First, Middle, Last)	
Other names used in last 7 years	
Date of Birth	Social Security #
Current Address	
Prior addresses in last 7 years	
Signature	Date

Full Legal Name (First, Middle, Last)	
Other names used in last 7 years	
Date of Birth	Social Security #
Current Address	
Prior addresses in last 7 years	
Signature	Date



**CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM
CERTIFICATE OF PURCHASER**

Applicant(s) _____

Property Address _____

The undersigned ("Applicant/Purchaser") hereby certify(ies) the following:

1. Purchaser is buying the residence ("Home" or the "Property") shown above with the intent to occupy the Home as the Purchaser's primary residence, and with the understanding that the Home cannot be rented or leased.
2. The purchase price of the Home is \$_____.
3. Purchaser's combined household **gross annual income** from all sources is \$_____.
4. The number of persons that will occupy the Home is _____.
5. Purchaser has read the Special Disclosure form attached hereto and understands the information contained therein.
6. Purchaser acknowledges and understands that a Declaration of Conditions, Covenants, and Restrictions for Property ("Resale Restrictions") is recorded on the Property and that the restrictions contained therein, including restrictions relating to the transfer and use of the Property, will remain on the Property and be applicable to any future resale of the Property so long as the Declaration of Conditions, Covenants, and Restrictions for Property ("Resale Restrictions") remain in effect.

Purchaser acknowledges that this certificate is being provided to the Economic Development Department of the City of Huntington Beach ("the City"), and that the City may rely on the statements made herein.

All persons taking title to the Home must sign this certificate.

Applicant

Co-Applicant

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____



**CITY OF HUNTINGTON BEACH
INCLUSIONARY HOUSING PROGRAM
SPECIAL DISCLOSURE**

Applicant(s) _____

Property Address _____

The undersigned ("Applicant/Purchaser") who is buying the residence ("Home" or "Property") shown above, acknowledge(s) and understand(s) that a Declaration of Conditions, Covenants, and Restrictions for Property ("Resale Restrictions") is recorded on the Property and that the restrictions contained therein relate to the transfer and use of the Property. The undersigned specifically acknowledge(s) the following restrictions (all persons taking title to the home must initial each item below):

- _____ The Property must be the only residence of the owner.
- _____ The Property may not be rented or leased to any individual or household, this includes renting or leasing to family members of the owner.
- _____ Additional debt secured by the property or refinancing existing debt on the property must be approved in advance by the City. The City may establish limits on the amount of debt that may be secured by the Property.
- _____ Subsequent sales of the property will be subject to affordability restrictions, requiring the property to be sold at an affordable price to an income-eligible buyer.
- _____ Future maximum affordable sales prices of the property will be determined by the City and may be less than the fair market value of the home.
- _____ Ownership of the property may not be amended or transferred without prior approval by the City. Subsequent owners of the property must be income-eligible, and transfers must be made at an affordable sales price.
- _____ The owner may not discriminate against potential subsequent buyers based on their race, color, religion, sex, marital status, sexual orientation, national origin, or ancestry.

The undersigned has taken the requirements included in the Declaration of Conditions, Covenants, and Restrictions for Property ("Resale Restrictions"), as partially described in this Special Disclosure, into account prior to determining to purchase the Property.

All persons taking title to the Home must sign this Disclosure.

Applicant

Co-Applicant

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

Real Estate Transfer Disclosure Statement Language

The following language must be inserted exactly as written below into the Real Estate Transfer Disclosure Statement signed by both the seller and the buyer and attached to the Residential Purchase Agreement:

The Subject Property is an affordable housing unit in the City of Huntington Beach's Inclusionary Housing Program. The City of Huntington Beach has established a Maximum Price for this unit, and the Purchase Price in the Residential Purchase Agreement, does not exceed this amount. All consideration for the purchase of the Subject Property has been fully disclosed and described in the Residential Purchase Agreement, which will be submitted to the City of Huntington Beach for approval. Buyer and Seller acknowledge that there may be no agreement separate from the Residential Purchase Agreement between Buyer and Seller or any other parties related in any manner to the purchase of the Subject Property, which would include payment for personal property, upgrades to the Subject Property, gifts, or other arrangements that might circumvent the Maximum Price established by the City.

ATTACHMENT D

INCLUSIONARY HOUSING PLAN

INCLUSIONARY HOUSING PLAN

Application No: _____

City of Huntington Beach
Huntington Beach Redevelopment Agency

2000 Main Street, Huntington Beach, CA 92648
(714) 536-5470

Project Type: Ownership_____ Rental_____ Ownership & Rental _____

Project Address: _____

Assessor Parcel No(s): _____

Site Dimension and Square Footage: _____

Applicant's Name: _____ Phone: _____

Address: _____ City: _____ Zip Code: _____

Person to Contact Regarding Project: _____

Address: _____ City: _____ Zip Code: _____

Property Owner's Name: _____ Phone: _____

Address: _____ City: _____ Zip Code: _____

1. INCLUSIONARY HOUSING ALTERNATIVES

A. Select one of the following alternatives to indicate how the project will comply with the Inclusionary Housing requirement:

_____ On-site

_____ Off-site¹

_____ Payment of in-lieu fee²

¹ All off-site units must be constructed or rehabilitated prior to or concurrently within the primary project.

² Only Developer's of residential projects consisting of 30 or fewer units may elect to pay a fee in lieu of providing the units on-site. This option does not apply if an affordable housing requirement is outlined as part of a specific plan project. One hundred percent (100%) of the in-lieu fee must be paid before the first building permit is issued.

B. If the project will include the production of Inclusionary Units, where will the units be produced?

One Site _____ Several Sites _____

Please list the Site(s) in which the Inclusionary Units will be produced:

2. RESIDENTIAL PROJECT DESCRIPTION ³

A. Project Location:

Outside a Redevelopment Project Area:⁴ Yes _____ No _____

Within a Redevelopment Project Area:⁵ Yes _____ No _____

B. Describe Project and Inclusionary Obligation in Chart:

Number of Bedrooms	Square Footage Of Units	Total Number of Units	Number of Market Rate Units	Total Number of Inclusionary Units ⁶	Number of Very Low Income Units	Number of Low Income Units	Number of Moderate Income Units
Studio							
1							
2							
3							
4							
5							

C. Gross livable floor area of proposed project (including private balconies, decks, and patios) in square feet: _____

D. Describe structure type (i.e. attached, semi-attached or detached): _____

E. Will project be a phased project? ⁷ Yes _____ No _____

³ A floor plan depicting the location of the Inclusionary Units must be included with the application.

⁴ At least 10% of all new ownership residential construction of three or more units must be made affordable to Moderate Income Households. At least 10% of all new rental residential developments of three or more units must be made affordable to Very-Low and Low Income households.

⁵ At least 15% of all new ownership or rental residential developments and applicable substantially rehabilitated units must be set-aside for Low and Moderate Income Units.

⁶ If the calculation of the number of Inclusionary Units required results in a fraction of an Inclusionary Unit, the Developer must either provide an additional full Inclusionary Unit within the project, or pay an in-lieu fee for the fractional unit.

⁷ A Phasing Plan which provides for the timely development of the Inclusionary Units as the Residential Development is built out must be included with the Inclusionary Housing Plan Application.

3. **INCENTIVES REQUESTED BY DEVELOPER**

A. Density Bonus Incentives (Municipal Code Section 230.14) Yes _____ No _____

If yes, provide a description of the incentives and/or concessions requested:

OWNER'S AFFIDAVIT

I hereby certify that I am the legally authorized owner of all property involved in this application or have been empowered to sign as the owner on behalf of a corporation, partnership, business, etc., as evidenced by separate instrument attached herewith. I hereby grant to the applicant of this form full power to sign all documents related to this application, including any conditions or litigation measures as may be deemed necessary.

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

Executed on (Date) _____ at _____, California

Owner's Signature _____, Owner's Printed Name _____

APPLICANT'S AFFIDAVIT

I hereby certify that the statements furnished above and in the attached exhibits represent the data and information required for this initial evaluation and that the facts, statements and information presented are true and correct to the best of my knowledge and belief. Further, should the stated information be found false or insufficient, I agree to the return of this form for appropriate revisions, understanding the City of Huntington Beach cannot process this form until all applicable information is corrected or provided by the applicant. I hereby certify that I have been legally authorized by the owner to present this application and to sign on behalf of all documents related to this application, including any conditions or litigation measures as may be deemed necessary. Note: When the applicant is a corporation, partnership, business, etc., a separate document verifying the authorization to sign for such applicant is required.

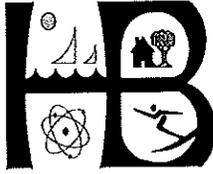
I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) _____ at _____, California

Applicant's Signature _____, Applicant's Printed Name _____

ATTACHMENT E

INCLUSIONARY IN-LIEU FEE SCHEDULE



CITY OF HUNTINGTON BEACH

PLANNING DEPARTMENT

FEE SCHEDULE

CITY COUNCIL APPROVED JUNE 15, 2009
EFFECTIVE October 1, 2010

PLANNING COMMISSION ACTIONS:		FEE*
Annexation Request	10000100.42480	\$10,400 + fully burdened costs
Coastal Development Permit**	42415	\$5,942
Conditional Use Permit:		
New Residential	42420	8,990
Commercial/Industrial/Mixed Use less than ½ Block	42420	7,580
Alcohol, Dancing or Live Entertainment	42420	4,445
Mixed Use, ½ Block or Greater	42420	18,507
Entitlement Continuance	42425	346 ¹
Development Agreement		Full Hourly Cost
Original Contract or Significant Amendment	42430	30,482 Dep.+ costs
Minor Amendment	42430	18,325 Dep.+ costs
Annual Review (Planning Commission Hearing)	42430	3,857
Annual Review (Administrative Review)	42430	3,379
Entitlement Plan Amendment		
New Hearing	42435	3,910
No Change to Conditions - Director Review	42440	2,047
General Plan Amendment – GPA Major	42445	41,922
General Plan Amendment - GPA Minor	42445	22,402
General Plan Conformance	42445	4,586
Local Coastal Program Amendment	42450	12,603
Reversion to Acreage	42480	3,398
Special Permit	42480	2,845 each
Tentative Tract Map	42460	21,113+ 30/lot
Variance****	42465	3,811
Zoning Map Amendment*****	42470	21,878
Precise Plan of Street Alignment	42480	14,892
Mobile Home Park Conversion Review	42470	32,147
Zoning Text Amendment-Major	42475	15,163
Zoning Text Amendment-Minor	42475	8,429

* Includes 4% automation fee

¹ Plus costs for Notice of Publication, if applicable

** Coastal Development Permit reduced 50% when processed concurrently with a Conditional Use Permit, Tentative Map or Variance

*** 50 percent of fee credited towards future entitlements

**** Variance fee reduced 50% when processed concurrently with a Conditional Use Permit

***** ZMA fee reduced 50% when processed concurrently with a General Plan Amendment

ZONING ADMINISTRATOR ACTIONS:		FEE*
Coastal Development Permit**		
Single Family Dwelling	10000100.42605	2,891
All Others	42605	3,179
Conditional Use Permit	42610	4,082
Conditional Use Permit (Fences)	42610	2,053
Entitlement Continuance	42615	234 ¹
Entitlement Plan Amendment		
New Hearing	42620	2,101
No Change to Conditions - Director Review	42620	1,368
Temporary Use Permit	42630	1,925+500 bond if applicable
Tentative Parcel Map	42635	4,175
Tentative Parcel Map Waiver	42635	2,001
Tentative Tract Map	42460	7,030 + 30/lot
Variance****	42640	2,631

ENVIRONMENTAL REVIEW:		FEE*
Environmental Assessment	10000100.42705	\$9,611
Historic Structures	42705	\$4,717
Mitigated Negative Declaration	42705	2,893 (+ EA Study Fee)
Mitigation Monitoring:	42705	
Mitigated Negative Declaration		2,451
Environmental Impact Report		8% of EIR
Environmental Impact Report (EIR)- Consultant Prepared	42710	89,930 Dep. + costs
Environmental Impact Report (EIR)- Staff Prepared	42710	128,563 Dep. + costs
Department of Fish and Game (Fees change yearly – Fee as of 08/16/09)		
Negative Declaration/Mitigated Negative Declaration		1,993.00
Environmental Impact Report		2,768.25
Certified Regulatory Program		941.25
CHECKS MADE OUT TO: COUNTY OF ORANGE and sent to County of Orange with NOD		

* Includes 4% automation fee

¹ Plus costs for Notice of Publication, if applicable.

*** 50 percent of fee credited towards future entitlements

**** Variance fee reduced 50% when processed concurrently with a Conditional Use Permit

STAFF REVIEW AND SERVICES:		FEE*
Address Assignment Processing	10000100.42755	\$1,130/project
Address Change/Single Tenant Assignment	42755	255
Address Assignment – Meter only	42755	114
Administrative Permit	42820	
List 1: Outdoor Dining, Eating and Drinking Establishments, Fence Extensions (<8'), Personal Enrichment Services over 5,000 sq. ft., and Home Occupations	42820	551
List 2: Parking Reduction, Carts & Kiosks, Waiver of Development Standards, Non-conforming structure additions	42820	981
List 3: Privacy Gates, Game Centers, Accessory Dwelling Units, Manufactured Home Parks	42820	1,306
List 4: Personal Enrichment Services under 5,000 sq ft		0
Animal Permits	42820	193
Categorical Exclusion letter (coastal)	42820	234
CC&R Review	42760	1,129
Certificate of Compliance	42765	679
Design Review Board	42775	905
Extension of Time	42820	432
Final Parcel Map	42780	1,237
Final Tract Map	42780	1,766
Initial Plan, Zoning & Review (land use changes, zone changes, conceptual plans)	42785	321
Limited Sign Permit	42790	754
Lot Line Adjustment / Lot Merger	42820	551
Planned Sign Program		
Single User and Amendments to Existing Programs	42790	791
Multiple Users	42790	1,335
Preliminary Plan Review: ***		
Single Family Residential	42795	832
Multi-Family Residential (up to 9 units)	42795	1,986
Multi-Family Residential (10+ units)	42795	2,538
Non-Residential	42795	2,761
Sign Code Exception – Staff	42625	897
Sign Code Exception – Design Review Board	42625	1,741
Site Plan Review	42820	4,967
Temporary and Promotional Activity Sign Permit	42800	78
Temporary Sales/Event Permit	42805	281
Wireless Permit Applications	42810	“costs”
Zoning Letter:		
Flood Verification	42810	78
Simple Staff Review		68
Zoning Letter Staff Review		151
Zoning Research/Information	42810	130/hr. (min. 1 hr.)
Planning Consultation/Meeting Fee (per planner)	42810	115/hr. (min. 1 hr.)

* Includes 4% automation fee

*** 50 percent of fee credited towards future entitlements

APPEALS:		FEE*
To Planning Commission		
Single family owner appealing decision of own property	10000100.42815	\$1,725
Others	42815	2,252
Appeal of Director's Decision (PC Public Hearing)	42815	494
Appeal of Director's Interpretation (PC Non-Public)	42815	416
To City Council (file w/ City Clerk's Office)		
Single family owner appealing decision of own property	42815	\$1,587
Others	42815	3,045

AFFORDABLE HOUSING IN-LIEU FEE - 2008		FEE*
3 Unit Projects x \$8,140 =	42820	\$24,420
4 Unit Projects x \$9,150 =	42820	\$36,600
5 Unit Projects x \$10,170 =	42820	\$50,850
6 Unit Projects x \$11,180 =	42820	\$67,080
7 Unit Projects x \$12,200 =	42820	\$85,400
8 Unit Projects x \$13,230 =	42820	\$105,840
9 Unit Projects x \$14,240 =	42820	\$128,160

OTHER FEES:		FEE*
Downtown Specific Plan Fee	42820	\$831 per acre
Outdoor Dining:	42820	
License Agreement Application Fee		30
License Agreement Use Charge		0.01/sq. ft.
License Agreement Code Enforcement Fee		4/sq. ft.
Park and Recreation Fee (see attached)		
Traffic Impact Fee		See Dept. of Public Works
General Plan Maintenance Fee	42825	\$1.85/\$1,000 valuation of new construction

* Includes 4% automation fee

ADDITIONAL FEES MAY BE REQUIRED:
<p>ENTITLEMENTS FOR DEVELOPMENT INCLUDE INITIAL REVIEW OF PLANS AND ONE SUBSEQUENT REVISION SUBMITTAL. REVIEW OF PLANS IN EXCESS OF ONE REVISION SHALL BE CHARGED THE FULLY BURDENED HOURLY RATE.</p> <p>ALSO SEE DEPARTMENTS OF PUBLIC WORKS, FIRE, AND THE BUSINESS LICENSE DIVISION FOR ADDITIONAL FEES</p>



CITY OF HUNTINGTON BEACH

PLANNING DEPARTMENT

Park and Recreation Fees

CITY COUNCIL APPROVED JUNE 17, 2002
EFFECTIVE JULY 17, 2002

Pursuant to City Council Ordinance No. 3562, and Resolution Nos. 2002-56 and 2002-57 adopted on June 17, 2002, park in-lieu fees for residential developments involving a subdivision map are as follows:

PROJECTS REQUIRING A SUBDIVISION MAP (20900209.47115)

Tract Map No./Parcel Map No:

Park and Recreation Fee Formula Per Chapter 254:

$\frac{5 (\# \text{ units} \times 2.68)}{1,000} \times \text{Per acre value of project site}^* = \text{Park In Lieu Fee}$

* Based on City-approved site-specific appraisal of project site

CITY COUNCIL APPROVED DECEMBER 16, 2002
EFFECTIVE DECEMBER 16, 2002

Pursuant to City Council Ordinance No. 3596, and Resolution No. 2002-129 adopted on December 16, 2002, park fees for commercial and industrial developments and residential developments not requiring a subdivision map are as follows:

PROJECTS NOT REQUIRING A SUBDIVISION MAP (20900209.47280)

Commercial and Industrial Floor Area = \$0.23/square foot
 Residential Floor Area (includes garages) = \$0.86/square foot

Date Fees Paid:	Plan Check No.:
Receipt No.:	
Job Location:	
Tentative Tract Map No./Tentative Parcel Map No.:	

ATTACHMENT F

HOUSEHOLD INCOME CHART

CITY OF HUNTINGTON BEACH
AFFORDABILITY CRITERIA
To Be Updated Annually By the City
Based on Orange County HUD/HCD Income Limits

The incomes listed below will be used to qualify your Moderate, Low and Very-Low Income potential buyers or renters:

MAXIMUM INCOMES – 2011

No of Persons/ No. of Bdrms	Moderate Income	Median Income	Low Income	Very Low Income
1 person/studio	\$70,050	\$58,900	\$51,700	\$32,350
2 person/1 Bdrm	\$80,850	\$67,350	\$59,100	\$36,950
3 person/2 Bdrm	\$90,950	\$75,800	\$66,500	\$41,550
4 person/3 Bdrm	\$101,050	\$84,200	\$73,850	\$46,150
5 person/4 Bdrm	\$109,150	\$90,950	\$79,800	\$49,850
6 person/5 Bdrm	\$117,200	\$97,650	\$85,700	\$53,550
7 person/6 Bdrm	\$125,300	\$104,400	\$91,600	\$57,250
8 person/7 Bdrm	\$133,400	\$111,150	\$97,500	\$60,950

The table below will be used to determine the rent of an affordable rental unit:

INCLUSIONARY MONTHLY RENTS - 2011

No. of Persons/ No. of Bdrms	Moderate Income	Low Income	Very-Low Income
1 person/studio	\$1,621	\$884	\$737
2 person/1 Bdrm	\$1,852	\$1,010	\$842
3 person/2 Bdrm	\$2,085	\$1,137	\$948
4 person/3 Bdrm	\$2,316	\$1,263	\$1,053
5 person/4 Bdrm	\$2,501	\$1,364	\$1,137
6 person/5 Bdrm	\$2,685	\$1,465	\$1,221
7 person/6 Bdrm	\$2,871	\$1,566	\$1,305
8 person/7 Bdrm	\$3,057	\$1,667	\$1,389

Note: Affordable Rents are calculated based on requirements imposed by California Health & Safety Code Section 50053. These Affordable Rents do not include utilities and are considered "gross" rents. Utility allowances can be obtained from the City of Huntington Beach, Economic Development Department. These are NOT "fair market rents" as defined by HUD. Gross rents cannot exceed these amounts and still be considered affordable under most City programs.

ATTACHMENT G

UTILITY ALLOWANCE

**CITY OF HUNTINGTON BEACH
UTILITY ALLOWANCE SCHEDULE**

Effective Date: October 1, 2010

To Be Updated Annually By the City

Based on Orange County Utility Allowance Schedule

Bedrooms	0	1	2	3	4	5+
GAS						
Cooking	\$2	\$5	\$5	\$8	\$10	\$13
Heating	\$10	\$12	\$15	\$22	\$27	\$28
Water Heater	\$5	\$6	\$7	\$12	\$15	\$17
ELECTRIC						
Basic	\$11	\$16	\$20	\$34	\$34	\$34
Cooking	\$4	\$7	\$8	\$11	\$15	\$17
Heating	\$9	\$13	\$17	\$22	\$28	\$32
Water Heater	\$13	\$18	\$23	\$31	\$32	\$32
Water	\$16	\$19	\$23	\$32	\$28	\$43
Trash & Sewer	\$23					
Refrigerator	\$9					
Stove	\$7					
Mobile Home	\$62					

ATTACHMENT H

AFFORDABLE SALES PRICE CALCULATION FORM



City of Huntington Beach
Economic Development Department, Housing Division
2000 Main Street, 5th Floor
Huntington Beach, California 92648
(714) 536-5470

**REQUEST FOR MAXIMUM AFFORDABLE SALES PRICE
 INCLUSIONARY HOUSING PROGRAM**

Homeowners are entitled to one complimentary Affordable Sales Price Calculation per calendar year, no more frequently than once every three months. The price given will be valid for three months and will not be recalculated within this time. Should the price expire, and the homeowner wish to submit a new request, the City will charge a \$50 application fee. Completed applications (and fee payment, if applicable) should be submitted to the Housing Division. The property owner(s) and the owner's Realtor will receive a written response within 10 business days.

Owner(s) Name	Name of Neighborhood / Affordability Level (circle one) Ash St. Condos (Median Income) Brisas del Mar (Low Income / Moderate Income) Cape Ann (Moderate Income) Greystone Keys (Moderate Income) Pacific Park Villas (Low Income / Moderate Income) Promenade (Moderate Income) Tides (Moderate Income) Other _____
Owner's Daytime Phone Number & FAX Number	
Property Address	
Number of Bedrooms	
Date of anticipated sale	Mailing Address, if Different
The City maintains a list of affordable homes for sale in print and on the web. Would you like your property added to this list? Yes / No	Name/Address/Phone of Management Company
Name of Real Estate Agent	Total Amount of Homeowner Association Dues
Real Estate Agent's Company Name & Address	Real Estate Agent's phone & FAX numbers
	Real Estate Agent's Email

CERTIFICATION: I/We certify that the information provided in this sales price determination request is true and correct as of the date set forth opposite my/our signature(s) on this request and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this request may result in civil liability and/or criminal penalties including, but not limited to fine or imprisonment or both and liability for monetary damages to the City, its agents, insurers, and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this request.

Homeowner's Signature	Date	Co-Owner's Signature	Date
X		X	

For City Use Only	
MAXIMUM SALES PRICE:	_____
THIS PRICE WILL BE VALID UNTIL (90 DAYS FROM REQUEST):	_____
PREPARED BY: _____	DATE _____

AFFORDABLE HOUSING RESALE INSTRUCTIONS

1	<p>Obtain the maximum affordable sales price for your home from the City by submitting to the Housing Division a Request for Maximum Affordable Sales Price. The price formula and sample calculations can be viewed at http://www.huntingtonbeachca.gov/government/departments/ED/housing/home_ownership.cfm. Be sure to indicate on your application if you would like your property added to the City's list of affordable homes for sale. Please note that this price will be valid for three months and cannot be recalculated during this period. If the price expires and the home is not sold, you must submit a new request to obtain the current maximum affordable sales price for your home, together with the City's \$50 application fee.</p>
2	<p>Detailed information about the Inclusionary Housing Program, including current income limits and eligibility requirements, can be found at http://www.huntingtonbeachca.gov/government/departments/ED/housing/home_ownership.cfm.</p>
3	<p>Select a buyer you believe meets the Inclusionary Housing Program eligibility requirements.</p>
4	<p>Execute a Residential Purchase Agreement with one buyer. Make sure the purchase amount does not exceed your home's maximum Affordable Sales Price. The purchase agreement should include a clause that requires the purchaser to obtain City approval; permanent fixtures in the property may not be excluded from the sale; escrow, title, commissions, and other costs must be paid by the party that normally pays such costs; and any agreements separate from the purchase agreement (for the sale of personal property, for example) are prohibited. However, home buyers may purchase durable goods from the seller at a cost of no more than \$500.</p>
5	<p>Execute a Real Estate Transfer Disclosure Statement with the following language:</p> <p style="padding-left: 40px;">The Subject Property is an affordable housing unit in the City of Huntington Beach's Inclusionary Housing Program. The City of Huntington Beach has established a Maximum Price for this unit, and the Purchase Price in the Residential Purchase Agreement, does not exceed this amount. All consideration for the purchase of the Subject Property has been fully disclosed and described in the Residential Purchase Agreement, which will be submitted to the City of Huntington Beach for approval. Buyer and Seller acknowledge that there may be no agreement separate from the Residential Purchase Agreement between Buyer and Seller or any other parties related in any manner to the purchase of the Subject Property, which would include payment for personal property, upgrades to the Subject Property, gifts, or other arrangements that might circumvent the Maximum Price established by the City.</p>
6	<p>Instruct the buyer to submit to the Housing Division a completed Homebuyer Eligibility Application with all required attachments. Applications are available at http://www.huntingtonbeachca.gov/government/departments/ED/housing/home_ownership.cfm. The City will accept only one application at a time per unit, and the application must include a Residential Purchase Agreement signed by both the Buyer and Seller.</p>
7	<p>Homebuyer applications will be reviewed by the City within 10 business days.</p>
8	<p>If the City requires additional information or documentation from the applicant, notices will be faxed or e-mailed to the Buyer's and Seller's Realtors.</p>
9	<p>Upon City approval of the Buyer, a Notice of Approval will be mailed to the Buyer and Seller, and a copy will be sent to the Buyer's and Seller's Realtors. This Notice of Approval will include instructions for your Escrow Company.</p>
10	<p>Upon receipt of information and documents from Escrow, the City will prepare additional documents for the Buyer and Seller to sign in Escrow.</p>

CITY OF HUNTINGTON BEACH
Affordable Housing Program
2011 Illustrative Sales Prices

	1-Bedroom	2-Bedrooms	3-Bedrooms	4-Bedrooms
Low-Income				
Income Basis (70% of Median) ¹	\$ 47,145	\$ 53,060	\$ 53,060	\$ 63,665
Income for Housing (35%)	16,501	18,571	20,629	22,283
(Less) Ongoing Expenses ²	<u>6,364</u>	<u>6,811</u>	<u>7,518</u>	<u>7,940</u>
Income Available for Mortgage	<u>10,137</u>	<u>11,760</u>	<u>13,111</u>	<u>14,343</u>
Maximum Price ³	\$174,837	\$202,845	\$226,137	\$247,391
Median-Income				
Income Basis ¹	\$ 67,350	\$ 78,500	\$ 84,200	\$ 90,950
Income for Housing (35%)	23,573	26,530	29,470	31,833
(Less) Ongoing Expenses ²	<u>8,618</u>	<u>9,204</u>	<u>10,050</u>	<u>10,582</u>
Income Available for Mortgage	<u>14,955</u>	<u>17,326</u>	<u>19,420</u>	<u>21,250</u>
Maximum Price ³	\$257,943	\$298,851	\$334,968	\$366,527
Moderate-Income				
Income Basis (110% of Median) ¹	\$ 74,085	\$ 83,380	\$ 92,620	\$ 100,045
Income for Housing (35%)	25,930	29,183	32,417	35,016
(Less) Ongoing Expenses ²	<u>8,250</u>	<u>8,882</u>	<u>9,774</u>	<u>10,344</u>
Income Available for Mortgage	<u>17,680</u>	<u>20,301</u>	<u>22,643</u>	<u>24,672</u>
Maximum Price ³	\$304,954	\$350,162	\$390,553	\$425,547

1. The Income Basis for calculating affordable home prices equals the income limit for a family size equal to the number of bedrooms, plus one. (For example, the price for a three-bedroom home uses the income limit for a four-person household).

2. Ongoing Expenses include HOA dues, homeowner's insurance, utilities, interior property maintenance and property taxes.

3. Assumes 30-year mortgage term, 5.00% interest rate, and 10% down payment (actual Fannie Mae 30-year mortgage rate published on www.thefinancials.com, FNMA 30y fxd yld 90d, Tuesday through Friday)