



# **FIRST-TIME HOMEBUYER PROGRAM MANUAL**

## **Shared Equity: Down Payment and Closing Cost Assistance**



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Redevelopment & Housing  
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EFFECTIVE September 25, 2008



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## PURPOSE OF THE PROGRAM MANUAL

The purpose of this Program Manual is to describe the program and delineate the role of the City, the applicant/borrower and the lenders. This document contains a description of the City of Chula Vista First-Time Homebuyer Program requirements, processing procedures and program administration. Loan processing forms are contained in a separate document. The City may revise these guidelines from time to time, terminate and/or place the program on hold at the City's sole discretion.

The City encourages all eligible homebuyers to apply. Participating lenders are expected to be well informed about all the restrictions contained in this manual so that both applicants and sellers are aware of these restrictions before the application is accepted. The City is currently funding the First-Time Homebuyer Program using U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnership funds. Lenders are expected to be informed of The Department of Housing and Urban Development's Technical Guide for Determining Income and Allowances for the HOME Program. The Program Administrator/City will reject those applications where the information submitted indicates that the applicant does not qualify for the program.

## GENERAL DEFINITIONS

**AFFIDAVIT:** A deposition filed in connection with the program made under oath and subject to penalties of perjury.

**APPLICANT:** Any person within the household whom applies for City loan assistance.

**ARMS LENGTH TRANSACTION:** A transaction in which the buyers and sellers of a product act independently and have no relationship to each other. The concept of an arm's length transaction is to ensure that both parties in the deal are acting in their own self interest and are not subject to any pressure or duress from the other party.

**ASSETS:** Cash or a non-cash item that can be converted to cash. Assets exclude necessary personal property.

**CITY:** The City of Chula Vista Redevelopment & Housing Department.

**COMMITMENT:** A document which is originated and issued by the City based on review and approval of the application package and lender's certification that the requirements necessary for issuance of a City loan have been met. A commitment will be valid for 120 days. **THE CITY WILL ONLY ISSUE A COMMITMENT FOR A LOAN THAT HAS BEEN APPROVED BUT NOT YET FUNDED. NO EXCEPTIONS WILL BE MADE.**

**ELIGIBLE BORROWER:** Any person meeting the criteria as set forth in this manual.

**ELIGIBLE DWELLING:** Real property located within the City of Chula Vista. This may include a residential unit to be built, a new unit, or an existing. The unit must be designed as a residence for one household and must meet property standards and criteria as set forth in this manual.

**EQUITY:** The dollar amount that constitutes the difference between the sales price of the Property and the sum of the following amounts; 1) principal on the First Note and Deed of Trust; 2) principal on the Second Note and Deed of Trust to the City of Chula Vista; 3) all costs of sale, including

costs of brokers' commissions, escrow fees, title costs and fees, recording costs, etc.; 4) current year taxes, including all real estate taxes calculated to the date of sale; 5) borrower's down payment not including the loan from the City to Borrower; 6) costs of any capital improvements to the Property, provided such improvements were approved by the City prior to construction and provided that such improvements have been documented to the satisfaction of the City.

**EQUITY SHARE:** The equity share starts at 50%-50% between the Borrower and the City. The amount of the Borrower's share in the Equity of the Property shall increase by five percent (5%) per year, measured on the anniversary date of the Deed of Trust. Correspondingly, the City's share in the equity of the Property shall decrease by five percent (5%) per year. In the event that no Equity exists at the time of transfer or sale, the City loan (HOME funds) will still be due and payable. In the event that a negative Equity situation exists, and the full amount of the City loan is not available to be recaptured, the amount of the loan required to be repaid to the City will be set forth in the HOME agreement between the Borrower and the City.

**EXISTING HOME (RESALE HOME):** A dwelling unit that has been previously occupied.

**MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. The Program Administrator must provide documentation as proof of market value to the City prior to the Voluntary Acquisition issuance.

**HOME FUNDS/HOME INVESTMENT:** Funds received pursuant to the HOME Investment Partnership program under the Department of Housing and Urban Development (HUD), codified at 42.U.S.C. Section 12701, et seq., 24 CFR Part 92, to provide funds for affordable housing.

**HOMEOWNER INVESTMENT:** Homeowner's down payment and any capital improvement investment made by the owner since purchase.

**INCOME:** The gross amount of all income for all mortgagors and adult household members that is anticipated to be received during the coming twelve (12) months, as defined in The Department of Housing and Urban Development's Technical Guide for Determining Income and Allowances. All income derived from any source, including income from wages (gross pay,) overtime, pensions, veteran's compensation, bonuses, public assistance, alimony, net rental income, dividends and interest, etc. must be included.

**ISSUER:** City of Chula Vista through the Department of Redevelopment & Housing.

**LENDER:** A financial institution, whether broker, retail, or wholesale, licensed to provide mortgage loans in the State of California. The institution must meet all the requirements established by the City in order to participate as a lender in the City program.

**LOAN:** An extension of credit provided to an Eligible Borrower to finance the purchase of an Eligible Dwelling.

**LOW-INCOME:** A household with income not greater than 80% of the median income as established by the U.S. Department of Housing and Urban Development. Every 12-18 months, these figures are updated by the U.S. Department of Housing and Urban Development.

**LIQUID ASSETS:** The total amount of funds that are in the form of cash or can quickly be converted to cash. These include (1) cash; (2) demand deposits; (3) time and savings deposits; and (4)

investments (i.e. most stocks, money market instruments and government bonds) capable of being quickly converted into cash without significant loss, either through their sale or through the scheduled return of principal at the end of a short time remaining to maturity.

**NEW HOME:** A dwelling unit that is proposed to be constructed, is currently under construction, or exists but has not been previously occupied.

**NET PROCEEDS:** Sales price minus loan repayment and closing costs.

**OWNERSHIP:** Any of the following interests in residential property: fee simple interest; joint tenancy; tenancy in common; interest of a tenant-shareholder in a cooperative; life estate; interest held in trust for the Applicant that would constitute a present ownership interest if held by the Applicant.

**PRINCIPAL RESIDENCE:** Residence must be occupied as the primary home of the buyer and be defined as one of the following types of residences: 1) single-family house; 2) condominium unit; 3) town home unit.

**PROHIBITED MORTGAGE:** Second mortgages and any liens superior to the City First-Time Homebuyer loan, other than the new first Trust Deed.

**PROGRAM ADMINISTRATOR:** The City of Chula Vista is currently contracted with Community HousingWorks to administer the City's First-Time Homebuyer Program, including but not limited to review of all income documentation, eligibility determinations, set-up and servicing of the City's second loan.

**PROPERTY STANDARDS:** Minimum performance standards a property must meet for program eligibility. Standards are established in 24 CFR Part 882 (Housing Quality Standards).

**PROPERTY VALUE:** Value of the eligible property as determined by a certified appraisal.

**PURCHASE PRICE:** Cost of acquiring the residence, excluding usual and reasonable settlement or finance costs, and the value of services performed by mortgagor in completing the acquisition.

**RELATED PERSON:** Allied by nature, origin, kinship, marriage, etc.

**RESIDENTIAL PROPERTY:** Property which is zoned for single-family homes, multi-family apartments, townhouses, condominiums, and/or co-ops.

**SINGLE-FAMILY RESIDENCE:** Housing unit intended and used for occupancy by one household.

## SECTION I BORROWER ELIGIBILITY REQUIREMENTS

Both federal and state law sets borrower eligibility requirements. Income guidelines are modified, based on federal directives every twelve to eighteen months. The City will notify the Lenders when those changes take place, including the effective date of each change.

In an attempt to assure that all requirements are clear, the First-Time Homebuyer Application and Affidavit are required to be signed by each Applicant and must be included in the Application Package submitted to the City, *reference Appendix A*.

**A. ELIGIBLE BORROWERS**

1. Qualified applicants must be first-time homebuyers. The Applicant may not have held an ownership interest in Residential Property within the past three years. This timeframe includes those 36 months previous to the date the mortgage is executed. In the case of a married couple, both parties must meet this requirement. The buyer, spouse and any other parties who will be listed on title must meet this requirement. The Lender must verify this through his/her examination of the Applicant's federal tax returns for the preceding three years. The Applicant(s) cannot have claimed a deduction for mortgage interest or taxes on real property.
2. To demonstrate compliance with this requirement, Applicants must complete and sign the First-time Homebuyer Application and Affidavit and provide copies of their last three (3) years signed federal tax returns (or acceptable alternative exhibits).
  - a) The Applicant(s) can provide the signed 1040A, 1040EZ, or 1040 federal income tax forms for the preceding years, including all schedules. These forms shall be submitted to the Lender and forwarded to the City with the completed loan application. The tax returns must be signed and dated in ink by the Applicants.
  - b) If the Applicant(s) has/have filed the short form, 1040A or 1040EZ for the last three (3) years, completes and signs the required affidavits, but is unable to produce copies of the signed returns, the City will accept a completed copy of IRS Letter Form 1722 in lieu of actual returns. The Applicant may request this letter, free of charge, from the local IRS Office. The Letter 1722 must include the signature of a representative of the IRS. Letter Form 1722 should include the following information:
    - i. Name and social security number
    - ii. Type of return filed
    - iii. Marital status
    - iv. Tax shown on return
    - v. Adjusted gross income
    - vi. Taxable income
    - vii. Self-employment tax
    - viii. Number of exemptions
  - c) In the event the Applicant(s) was not obligated to file federal income tax returns for any of the preceding three (3) years, it will be necessary for the Lender to obtain a completed and signed Income Tax Affidavit from the Applicant, which is required in place of the above. This document is to be forwarded to the City with the application package.
  - d) If neither copies of the required tax returns or the 1722 Form can be obtained, the Lender may be able to help the Applicant establish first-time homebuyer status with copies of utility bills and a signed and notarized statement from the Applicants landlords for the previous three years.
  - e) When the Commitment is issued during the period between January 1 and February 15 and the Applicant has not yet filed his/her/their Federal Income Tax Return for the preceding year, the City may rely on an affidavit. The affidavit must affirm that the Applicant is not entitled to claim deductions for taxes or interest on a principal residence for the preceding year. After February 15, a tax return will be required.
3. Upon close of escrow, the buyer must occupy the home as their Principal Residence.

4. Applicant(s) must be a U.S. citizen or eligible immigrants. Legal resident aliens are eligible to apply but must show proof of status.
5. Priority is given to current residents of the City of Chula Vista and households who are employed in businesses within the City of Chula Vista at the time of application.
6. City of Chula Vista employees (except for certain employees of the Redevelopment & Housing Department) are eligible to participate.

**B. INCOME CRITERIA**

1. Income must be at or below 80% of the currently published San Diego County median income, adjusted for household size. Income limits have been established by the U.S. Department of Housing and Urban Development (HUD) and are adjusted annually. In accordance with this requirement, applicants may not obtain “stated income” loans. The true income must be a qualifying factor in loan approval.

Household Size	Annual Income
1 person	\$44,250
2 people	\$50,550
3 people	\$56,900
4 people	\$63,200
5 people	\$68,250
6 people	\$73,300
7 people	\$78,350
8 people	\$83,400

Effective February 13, 2008

2. Gross income is calculated by taking the Applicant’s anticipated adjusted gross monthly income, at the time of application, and multiplying it by twelve. Adjusted gross income includes the gross amount of all taxable income, before payroll deductions of: wages, salaries, commissions, fees, tips and bonuses, alimony, public assistance, etc. The adjusted gross income also includes the income earned on assets, such as dividends earned on stock and interest earned on savings and checking. The adjusted gross income qualification is pursuant to the 24 CFR 92.203(b)(3) for reporting under the IRS Form 1040 series for individual federal annual income tax purposes. Gross income includes the combined taxable adjusted gross income of all mortgagors and all other adult members of the household.
  - a. Self-Employed or Seasonal Employees: The formula that the Lender uses to determine the anticipated gross monthly income of self-employed and/or seasonal workers is acceptable provided that all income as described in this manual is included in the calculation.
  - b. Co-Borrower/Co-Mortgagor: If a co-borrower or co-mortgagor will be on both the title and the deed of trust, his/her income must be included in determining eligibility for the program. The IRS regulation states “income to be taken into account in determining gross income is income of the mortgagor(s) and any other person who is expected to both live in the residence being financed and to be secondarily liable on the mortgage.”
  - c. Spouses: Married couples are treated as co-applicants, whether: 1) they are separated; 2) either spouse is applying for the loan; or 3) either spouse plans to be named on title.
  - d. Computing Income
    - i. *Program Computation vs. Mortgage Underwriter’s Computation*: The City loan figure represents ANTICIPATED income, while the Lender’s figure represents income AVERAGED over the last few years and the City program

requires that every source of taxable and non-taxable income be listed on the Income Computation Worksheet, however, non-taxable income should be bracketed and not added into the maximum annual family income calculation.

- ii. *Income Parameters:* See Appendix B of this manual for examples of sources of income, which must be considered in computing buyer income.
- iii. *Military Pay:* See Appendix B of this manual for Military Pay explanations.
- iv. *Self-Employed:* Year-to-date profit and loss statement and three prior year's tax returns are required.
- v. *Other Income:* Sources of income other than wages must be documented by third party verifications. In cases where the third party fails to respond, acceptable alternative sources of documentation can be determined on a case-by-case basis and should follow standard FNMA income verification guidelines.
- vi. *Documentation:* In cases where the Applicant is employed, acceptable sources of documentation used to verify income include a recent pay stub with year-to-date earnings and an employer Verification of Earnings statement (VOE). If the application is taking place during the first four months of the year, a year-to-date total may be insufficient. The Lender must supplement the pay stub information with the prior year W-2 statement and/or tax returns. On some pay stubs, the year-to-date earnings include pay from the last part of the prior year. If this is determined to be the case, request that the employer submit a signed statement of verification of exact year-to-date income. Miscalculation can result in the determination of excess income and disqualification of the buyer.
- vii. *Income Verification:* The Lender bears the burden of proving that the Buyer's income is within the program guidelines. The computation should be clear, complete, and documented by third party verifications, to the greatest extent possible.
- viii. *No Income:* Adult members, 18 years and older, of the household who have no income must complete and sign the Declaration of No Income form.
- ix. *Part or Full Time Students:* Adult members (18 and older) enrolled in a vocational, community college or university must provide evidence of current enrollment status and a copy of their Financial Aid Award letter.

### **C. HOUSEHOLD ELIGIBILITY REQUIREMENTS**

- 1. Households shall have sufficient income and credit-worthiness to qualify for primary financing from a participating lender.
- 2. Households will be required to provide a down payment or cash investment. A minimum contribution of 3% of the total purchase price of the property will be required from the borrower's personal funds and must be used for down payment, closing costs, or cash reserves. The maximum amount of the contribution used towards cash reserves must equal the minimum reserves required by the Lender of the first mortgage. Cash gifts may be given towards down payment assistance in addition to the 3% owner contribution, but must be identified as part of the subsidy layering analysis, *reference Appendix C*.
- 3. Maximum liquid assets after down payment and closing cost contribution may not exceed \$25,000 (not including retirement accounts, i.e. IRA's, 401(k), etc).

### **D. ELIGIBLE PROPERTIES**

- 1. Properties must be located within the City of Chula Vista limits.

2. Properties can be new or resale single-family homes, including detached homes, manufactured/mobile homes in a residentially owned park, condominiums and townhouses. Manufactured/mobile home, duplexes, triplexes or fourplexes do not qualify as eligible properties.
3. Upon selection of a home and prior to the presentation of the purchase offer, an acquisition notice shall be given to the seller. The City shall provide the acquisition notice to the participant ensuring that it complies with HOME Program requirements, *reference sample "Voluntary Acquisition" notice in Appendix D*. The acquisition notice must be placed on top of a purchase offer that is to be presented to the seller. The acquisition notice will include the following:
  - a. The participant has power of eminent domain, but will not acquire the property if negotiations fail to result in an amicable agreement ("Voluntary Acquisition");
  - b. An estimate of the market value of the property as determined by a state licensed appraiser and paid for by the applicant;
  - c. Seller certifies that the property has not been occupied by a tenant within the last four months (with the exception of the potential buyer) and that no tenant has been forced to move within the last four months. In addition, seller warrants that no rent is being received for the property, and further certifies that no occupants of the property pay rent to reside there;
  - d. Since the purchase is voluntary, the seller is not eligible for relocation payments, or other relocation assistance; and,
  - e. If an acquisition notice is not provided to the seller containing the above disclosures prior to submitting the purchase offer, a provision that the seller may withdraw from the agreement after this information is provided. All purchase offers shall be reviewed by the City and/or Program Administrator prior to submittal to the seller to ensure the appropriate contingency clauses are contained in the document regarding inspections, tenant-occupancy, loan approvals, and other necessary items to comply with these guidelines and the HOME Program requirements. Only after a participant has an accepted purchase offer shall an allocation of funds be reserved for the City second loan.
4. Properties are subject to a third party inspection to determine they meet local building and health and safety standards prior to the close of escrow, *reference Appendix E and F*. Seller will be required to correct any deficiencies to the home in meeting local building and health and safety standards as a result of said inspection. If the property cannot be brought into compliance with local building and health and safety standards, it shall be ineligible for purchase;
  - a. If subject property was constructed prior to 1978, the purchase will be subject to an inspection prior to the close of escrow to verify that the residence is in compliance with the current lead-based paint requirements of the HOME Program. The home will be inspected for defective paint surfaces by a qualified inspector, as necessary, to meet program requirements. If defective paint surfaces are found, seller must properly abate the painted surfaces or the home shall be ineligible for purchase. Seller and purchaser will be required to sign a disclosure form prior to the close of escrow.

#### **E. MAXIMUM PURCHASE PRICE**

The maximum purchase price cannot exceed 95 percent (95%) (\$559,550 effective 3/08) of the median purchase price for the area, as determined by HUD. Currently, the maximum appraised value for eligible properties is \$589,000.

**F. LOAN PROCEDURES AND TERMS**

1. The maximum loan amount shall be \$40,000, but shall not exceed 40% of the purchase price, subject to the condition of the property, qualifying factors and staff assessment. Up to 2% of the purchase price may be funded by the City loan toward payment of closing costs. The City loan may be used toward the down payment, closing costs, an interest rate buy-down or any combination thereof, but serves as gap financing and must be determined through a subsidy layering analysis, *see Appendix C*.
2. The maximum CLTV (combined loan to value) of the City and the new 1<sup>st</sup> Trust Deed loans shall not exceed the maximum approved CLTV required by the 1<sup>st</sup> mortgage lender.
3. No non-occupant co-borrowers shall be allowed.
4. Total housing ratio (PITI) cannot exceed 36% of Applicant(s) gross monthly income. The City may make exceptions if less than twenty percent payment shock is involved.
5. Total debt-to-income ratio may not exceed 45% or 41% if obtaining an FHA loan.
6. No prepayment penalty allowed.
7. Maximum fees to the Applicant of 1.25% origination, discount points for below par pricing only, and \$350 processing are acceptable for the purchase transaction. No other Broker or Admin type fees allowed. Other third party fees that are reasonable and customary are allowable.
8. The terms of the City's second trust deed are designed to encourage long-term residency in the program-assisted home. No interest is charged on the loan (except in the case of default). Instead, the program is based on an equity share. The amount of equity due to the City is based upon the number of years after the date of execution of the City's loan. It begins at 50% of the equity and decreases by 5% each year. After 10 full years of owner occupancy, there is no equity share. Only the principal remains due and payable until 15 full years of owner occupancy when the loan is forgiven. *See shared equity example in Appendix G*.
9. The loan shall become due and payable at the time of the property's transfer of title, refinance (except as earlier defined), rental or sale.
10. The loan shall also become due and payable when the acceleration clause has been triggered. The acceleration clause will be in effect when the property is no longer the principal place of residency of the eligible homebuyer, or upon discovery of willful misrepresentation or fraud in connection with the program. Rental of the property is prohibited and will cause the loan to be accelerated.
11. Second and subsequent mortgages to the new First Trust Deed, except for this City Loan, are not permitted.
12. The loan is not assumable.
13. A Promissory Note and Deed of Trust will secure the loan.
14. The City Loan can be used with conventional, FHA, VA, and other loans issued by a qualified lender, except adjustable rate mortgages with less than five years fixed, negative amortization and stated income mortgages.
15. The City of Chula Vista Redevelopment & Housing Department does not underwrite the loans. Lenders will process the underlying mortgages using standard procedures, with adjustments to those procedures to conform to the City loan guidelines.

**SECTION II  
PROGRAM ADMINISTRATION AND PROCEDURES**

Eligible Applicants will apply for the City of Chula Vista's First-Time Homebuyer Program in conjunction with normal mortgage loan application procedures. The City loan application must be filed with an application for a mortgage to a Participating Lender.

The City loan processing procedures are designed to coincide with the standard mortgage loan processing and underwriting criteria that are in place at most mortgage lending institutions, although there are some City restrictions that must supercede normal processing and underwriting criteria. Recognizing that there are procedural variations among participating lenders, the steps outlined here are meant to serve as sequential guidelines, *reference Appendix H* for a summary of the process and summary sheet to be included in each packet. *Please note, however, that all elements of the processing sequence must be completed at some point.*

**A. LENDER ELIGIBILITY**

Lender is defined as a financial institution, whether broker, retail, or wholesale, licensed to make first mortgage loans in the State of California. All Lenders who wish to participate in the City program must be enrolled as a participating lender. To enroll and maintain active status a lender must:

1. Attend a lender certification course by the City's Program Administrator.
2. Agree to adhere to Quality Commitment Policy. *Please refer to Appendix I.*
3. Designate a contact person for the program.
4. Pay a lender certification fee of \$50 *(as of 9/22/08)*.
5. All lending personnel involved with the City program must attend City training sessions and study and apply procedures listed in the Lender Training Handbook.
6. Provide the First-time Homebuyer Program Manual and Lender Training Handbook to all loan processors.
7. Cooperate with City Housing staff in providing the best possible service to the Applicants.

The Lender will be required to submit certification that no material misstatements appear in the application and program documents. If the Lender becomes aware of such, whether negligently or willfully made, he/she must notify the City immediately. The Lender should also be aware and inform the Applicant of penalties provided by California law if a person makes a false statement or misrepresentation for the sole purpose of participating in this program. Housing staff will take all lawful actions to correct or mitigate the problem.

**B. LOAN ORIGINATION AND PROGRAM APPLICATION**

1. Borrower applies to the Lender for a mortgage and City loan. Lender performs standard underwriting procedures to qualify Applicant for a first mortgage, utilizing the City's required underwriting requirements in lieu of certain standard criteria.
2. Lender describes parameters of the City program to Applicant and determines eligibility based on a review of income, prior homeownership and all other factors listed in this manual.
3. Lender obtains three prior year's tax returns from Applicant and prepares to have the Seller Affidavit forwarded with instructions to the seller.
4. Lender gives the Applicant a copy of the City's First-Time Homebuyer Application and Affidavit. This document serves as the formal application to the City and contains the required certifications below:
  - a. That the residence will be used as the Principal Residence and that the Applicant must notify the City when the home ceases to be the Principal Residence.
  - b. That the Applicant has not had an ownership interest in a Property during the three year period prior to the date of application.
  - c. That this is a new mortgage loan\*.
  - d. That the loan applied for does not constitute a prohibited mortgage\*\*.
  - e. That the Applicant was not forced to apply through a particular Lender.

- f. That the Applicant's gross annual household income does not exceed permitted income limits.
- g. That no interest, commission or other fee is being paid to a related person.
- h. Acknowledgment that any material misstatement or fraud is made under penalty of perjury.

**\*New Mortgage Requirements:** The Lender and the Applicant, using the Program Affidavits, state that the mortgage being acquired in connection with the loan will not be used to acquire or replace an existing mortgage or land contract.

**\*\*Prohibited Mortgages:** Any liens superior to the City First-Time Homebuyer Loan, other than the new first Trust Deed, are not allowed under any circumstances.

### C. CITY APPLICATION PACKET

Lender transmits an application packet to the City's Program Administrator that includes the following City forms and additional documentation as required:

1. City First-Time Homebuyer Application\*, *see Appendix A*
2. Complete copy of Lender's First Mortgage Loan Application
3. Income Computation Worksheet and all supporting documentation\*, *see Appendix B & H*
4. Subsidy Layering Analysis, *see Appendix C*
5. Most recent 30-day bank statement
6. Lead-Based Paint Disclosure\*
7. Copy of Signed Receipt of Disclosures
8. Voluntary Acquisition Form & Proof of Delivery\*\*, *see Appendix D*
9. Seller Affidavit\*
10. Purchase Contract and all Addendums signed by all parties
11. Appraisal and 1004D
12. Copy of Title Report
13. Three years of Federal Income tax Returns and/or Declaration of No Income Affidavits\* for a three-year period
14. Funding Request and Escrow Information Sheet\*
15. Letter of Assignment (*if the Funding Lender is different than the Originating Lender: A copy of the Notice of Transfer signed at closing or a letter on company letterhead with the name, address, phone and fax number of the Funding Lender along with the date the assignment is being made will be sufficient*)
16. Certificate of Completion for First-Time Homebuyer Education Training Course
17. Signed and executed copy of the Power of Attorney if applicable
18. Authorization for Release of Information Form\*\*\*, *see Appendix J*

\*City Forms are to be completed as high quality copies of the original documents. Updated forms will be provided to participating lenders as they are revised and may be ordered by contacting the City's Program Administrator. *Please note that all documents must be submitted in hard-copy form and are not accepted by facsimile.*

\*\* All transactions applying for down payment and closing cost assistance through the City of Chula Vista's program must provide proof of an Arms Length Transaction through completion of the "Voluntary Acquisition" form as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, *see Appendix D*, at the time the offer to purchase is sent to the seller, or as soon as the City's program has been identified as part of the loan package. Proof of

delivery (e.g., certified mail, return receipt requested) to the seller must be sent to the City's Program Administrator.

\*\*\* All applicants must provide a release to the City, HUD and the Program Administrator, allowing of review of any documents to provide proof of employment and earnings, current occupancy, and other related information, *see Appendix J*.

*Mail the APPLICATION PACKAGE to the Program Administrator:*

Community HousingWorks  
Lending Division  
4305 University Avenue, #550  
San Diego, CA 92105

*Once funded deliver the APPLICATION PACKAGE to:*

City of Chula Vista  
Redevelopment & Housing  
276 Fourth Avenue  
Chula Vista, CA 91910

Submission of the above mentioned forms/documents to the City constitutes completion of the APPLICATION PACKAGE. Technically, the originating broker's role is finished and the funding lender is responsible for submitting the final Close of Escrow Package. However, it is advisable for the broker to discuss with the funding lender their role in submitting the closing package, a failure to meet the Commitment expiration deadline can result in additional work and costs to both the broker and funding lender.

**D. PROPERTY INSPECTION**

Prior to the close of escrow, the Lender must request that an Independent Certified Risk Assessor (or certified equivalent) conduct a property inspection and Risk Assessment. The written report of findings must be provided to the City's Program Administrator. The Program Administrator will review the Risk Assessment and ensure the subject property meets Housing Quality Standards (HQS) and HUD lead-based paint regulations\*. The Lender will be notified of work needed to cure defects, if any. The City loan may be funded upon the completion of the repairs and clearance from the Risk Assessor and the City Program Administrator. Properties must meet minimum health and safety standards upon occupancy, as inspected by the Program Administrator. *See Appendix E for detailed Housing Quality Standards (HQS) and Appendix F for the HQS Inspection Form.*

\*HUD lead-based paint regulations: Effective September 15, 2000, all properties built prior to 1978 must meet new HUD regulations for notification, inspection, reduction/abatement and clearance of lead-based paint hazards under Title X of the Housing and Community Development Act of 1992.

If a determination is made by the Certified Risk Assessor (or equivalent per HUD protocol), that Lead-Based Paint Hazards are present on the subject property, the City shall notify Buyer, Lender and Escrow within 15 days of such determination and provide those parties with a copy of any and all Risk Assessment Report(s). *Reduction or abatement of all identified Lead-Based Paint Hazards must be corrected prior to close of escrow and prior to wire transfer of the City's funds.*

FHA-insured First Mortgages: In cases where the buyer obtains said mortgage, the City may substitute the FHA property inspection for a property inspection. *The FHA inspection does not, however, satisfy HUD lead-based paint regulations unless no lead-based paint hazards are found and are fully noted on the FHA inspection report.*

## E. CITY PROCESSING

1. Program Administrator accepts and reviews the Application package and makes a determination as to completeness and accuracy. After the Application has been approved\*, the Program Administrator will issue a Commitment to the Lender. The Commitment designates a reservation number for the Application and is valid for 90 calendar days.
2. The City will maintain a cumulative total of loan amounts reserved. When program funds are about to be depleted, the Program Administrator will notify all participating Lenders.
3. Lender will complete the remainder of the standard mortgage application process.
4. Program Administrator/City Package Turn-Around: The Program Administrator shall date-stamp packages and review in order of receipt. Turn around time for reviewing and sending a loan commitment or denial letter to the Lender is 6 business days from the receipt of a **complete\*\*** package.
5. RUSH: Packages marked "RUSH" or "SUPER RUSH" etc. will not be processed ahead of other pending packages.
6. Incomplete Packages: Incomplete packages may delay the approval and subsequent issuance of the City Commitment Approval Letter.

\* The City retains the right to review any application for completeness and accuracy.

\*\* Complete packages must include, but are not limited to: (1) Appraisal and other documentation for determination of Market Value, Purchase Offer, and Voluntary Acquisition Form with proof of receipt; (2) Summary sheet; (3) Subsidy layering analysis; (4) Necessary declarations; (5) Documentation to verify income, debt and assets; (6) Authorization for Release of Information Form; and (7) Other required City/Program Administrator documentation to fund the loan.

## F. LOAN CLOSING

1. Program Administrator partially completes the Closing Affidavit.
2. Lender and City forward loan documents to selected escrow officer with instruction for closing the loans. The buyer signs the City loan documents. The escrow officer forwards the copies of the executed Loan Documents back to the Program Administrator.
3. Before the expiration of the 90-day commitment and prior to recordation the Lender and Escrow send the Close of Escrow documents to the Program Administrator. These documents include:
  - a. Signed copy of City Deed of Trust and Homeowner's Regulatory Agreement for the HOME program participation (*Escrow sends original Deed of Trust and Agreement to County Recorder's Office*), original Promissory Note, forgivable Note (if applicable), Truth in Lending Statement, Escrow Instructions and all amendments and copy of estimated HUD 1 Statement.
  - b. Closing Affidavit signed by the Applicant(s) at the time of the loan closing.
  - c. All outstanding loan conditions listed on the Commitment letter and/or Instructions to Escrow.
  - d. City reviews Closing Package and checks the file to ensure all necessary documents have been submitted.
4. City loan documents are only good during the month that they are drawn and any delays may require the preparation of all City final loan documents with a corrected date. There will be no funding into the month.
5. Program Administrator will transfer funds by wire as instructed on the Funding Request and Escrow Information Sheet located in the forms section of this Manual. Any secondary wires that are issued due to errors on behalf of the Lender, Escrow or Title Company will require an additional \$35.00 re-wire fee and shall be paid by the party at fault.

Lenders must adhere to the time frame for the City and the Program Administrator processing period, promptly notifying the Program Administrator in writing of any loan cancellations and/or request for reservation or commitment extensions.

If the Lender assigns responsibility of execution of City loan forms to Escrow or Title Office personnel, the Lender assumes full responsibility for training the personnel to comply with the requirements of this Manual.

**G. CANCELLATION AND COMMITMENT EXPIRATIONS**

1. Cancellations: When a decision is made not to continue with the City application, written notice must be received at the office of the Program Administrator prior to the expiration of the Commitment. The notice must include the reason for the cancellation and the signatures of both the Lender and the Applicant.
2. Expiration of Commitment: Before the Commitment has expired, the Lender must either:
  - a. Submit the closing package
  - b. Submit written notice of loan cancellation
  - c. Request a 30 day extension in writing

Upon expiration of the Commitment, the Lender must do one of the following:

- a. If the loan has not closed, the Lender must submit a request for extension and provide estimate of closing date to the Program Administrator.
- b. If 120 days has passed since the Commitment was issued and no extension was requested, the Lender must submit an entirely new Loan Application with current income verification with a letter of explanation for the delay.
- c. If the loan was canceled, the Lender submits a cancellation notice as described above.

In all cases, expiration of the Commitment without the required action by the Lender will result in the Lender being placed on "Inactive Status", and the Lender may submit no new City applications until the issue has been resolved. Failure to comply may result in the Lender's removal from the Certified Lender Partner List and program.

**SECTION III  
CHANGES PRIOR TO CLOSING**

Program Administrator issues a loan Commitment based on the Applicant's and Seller's Affidavits and the Lender's certification that the City's Program requirements have been met. The Lender must immediately notify the Program Administrator in writing of any change that could affect the Applicant(s) eligibility for the loan. If a change in the circumstances of the Applicant is such that he/she no longer meets program requirements, the Commitment is automatically revoked.

1. Income: The eligibility of the Applicant for a City loan is based on the Applicant's anticipated taxable income. Program Administrator will issue the Commitment based on the household income as of the date the Commitment is issued. The income verified for the Commitment is valid as long as the loan closes within four months after the financial information was originally submitted and there have been no changes which effect previously reported income. If the loan does not close within three months, all applicable City documentation must be submitted and income must be re-verified.
2. Marital Status: If the Applicant gets married after issuance of the Commitment and prior to closing, the spouse must satisfy the prior homeownership requirements contained in the

First-Time Homebuyer Application and Affidavit and the Closing Affidavit. The Lender must also notify the Program Administrator program administrator. Any increase in the household income because of the new spouse must also be considered and may affect re-issuance of a new Commitment.

3. Acquisition Cost: If a change in acquisition cost occurs after the Commitment and prior to closing, the Lender will be required to originate and submit a new version of:
  - a. First-Time Homebuyer Loan Application and Affidavit
  - b. Amended Escrow Instructions
  - c. Seller Affidavit
  - d. Voluntary Acquisition Form
  - e. All other documentation that may be applicable as listed previously in this Manual
4. Loan Amount: Any changes to the loan amount which occur after the Commitment has been issued and prior to closing must be reported to the City immediately by phone, followed up with a written confirmation along with all applicable documentation listed in this Program Manual. Upon receipt of revised/updated documentation, a revised Commitment may be issued.

APPENDIX A

APPLICATION FOR CHULA VISTA FIRST-TIME HOMEBUYER PROGRAM  
 SHARED EQUITY: DOWNPAYMENT AND CLOSING COST ASSISTANCE



Dear Applicant:

Thank you for your application to the City of Chula Vista Shared Equity: Downpayment and Closing Cost Assistance Program. The successful completion of the application process may result in your receiving a City loan. Therefore, it is very important that you take the time to read and complete each page of this application before the lender sends it to our office. You will be certifying that you understand and meet the Program Guidelines.

(1) APPLICANT #1				
<b>First Name</b>	<b>Middle</b>	<b>Last Name</b>	<b>Social Security Number</b>	<b>Age</b>
<b>Current Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>	<b>Home Phone</b>
<b>Occupation</b>	<b>Employer Name and Address</b>			<b>Work Phone</b>

(1a)	<b>Marital Status (check one)</b>	<b>Gender (check one)</b>	<b>First-time Buyer (check one)</b>	<b>Citizenship (check one)</b>
	<input type="checkbox"/> Single	<input type="checkbox"/> Male	<input type="checkbox"/> Yes	<input type="checkbox"/> U.S. Citizen
	<input type="checkbox"/> Divorced	<input type="checkbox"/> Female	<input type="checkbox"/> No	<input type="checkbox"/> Permanent Resident
	<input type="checkbox"/> Married			<input type="checkbox"/> Alien

(1b)	<b>Race (check one)</b>			
<input type="checkbox"/>	White	<input type="checkbox"/>	American Indian/Alaskan Native & White	
<input type="checkbox"/>	Black/African American	<input type="checkbox"/>	Asian & White	
<input type="checkbox"/>	Asian	<input type="checkbox"/>	Black/African American & White	
<input type="checkbox"/>	American Indian/Alaskan Native	<input type="checkbox"/>	American Indian/Alaskan Native & Black/African American	
<input type="checkbox"/>	Native Hawaiian/Other Pacific Islander			
	<b>Hispanic Ethnicity (check one)</b>			
<input type="checkbox"/>	Yes			
<input type="checkbox"/>	No			

(2) APPLICANT #2				
<b>First Name</b>	<b>Middle</b>	<b>Last Name</b>	<b>Social Security Number</b>	<b>Age</b>
<b>Current Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>	<b>Home Phone</b>
<b>Occupation</b>	<b>Employer Name and Address</b>			<b>Work Phone</b>

**First-Time Homebuyer Program Manual**

(2a)	<b>Marital Status</b> (check one)  <input type="checkbox"/> Single <input type="checkbox"/> Divorced <input type="checkbox"/> Married	<b>Gender</b> (check one)  <input type="checkbox"/> Male <input type="checkbox"/> Female	<b>First-time Buyer</b> (check one)  <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Citizenship</b> (check one)  <input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Permanent Resident <input type="checkbox"/> Alien
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(2b)	<b>Race (check one)</b> <input type="checkbox"/> White <input type="checkbox"/> Black/African American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian/Other Pacific Islander	 <input type="checkbox"/> American Indian/Alaskan Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African American & White <input type="checkbox"/> American Indian/Alaskan Native & Black/African American
	<b>Hispanic Ethnicity (check one)</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	

(3) HOUSEHOLD INFORMATION: List all household members and those going on title to the property

Total # of persons in Household \_\_\_\_\_ Total yearly Household Income \$ \_\_\_\_\_

Name _____	Age _____	M/F _____	Name _____	Age _____	M/F _____
Name _____	Age _____	M/F _____	Name _____	Age _____	M/F _____
Name _____	Age _____	M/F _____	Name _____	Age _____	M/F _____
Name _____	Age _____	M/F _____	Name _____	Age _____	M/F _____
Name _____	Age _____	M/F _____	Name _____	Age _____	M/F _____
Name _____	Age _____	M/F _____	Name _____	Age _____	M/F _____

(4) EMPLOYMENT: Must provide most current 3 months pay stubs for each job reported below.

1. List each person in your household who works or expects to be working:

↓ Last Name, First Name		Self-Employed?	Date Employment Starts	Occupation
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
↓ Weekly Hours Worked	Hourly Pay Rate	Weekly Tips/Bonus	How often paid?	Employer's Name
	\$	\$		
↓ Employer's Address (Street, City, State, Zip)			Employer's Phone #	Employer's Fax #
			( )	( )
↓ Last Name, First Name		Self-Employed?	Date Employment Starts	Occupation

			<input type="checkbox"/> Yes <input type="checkbox"/> No		
↓ Weekly Hours Worked	Hourly Pay Rate	Weekly Tips/Bonus	How often paid?	Employer's Name	
	\$	\$			
↓ Employer's Address (Street, City, State, Zip)			Employer's Phone #	Employer's Fax #	
			( )	( )	

↓ Last Name, First Name		Self-Employed?	Date Employment Starts	Occupation
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
↓ Weekly Hours Worked	Hourly Pay Rate	Weekly Tips/Bonus	How often paid?	Employer's Name
	\$	\$		
↓ Employer's Address (Street, City, State, Zip)			Employer's Phone #	Employer's Fax #
			( )	( )

(5) INFORMATION ON OTHER INCOME: Must provide current proof of any income reported below. Check YES or NO next to Type of Income. If YES, complete all information for income received or expected to receive by or for any household member, including children. If necessary, report any other additional sources on a separate sheet of paper.

Type of Income	YES	NO	Who Receives Funds	Monthly Amount	Name and Address of Provider
Social Security Benefits – SSA or/and SSI				\$	
				\$	
				\$	
				\$	
CALWORKS				\$	
				\$	
Food Stamps				\$	
				\$	
State Disability				\$	
				\$	
Worker's Compensation				\$	
				\$	
Unemployment Benefits				\$	
				\$	
Veteran's Benefits				\$	
				\$	
Military Pay/Allotment				\$	
				\$	
Pensions or Retirement				\$	
				\$	
Child Support				\$	
				\$	
Spousal Support				\$	
				\$	
Contributions				\$	
				\$	
Gifts or Loans				\$	
				\$	
Rental Property Income				\$	
				\$	
School Financial Aid				\$	
				\$	

Other Income				\$	
				\$	
				\$	

(5) ASSET INFORMATION: Must provide current proof of asset (bank statement, etc.) listed below. Check YES or NO next to Type of Asset. If YES, complete all information for any asset owned or held by or for any household member, including children. If necessary, report any other additional accounts or sources on a separate sheet of paper.

Type of Asset	YES	NO	Name(s) on Account	Balance/ Value	Account/ Policy #	Name and Address of Institution
Cash				\$		
				\$		
Checking Account				\$		
				\$		
Savings Account				\$		
				\$		
Other Accounts (i.e. 401k, IRAs, stocks, bonds, etc.)				\$		
				\$		
				\$		
				\$		

**FIRST-TIME HOMEBUYER PROGRAM AFFIDAVIT**

By signing below each applicant makes the following certifications:

I, the undersigned, as part of my application for a Shared Equity: Downpayment and Closing Cost Assistance loan from the City of Chula Vista (the "Program"), and in connection with a purchase of a single-family home (the "Residence") and an application for a mortgage loan (the "Mortgage Loan") from a lender (the "Lender") of my choosing, do hereby state that I have carefully reviewed this document. I understand and agree with the answers on Pages One and Two, and do furthermore certify the following:

1. That those people who I expect to initially share occupancy of the Residence with me are listed on Page Two of the Application.
2. That my spouse, whether on title or not, is an Applicant for the Program and must sign this Application.
3. That I am a first-time homebuyer, who has not had an ownership interest in a residential property within the three years immediately preceding the date of this application, and I do not and will not have an ownership interest in a residential property prior to the date of loan closing.
4. That I will submit true and complete copies of my actual signed federal tax returns for the preceding three tax years, or such other written verification that is acceptable to the Program.
5. That the Residence will be occupied and used as my principal place of residence within 30 days of the date of Mortgage Loan closing.
6. That the Residence will not be used as an investment property, vacation home or recreation home.
7. That I will notify the Program in writing if the Residence ceases to be my principal residence.
8. That if the loan application is for a newly built home, that the Residence has not and will not be occupied prior to loan commitment.
9. That the Mortgage Loan is a first mortgage, not a replacement mortgage.



## APPENDIX B

### INCOME

#### GROSS ANNUAL INCOME

The Annual Income Definition found at 24 CFR Part 5 is used to determine the gross annual income. The Part 5 definition of annual income is the gross amount of income of all adult household members that is **anticipated** to be received during the next 12-month period. Gross monthly income includes all taxable sources of income derived from: gross pay, overtime compensation, part-time employment earning, bonuses, dividends, interest, royalties, pensions, Veterans Administration (VA) compensation, net rental income, alimony, public assistance payments, sick pay, social security benefits, unemployment compensation, income received from trusts, income received from business activities, bank accounts, investments, and any other source of taxable income not listed above. Certain income exclusions exist (for example income of minors).

Information regarding income must be current within the most recent 30-day period preceding loan closing. Income not included by the Lender, but listed above, must be added to the Lender's income total on the "Income Computation Worksheet" income eligibility calculation for the City loan program. Income of the mortgagor (or mortgagors) and any other adult who is expected to live in the residence being financed must also be included in the household income calculation. All non-taxable income must be listed and bracketed on the "Income Computation Worksheet", but not counted when calculating the annual gross family income.

In summary, income of all mortgagors (on both title and deed of trust) shall be included in the gross income calculation for the program. Additionally, the income of any adult who will live in the residence should be included. For married couples, income includes the income of both spouses, whether or not on title.

The Department of Housing and Urban Development's Technical Guide for Determining Income and Allowances for the HOME Program can be found at the following weblink:

<http://www.hud.gov/offices/cpd/affordablehousing/library/modelguides/1780.cfm>

#### MILITARY PAY

For purposes of computing the buyer's gross monthly income, the monthly income is the "total entitlement" shown on the applicant's most recent monthly Leave and Earnings Statement and includes all regular pay, special pay and allowances. Non-taxed income, such as a housing allowance is counted as income. Certain categories of pay, which may be received only sporadically, may need to be considered on a case-by-case basis. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire is excluded from Annual Income.

**APPENDIX C**

**SUBSIDY LAYERING ANALYSIS**

The City's First-Time Homebuyer and Down Payment Closing Cost Assistance is funded through the HOME Investment Partnerships Program (HOME) from the U.S. Department of Housing and Urban Development (HUD). HOME Section 24 CFR 92.250 states that before committing funds to a project, the participating jurisdiction must evaluate the project (subsidy layering analysis) in accordance with guidelines that it has adopted for this purpose and will not invest any more HOME funds, in combination with other governmental assistance, than is necessary to provide affordable housing.

In order to determine this "gap", prior to obtaining a second mortgage with the City a potential homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to lend for the primary loan. The Lender must provide an analysis calculating cash available for all housing expenses\* by taking the lesser of the housing ratio (PITI) to monthly income of 36% or debt-to-income ratio of 41% FHA/45% minus debt. The housing cash available will then be used to determine the amount of the primary loan and, ultimately, the Program subsidy amount required, bridging the gap between the purchase price (less down payment) and the amount of the primary loan. The Primary First mortgage must be a fixed rate loan.

\* Monthly housing costs include, but are not limited to, payments of principal and interest on the first loan, taxes (including mello roos), insurance (including mortgage insurance), homeowner association fees, and other appropriate expenditures.

Following is a sample analysis, for illustrative purposes.

**Debt Service**  
**(Family of 2 earning \$4083.33/month, \$49,000/annual)**

Housing Payment

Housing cash available, lesser of:

Max Front Ratio	36% of \$4,083.33	=	\$1,470.00
Max Back Ratio	41% FHA of \$4,083.33 - \$250 Debt Service	=	<b>\$1,424.17</b>
Present Value of Monthly Interest (6.25% Annual), Term (30 Year), & cash available (\$1,424.17)			
Qualifying Mortgage		=	\$176,475.77

Subsidy Calculation

Purchase Price of Property	\$220,000.00
Less First Loan Amount	(176,475.77)
Less Down Payment @ 3%	<u>(6,600.00)</u>
<b>"Gap" Financing Needed</b>	<b>\$36,924.23</b>

**APPENDIX D**

**VOLUNTARY ACQUISITION**

**Dear \_\_\_\_\_:**

(Name of Purchaser) \_\_\_\_\_ is interested in acquiring property you own at (address) \_\_\_\_\_ through the Chula Vista First-Time Homebuyer Down Payment and Closing Cost Assistance Program which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD).

Please be advised that the City possesses eminent domain authority to acquire property, however, in the event you are not interested in selling your property, or if we cannot reach an amicable agreement for the purchase of your property, we will not pursue its acquisition under eminent domain.

(Name of Purchaser) \_\_\_\_\_ is prepared to offer you (\$)\_\_\_\_\_ to purchase your property. We believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed offer, please contact the (name)\_\_\_\_\_, (title)\_\_\_\_\_, (address)\_\_\_\_\_, (phone)\_\_\_\_\_.

Sincerely,

Redevelopment & Housing

## APPENDIX E

### CODE AND DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING QUALITY STANDARDS (HQS)

The City's First-Time Homebuyer and Down Payment Closing Cost Assistance is funded through the HOME Investment Partnerships Program (HOME) from the U.S. Department of Housing and Urban Development (HUD). HOME requirements at 24 CFR 92.251(a)(2) state that housing purchased with HOME acquisition assistance must "meet all applicable State and local housing quality standards and code requirements and, if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401".

The Acceptability Criteria listed with each section sets the minimum standards that must be met in all residential units. The Interpretation of Acceptability Criteria listed after those criteria are the standards that HUD feels should also be met if the property is to have long-term utility and contribute to the livability of the unit.

#### ACCEPTABLE CRITERIA AND INTERPRETATIONS

- A. SITE AND NEIGHBORHOOD - The site and neighborhood shall be reasonably free from disturbing noises and reverberations and other hazards to the health, safety and general welfare of the occupants.

ACCEPTABILITY CRITERIA - The site and neighborhood shall not be subject to serious adverse environmental conditions, natural or manmade such as:

1. Dangerous walks, steps or instability;
2. Flooding, poor drainage, septic tank back-ups, sewer hazards or mudslides;
3. Abnormal air pollution, smoke or dust;
4. Excessive noise, vibrations or vehicular traffic;
5. Excessive accumulations of trash;
6. Vermin or rodent infestation;
7. Fire hazards;

Generally, approval of an area under a CDBG, Section 8, HOME and/or HOPE III will be sufficient to meet these criteria.

#### INTERPRETATION OF ACCEPTABILITY CRITERIA

1. All steps and walks should be level, free from dangerous cracks, crumbling or breaks, tripping hazards, broken & missing materials, etc., and be provided with sufficient pitch to prevent water accumulation.
2. The lot should have positive drainage away from the dwelling and/or dwelling unit to prevent standing water at the foundation.
3. No additions.
4. No additions.
5. Any materials, which accumulate on a property in the neighborhood, should be removed or screened and arranged in a manner that does not detract from the general appearance of the neighborhood.
6. No additions – see #5 above – removal of trash, garbage, debris, etc., will significantly reduce infestation problems.
7. The site should be free from fire hazards, such as the storage of highly flammable materials, etc.

- B. ACCESS – The dwelling/dwelling unit shall have adequate access for the occupants.

ACCEPTABILITY CRITERIA

1. The dwelling/dwelling unit shall be usable and capable of being maintained without unauthorized use of other private properties.
2. The building shall provide an alternative means of egress in case of fire, i.e., fire stairs, egress through windows, etc.

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. The property should be adjacent to an access street or road.
2. No additions.

- C. STRUCTURE AND MATERIALS - The dwelling/dwelling unit shall be structurally so as not to pose any threat to the health and safety of the occupants and so as to protect the occupants from the environment.

ACCEPTABILITY CRITERIA

1. Ceilings, walls (interior and exterior), floors, roofs, porches, etc., shall not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling or noticeable movement under walking stress, missing parts, or other serious damage.
2. The roof structure shall be firm and the roof shall be weather tight.
3. The exterior wall structure and the exterior and interior wall surfaces shall not have any serious defects such as serious leaning, buckling, sagging, cracks or holes, loose materials, loose siding or other serious damage.
4. The conditions and equipment of interior and exterior stairways, halls, porches, walkways, etc., shall be such as not to present a danger of tripping and/or falling.
5. Elevators shall be maintained in a safe operating condition.
6. In the case of a mobile home, the home shall be securely anchored by a tie-down device, which distributes and transfers loads imposed by the unit to appropriate ground anchors so as to resist wind, overturning and sliding.

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. Where crawl spaces or basements exist, all first-floor structural wood members, including floor joists, plates, piers and pilings should be inspected for cracked, broken, rotten or otherwise damaged conditions. Damaged members should be repaired and/or replaced as required.  
The exterior/interior walls should be weather-tight in a manner that prevents heat loss in the winter (cooling loss in the summer) as much as possible. This includes the repainting and/or installations of siding to protect the exterior surface from the elements. The interior walls should be repaired/replaced as required to facilitate this criterion.
2. The roof structure should be firm in that all roof-framing members should be free from cracks and rot. The roof sheathing should be solid and free from sagging, buckling, heaving, etc. If the roof appears to be well worn, it should be replaced. If possible, the best replacement will include stripping all the way down to the sheathing and replacing. If costs dictate, a second layer of roofing can be installed over the first layer. If there are already two or more layers of roofing materials, the roof should be stripped down to the sheathing, and if necessary, replace the sheathing and then install the new roof covering.
3. Concrete block or brick foundations, piers and pilings, should be inspected for loose mortar joints. All empty or cracked mortar joints should be tuck-pointed in an

acceptable manner to match, as closely as possible, the rest of the structure. The joints should be recessed.

The chimney should be inspected for loose mortar joints and proper height. All empty or cracked mortar joints should be tuck-pointed in an acceptable manner to match, as closely as possible, the rest of the chimney. The joints should be recessed.

4. All exterior steps, walkways and porches should be free of tripping hazards. Crumbling, cracked, broken, missing and/or uneven conditions should be repaired and/or replaced as necessary.

The condition of all interior stairways should be such as not to present a danger of tripping or falling, see above. Handrails should be properly installed on all stairways.

5. No additions.
6. No additions.
7. The property should be inspected by a qualified extermination firm, and if necessary treated for vermin, rodents, termites and other wood-burrowing insects.
8. All outbuildings such as garages, storage sheds, etc., should be repaired to a usable condition or removed from the property.
9. The general appearance of the outside of the structure and the lot, after rehabilitation, should be such that it makes a significant contribution to the general appearance of the neighborhood.
10. Installation of gutters and down spouts is strongly recommended in order to divert water away from foundations.

- D. LEAD-BASED PAINT – The dwelling unit shall be in compliance with the HUD Lead-Based Paint regulations.

#### ACCEPTABILITY CRITERIA

1. The dwelling/dwelling unit shall comply with HUD Lead-based Paint regulations at 24 CFR Part 35, issued pursuant to the Lead-Based Paint Poisoning Prevention Act, 42 USC 4801.
2. The owner shall provide a certification that the dwelling is in compliance with such HUD regulations.
3. If the property was constructed prior to 1978, any in-place tenant/family shall be furnished a notice and pamphlet as required by the Lead-Based Paint regulations. Such notice shall inform them of the procedures regarding the hazards of lead-based paint poisoning, the symptoms and treatment of lead poisoning and the precautions to be taken against lead poisoning.

#### INTERPRETATION OF ACCEPTABILITY CRITERIA

1. Compliance with the Lead-Based Paint regulations requires the following actions:
  - Notification to all occupants that the property may contain lead-based paint, if constructed prior to 1978, and the hazards, symptoms and treatment of such poisoning, including information on testing for elevated blood levels (EBL) for children.
  - All contracts shall include language prohibiting the use of lead-based paint.
  - The inspection for and elimination of “immediate hazards”, which are defined as chipping, peeling, flaking, cracking or other defects in previously painted surfaces.
2. No additions.
3. No additions.

E. WATER SUPPLY

ACCEPTABILITY CRITERIA

1. The dwelling/dwelling unit shall be served by an approved public or private sanitary water supply.

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. The dwelling unit should have a water heater of sufficient capacity to serve present and anticipated future residents. Further, they should not be allowed in bathrooms, bedrooms, sleeping rooms or closets.
2. Hot and cold water should be supplied to all kitchens, baths and laundry facilities.
3. All water lines should be protected from freezing.

F. INTERIOR AIR QUALITY - The dwelling/dwelling unit should be free of pollutants in the air at levels that threaten the health of the occupants.

ACCEPTABILITY CRITERIA

1. The dwelling/dwelling unit shall be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust and other harmful air pollutants.
2. Air circulation shall be adequate throughout the dwelling/dwelling unit.
3. Bathroom areas shall have at least 1 openable window or other adequate exhaust ventilation.

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. All gas or oil fired appliances should have proper venting to the outside of the dwelling/dwelling unit for combustion gases.
2. All windows designed to open should be capable of being easily opened, provided with the proper window hardware to make them both operable and openable, and provided with screens properly installed and maintained.
3. Kitchen areas should also have proper ventilation.

G. ILLUMINATION AND ELECTRICITY – Each room shall have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of the occupants. Sufficient electrical sources shall be provided to permit use of essential electrical appliances while assuring safety from fire.

ACCEPTABILITY CRITERIA

1. Living and sleeping rooms shall include at least one window.
2. A ceiling or wall-type light fixture shall be present and working in the bathroom and kitchen areas.
3. At least two electric outlets, one of which may be an overhead light, shall be present and operable in the living area, kitchen and each bedroom area.

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. No additions not performed in a workmanlike manner.
2. A ceiling or wall fixture, operated by a wall switch should be present in the kitchen, bath and hallways.
3. All outlets installed as a result of the rehabilitation work should be of the grounded type.
4. Each unit should be provided with a least 100 amp service and a sufficient number of circuits to service present and anticipated future use of the:

- There should be separate circuits for any air conditioners (including window type), furnaces, electric dryers, electric stoves, microwaves and any other special appliances.
  - There should be two separate 20-amp circuits (minimum) for the heavy workload area in the kitchen, and all kitchens should be wired to the National Electric Code (NEC), based on the size and layout of each individual kitchen.
  - With the exception of kitchens (see b. above), all other rooms should be assessed relative to their use of electricity and additional outlets and/or switches installed based on usage and safety factors.
  - Electrical outlets in the bathrooms and kitchens should have an overload switch.
5. Connection at the main service to the unit should be in an acceptable manner.
    - Placement of the connection should be out of the reach of children,
    - Proper anchoring should be used.
  6. All defective exposed “knob & tube” wiring should be removed. It is recommended that any additional exposed “knob & tube” also be removed and replaced in conduit to prevent splicing and/or unsafe usage.
  7. All hazardous conditions such as broken switches/outlets, missing covers, bare wiring, fixtures not properly installed/anchored should be repaired/replaced in an acceptable manner. It is recommended that all “pendant” type fixtures be replaced with an appropriate ceiling/wall fixture.
  8. Although though a room may meet acceptability criteria #3 above, if the inspection reveals the use of octopus plugs, adapters, extension/zip cords and/or other unsafe practices, additional outlets should be installed.

H. THERMAL ENVIRONMENT – The dwelling/dwelling unit shall have and be capable of maintaining a thermal environment healthy for the human body.

#### ACCEPTABILITY CRITERIA

1. The dwelling/dwelling unit shall contain safe heating and cooling facilities, which are in proper operating condition and can provide adequate heat and/or cooling to each room in the dwelling/dwelling unit appropriate for the climate to insure a healthy living environment.
2. Unvented room heaters that burn gas, oil or kerosene are unacceptable.

#### INTERPRETATION OF ACCEPTABILITY CRITERIA

3. All parts of the venting system for central heating/cooling units should be in proper working condition. For example:
  - Vent pipes should be free of rust and be properly maintained.
  - Where vent pipes are connected to a masonry chimney, that chimney should be properly maintained so that all mortar joints are tightly sealed.
4. No additions.
5. The attic should be insulated to a rating of R-30 with acceptable insulation material. Where cellulose is used, it should be tested for fire protection. Cellulose bags should be labeled with acceptable ratings derived from flame-spread tests.
6. Weather stripping should be applied as needed around all doors and windows.
7. Storm windows and doors should be installed whenever possible.
8. Any inside walls that are on an exterior wall, if opened down to the studs during the course of the rehabilitation, should be fully insulated with an acceptable insulation material.
9. All joints in the building envelope should be caulked/sealed. All brittle or loose caulking should be replaced.

10. Supply and return heating/air-conditioning ducts should be insulated whenever they run through unheated areas/spaces.
11. It is strongly recommended that whenever space heaters and/or floor furnaces are used, they be replaced with a properly installed more efficient central heating/cooling system.

- I. **SANITARY FACILITIES** – The dwelling/dwelling unit shall include its own sanitary facilities, which are in proper operating condition, can be used in privacy, and are adequate or personal cleanliness and the disposal of human waste.

ACCEPTABILITY CRITERIA

1. A flush toilet in a separate, private room; a fixed basin with hot and cold running water; and a bathtub and/or shower with hot and cold running water, shall be present in the dwelling/dwelling unit, and shall be fully operational.
2. These facilities shall utilize an approved public or private disposal system.

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. The toilet, basin, and tub or shower should all be located in the same room, if at all possible.
2. Where a public sewage system is not used, documentation in the file should show where the appropriate health agency has approved the disposal system.

- J. **SPACE AND SECURITY** – The dwelling/dwelling unit shall afford the family adequate space and security.

ACCEPTABILITY CRITERIA

1. A living room, kitchen area, and bathroom shall all be present.
2. The dwelling/dwelling unit shall contain at least one sleeping or living/sleeping room of appropriate size for each two persons.
3. Exterior doors and windows accessible from outside the unit shall be lockable.
4. Each dwelling/dwelling unit should have smoke detectors. Where bedrooms are located on more than one floor of a structure, smoke detectors should be installed on each floor. It is recommended that all smoke detectors be U.L. approved and be hard-wired. U.L. approved battery type or a combination electric/battery type may also be used.

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. No additions

- K. **FOOD PREPARATION AND REFUSE DISPOSAL** – The dwelling/dwelling unit shall contain suitable space and equipment to store, prepare and serve foods in a sanitary manner. There shall be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

ACCEPTABLE CRITERIA

1. The unit shall contain the following equipment in operating condition: 1) cooking stove or range, 2) refrigerator or appropriate size for the unit supplied by either the owner or the tenant/family, and 3) kitchen sink with hot and cold running water.
2. The sink shall drain into an approved public or private system.
3. Adequate space for the storage, preparation and serving of food shall be provided.
4. There shall be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary (i.e. garbage cans).

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. No additions made without City permits and not performed in a workmanlike manner.
2. Food storage space should be in the form of cabinets and/or pantry type storage. Food preparation space should be in the form of counters or other horizontal workspace.
3. No additions.

L. **SANITARY CONDITION** - The unit and its equipment shall be in sanitary condition.

ACCEPTABILITY CRITERIA

1. The unit and its equipment shall be free of vermin and rodent infestation.

INTERPRETATION OF ACCEPTABILITY CRITERIA

1. No additions not made without City permits.



APPENDIX F

HOUSING QUALITY STANDARDS (HQS)/CODE INSPECTION FORM

Inspector		Type of Inspection: <input type="checkbox"/> Initial Inspection <input type="checkbox"/> Re-Inspection	
Inspector Title	Funding Source <input type="checkbox"/> CDBG <input checked="" type="checkbox"/> HOME	Date of Inspection (mm/dd/yyyy)	Last Inspection (mm/dd/yyyy)

UNIT TO BE INSPECTED

Project Name			
Street Address and Unit			
City	County	State	Zip
OR			

**Housing Type:**

Single Family Detached  
 Condominium  
 Row House or Town House  
 Manufactured/Mobile Home  
 Other: (specify)

SPONSOR INFORMATION

Name	
Contact	Telephone
Address	

<p style="text-align: center;"><b>Summary Decision on the Unit</b></p> <p>City of Chula Vista Building Standards – Pass or Fail</p> <p><input type="checkbox"/> 1. Fail If there are any checks under the column titled “Fail” the unit fails the local standards minimum standard. Discuss with the owner the repairs noted that would be necessary to bring the unit to standard.</p> <p><input type="checkbox"/> 2. Concern If there are no checks under the column titled “Fail” and there are checks under the column titled “Concern,” obtain additional information necessary for a decision. Once additional information is obtained, change the rating for the item and record the date of verification a the far right of the form.</p> <p><input type="checkbox"/> 3. Pass If neither 1 or 2 above is checked, the unit passes.</p> <p>Unit Size _____</p> <p>Year Constructed _____</p>	<p>How to fill out this checklist</p> <p>Complete the checklist on the unit to be occupied or currently occupied by the tenant. Proceed through the inspection as follows:</p> <table border="1"> <thead> <tr> <th>Area</th> <th>Checklist Category</th> </tr> </thead> <tbody> <tr> <td>Room by room</td> <td>1. Living Room</td> </tr> <tr> <td></td> <td>2. Kitchen</td> </tr> <tr> <td></td> <td>3. Bathroom</td> </tr> <tr> <td></td> <td>4. All other rooms (for living)</td> </tr> <tr> <td></td> <td>5. All other rooms (not for living)</td> </tr> <tr> <td>Outside</td> <td>6. Building Exterior</td> </tr> <tr> <td>Basement or utility room</td> <td>7. Heating &amp; Plumbing</td> </tr> <tr> <td>Overall</td> <td>8. General Health &amp; Safety</td> </tr> </tbody> </table> <p>Each part of checklist will be accompanied by an explanation of the item to be inspected.</p> <p>Important: For each item numbered on the checklist, check one box only.</p> <p>If the items “Fails” write what repairs are necessary. If “Concern” write in details.</p>	Area	Checklist Category	Room by room	1. Living Room		2. Kitchen		3. Bathroom		4. All other rooms (for living)		5. All other rooms (not for living)	Outside	6. Building Exterior	Basement or utility room	7. Heating & Plumbing	Overall	8. General Health & Safety
Area	Checklist Category																		
Room by room	1. Living Room																		
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Outside	6. Building Exterior																		
Basement or utility room	7. Heating & Plumbing																		
Overall	8. General Health & Safety																		

**Inspector Certification:** I certify physical inspection of the property located at the address above for compliance with the City of Chula Vista’s local building standards.

Inspector Signature \_\_\_\_\_

Date \_\_\_\_\_



**BUILDING EXTERIOR**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>1.</b>	<b>GENERAL CONDITION</b> Is the exterior maintained in good repair, structurally sound, and sanitary?			
<b>2.</b>	<b>PROTECTIVE TREATMENT</b> Are all exterior surfaces, other than decay-resistant woods, protected from the elements and decay?  Is any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Is all siding, masonry, vinyl, wood, or other surfaces, maintained in good repair, weather resistant, and water tight?  Are all metal surfaces treated to prevent rust and corrosion?			
<b>3.</b>	<b>FOUNDATION WALLS/SLABS</b> Are all foundation walls/slabs maintained plumb and free from open cracks?  Are foundation vents in good repair and kept in such conditions so as to prevent the entry of rodents and other pests?			
<b>4.</b>	<b>EXTERIOR WALLS</b> Are all walls free from holes, breaks, and loose or rotting materials and maintained weatherproof and properly surface coated where required to prevent deterioration?			
<b>5.</b>	<b>SIDEWALKS &amp; DRIVEWAYS</b> Are sidewalks, walkways, and driveways in a proper state of repair and maintained free from hazardous (trip) conditions?			
<b>6.</b>	<b>ROOF</b> Is the roof and flashing sound, tight, and not have defects that admit moisture to the interior of the structure?			
<b>7.</b>	<b>GUTTERS &amp; DOWNSPOUTS</b> Are gutters and downspouts maintained in good repair and free from obstructions?			
<b>8.</b>	<b>PREMISE IDENTIFICATION</b> Does the building have 4" high and ½" wide address numbers placed in a position to be plainly seen from street and contrast with the building background?			
<b>9.</b>	<b>SOFFIT/FASCIA/DECORATIVE FEATURES / TRIM</b> Are all soffit, fascia cornices, belt courses, corbels, terra cotta trim, wall facings, and other similar decorative features, and trim maintained in good repair, properly anchored, and in a safe condition?			
<b>10.</b>	<b>STAIRWAYS, DECKS, PORCHES &amp; BALCONIES</b> Are all exterior stairways, decks, porches, & balconies, and all appurtenances attached to, structurally sound, maintained in good repair, with proper anchorage, and capable of supporting imposed loads?			
<b>11.</b>	<b>SKYLIGHT</b> Are all skylights kept in sound condition, good repair, and weather tight?			
<b>12.</b>	<b>CHIMNEY</b> Are all chimneys structurally sound, safe, sound, and maintained in good repair?  Are all exposed metal or wood surfaces protected against decay or rust by paint or other surface treatment?			

**BUILDING EXTERIOR (continued)**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>13.</b>	<p><b>HANDRAILS &amp; GUARDRAILS</b>            Are handrails and guardrails firmly fastened, capable of supporting normal loads, and maintained in good repair?            Do all stairways having more than four (4) risers have a handrail on one side?            Do all open portion of a landing, balcony, porch, deck, ramp, or other walking surface more than 30" above grade have guardrails?            If handrails are present, are they at less 30" and not more than 42" high?            If guardrails are present, are they at less 30" or more above the floor of the landing, balcony, porch, deck, ramp, or other walking surface?</p>			
<b>14.</b>	<p><b>DOORS</b>            Are all doors, frames, and hardware kept in sound condition, good repair, and weather tight?            Do all locks tightly secure the doors to provide security for the occupants and property within?            Does each door have a deadbolt with a throw of not less than 1"?            Can the deadbolt be operated from the inside without a key?            If storm doors or screen doors are present, are they kept in sound condition, good repair, weather tight, and have a self-closing device in good condition?</p>			
<b>15.</b>	<p><b>WINDOWS</b>            Are all windows and frames kept in sound condition, good repair, and weather tight?            Is all glazing present and maintained free from cracks and holes?            Are all windows that provide ventilation to habitable rooms equipped with insect screens and kept in sound condition and good repair?            If basement windows are present, are rodent shields or storm windows in sound condition, good repair, and weather tight?</p>			
<b>16.</b>	<p><b>BASEMENT HATCHWAY (IF PRESENT)</b>            Are basement hatchways maintained to prevent the entrance of rodents, rain, and surface drainage water?            Are basement hatchways equipped with devices that secure the dwelling from unauthorized entry?</p>			
<b>17.</b>	<p><b>FENCES/GATES (RENTAL ONLY)</b>            Are all fences and gates maintained in sound condition and good repair?</p>			
<b>18.</b>	<p><b>SANITARY DRAINAGE SYSTEM</b>            Are all plumbing stacks, vents, waste and sewer line function properly, maintained in a safe, sanitary condition, and kept free from obstructions, leaks, and defects?</p>			
<b>19.</b>	<p><b>WATER SUPPLY</b>            Is the water supply system maintained in a safe, sanitary condition, kept free from obstructions, leaks, and defects?            If hose bibs or faucets are installed, are the bibs and faucets protected by an approved atmospheric-type (freeze proof) vacuum breaker?</p>			
<b>20.</b>	<p><b>ELECTRICAL SERVICE</b>            Does a three-wire, 120/240 volt, single-phase electrical service with a rating of not less than 60 amperes, serve the dwelling?            Is all equipment, wiring, and appliances properly installed and maintained in a safe condition?</p>			

**LIVING ROOM**

	DESCRIPTION	PASS OR FAIL	N/A	REPAIRS REQUIRED
1.	<p><b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?</p>			
2.	<p><b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?</p>			
3.	<p><b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation and lighting? (Example: 100 sq. ft room must have 8 sq. ft of window glazing).  Is there at least one (1) operable window that has a minimum opening of at least 45% of the minimum glazed area as required above?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?</p>			
4.	<p><b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?  Is weather stripping present and in good condition on all exterior doors?</p>			
5.	<p><b>ROOM WIDTH AND HEIGHT</b> Is the width of the room in any plan dimension less than 7'?  Is the ceiling height less than 7'?</p>			
6.	<p><b>ELECTRICAL RECEPTACLES/SWITCHES</b> Are there at least two working separate and remote receptacle outlets?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?</p>			

**DEN OR FAMILY ROOM**

	DESCRIPTION	PASS OR FAIL	N/A	REPAIRS REQUIRED
1.	<p><b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?</p>			
2.	<p><b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?</p>			
3.	<p><b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation and lighting? (Example: 100 sq. ft room must have 8 sq. ft of window glazing).  Is there at least one (1) operable window that has a minimum opening of at least 45% of the minimum glazed area as required above?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?</p>			
4.	<p><b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?  Is weather stripping present and in good condition on all exterior doors?</p>			
5.	<p><b>ROOM WIDTH AND HEIGHT</b> Is the width of the room in any plan dimension less than 7'?  Is the ceiling height less than 7'?</p>			
6.	<p><b>ELECTRICAL RECEPTACLES/SWITCHES</b> Are there at least two working separate and remote receptacle outlets?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?</p>			

**DINING ROOM**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>1.</b>	<p><b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?</p>			
<b>2.</b>	<p><b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?</p>			
<b>3.</b>	<p><b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation and lighting? (Example: 100 sq. ft room must have 8 sq. ft of window glazing).  Is there at least one (1) operable window that has a minimum opening of at least 45% of the minimum glazed area as required above?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?</p>			
<b>4.</b>	<p><b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?  Is weather stripping present and in good condition on all exterior doors?</p>			
<b>5.</b>	<p><b>ROOM WIDTH AND HEIGHT</b> Is the width of the room in any plan dimension less than 7'?  Is the ceiling height less than 7'?</p>			
<b>6.</b>	<p><b>ELECTRICAL RECEPTACLES/SWITCHES</b> Are there at least two working separate and remote receptacle outlets?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?</p>			

**KITCHEN**

	DESCRIPTION	PASS OR FAIL	N/A	REPAIRS REQUIRED
1.	<p><b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?</p>			
2.	<p><b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?</p>			
3.	<p><b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation and lighting? (Example: 100 sq. ft room must have 8 sq. ft of window glazing).  Is there at least one (1) operable window that has a minimum opening of at least 45% of the minimum glazed area as required above?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?</p>			
4.	<p><b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?  Is weather stripping present and in good condition on all exterior doors?</p>			
5.	<p><b>ROOM WIDTH AND HEIGHT</b> Is the width of the room in any plan dimension less than 7'?  Is the ceiling height less than 7'?</p>			
6.	<p><b>ELECTRICAL RECEPTACLES/SWITCHES</b> Are there at least two working separate and remote receptacle outlets?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?</p>			

**KITCHEN (Continued)**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>7.</b>	<b>PLUMBING SYSTEM &amp; FIXTURES</b> Does the kitchen have a sink, which is properly connected to a public utility service?  Is the sink supplied with hot and cold running water?  Are all plumbing fixtures, including drains and water lines, properly installed, maintained in working order, kept free from obstructions, leaks, and defects, safe, sanitary, and capable of performing the design function?			
<b>8.</b>	<b>COOKTOP, OVEN OR RANGE SERVICE</b> Is there a working connection for either gas or electrical service for installation of a cooktop, oven or a range?  Are all service connections properly installed, of adequate size (electrical), maintained in a safe condition, good repair, free of leaks (gas), safe, and capable of performing the design function?  Is the service free from electrical hazards?			
<b>9.</b>	<b>STOVE OR RANGE WITH OVEN (RENTAL ONLY)</b> Is there a working oven, and a stove (or range) with top burners that work?			
<b>10.</b>	<b>REFRIGERATOR (RENTAL ONLY)</b> Is there a refrigerator that works and maintains a temperature low enough so that food does not spoil over a reasonable period of time?			

**MAIN BATHROOM**

	DESCRIPTION	PASS OR FAIL	N/A	REPAIRS REQUIRED
1.	<p><b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?</p>			
2.	<p><b>BATHROOM ACCESS</b> Do all occupants have access to at least one water closet and lavatory without passing through another bedroom?</p>			
3.	<p><b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, cabinets, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?  Are all vanity countertops sanitary, maintained in proper condition, and good repair?</p>			
4.	<p><b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation? (Example: 30 sq. ft room must have 2.4 sq. ft of window glazing).  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?  Exception: In lieu of natural ventilation, artificial mechanical ventilation complying with building code is permitted. Is air exhausted by mechanical ventilation discharged to the outdoors and not recirculated?</p>			
5.	<p><b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Does the door have an interior locking device?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?</p>			
6.	<p><b>ROOM WIDTH AND HEIGHT</b> Is the ceiling height less than 7'? NOTE: There are no width requirements for bathrooms.</p>			
7.	<p><b>ELECTRICAL RECEPTACLES/SWITCHES/ FIXTURES:</b> Is there an at least one working receptacle outlet?  Is there at least one permanently attached working light fixture?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair? Is the room free from electrical hazards?</p>			

**MAIN BATHROOM (Continued)**

8.	<b>PLUMBING SYSTEM &amp; FIXTURES</b>			
	<p>Does the bathroom have a bathtub or shower, lavatory and water closet, which are properly connected to a public utility service?</p> <p>Are the tub or shower and lavatory supplied with hot and cold running water?</p> <p>Is the water closet supplied with cold running water?</p> <p>Are all plumbing fixtures, including drains and water lines, properly installed, maintained in working order, kept free from obstructions, leaks, and defects, safe, sanitary, and capable of performing the design function?</p>			

**MASTER BATHROOM**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>1.</b>	<b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?			
<b>2.</b>	<b>BATHROOM ACCESS</b> Do all occupants have access to at least one water closet and lavatory without passing through another bedroom?			
<b>3.</b>	<b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, cabinets, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?  Are all vanity countertops sanitary, maintained in proper condition, and good repair?			
<b>4.</b>	<b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation? (Example: 30 sq. ft room must have 2.4 sq. ft of window glazing).  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?  Exception: In lieu of natural ventilation, artificial mechanical ventilation complying with building code is permitted. Is air exhausted by mechanical ventilation discharged to the outdoors and not recirculated?			
<b>5.</b>	<b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Does the door have an interior locking device?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?			
<b>6.</b>	<b>ROOM WIDTH AND HEIGHT</b> Is the ceiling height less than 7'? NOTE: There are no width requirements for bathrooms.			
<b>7.</b>	<b>ELECTRICAL RECEPTACLES/SWITCHES/ FIXTURES:</b> Is there an at least one working receptacle outlet?  Is there at least one permanently attached working light fixture?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair? Is the room free from electrical hazards?			

**MASTER BATHROOM (Continued)**

<b>8.</b>	<b>PLUMBING SYSTEM &amp; FIXTURES</b> Does the bathroom have a bathtub or shower, lavatory and water closet, which are properly connected to a public utility service?  Are the tub or shower and lavatory supplied with hot and cold running water?  Is the water closet supplied with cold running water?  Are all plumbing fixtures, including drains and water lines, properly installed, maintained in working order, kept free from obstructions, leaks, and defects, safe, sanitary, and capable of performing the design function?			
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**BEDROOM #1**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>1.</b>	<b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?			
<b>2.</b>	<b>OCCUPANCY LIMITATIONS</b> Does bedroom have at least 70 sq. ft if occupied by one (1) person and at least 50 sq. ft. for each occupant, if occupied by more than one (1) person?			
<b>3.</b>	<b>BEDROOM ACCESS</b> Does bedroom have its own entrance without passing through another bedroom or bathroom?			
<b>4.</b>	<b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?			
<b>5.</b>	<b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation and lighting? (i.e.: 100 sq. ft room must have 8 sq. ft of window glazing)  Is there at least one (1) operable window that has a minimum opening of at least 45% of the minimum glazed area as required above?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?			
<b>6.</b>	<b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Does the door have an interior locking device?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?			
<b>7.</b>	<b>ROOM WIDTH AND HEIGHT</b> Is the width of the room in any plan dimension less than 7'?  Is the ceiling height less than 7'? EXCEPTION: In bedrooms with sloped ceilings, the ceiling height must be 7' over not less than 1/3rd of minimum floor area.			
<b>8.</b>	<b>ELECTRICAL RECEPTACLES/SWITCHES</b> Are there at least two working separate and remote receptacle outlets?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?			

**BEDROOM #2**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>1.</b>	<b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?			
<b>2.</b>	<b>OCCUPANCY LIMITATIONS</b> Does bedroom have at least 70 sq. ft if occupied by one (1) person and at least 50 sq. ft. for each occupant, if occupied by more than one (1) person?			
<b>3.</b>	<b>BEDROOM ACCESS</b> Does bedroom have its own entrance without passing through another bedroom or bathroom?			
<b>4.</b>	<b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?			
<b>5.</b>	<b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation and lighting? (i.e.: 100 sq. ft room must have 8 sq. ft of window glazing)  Is there at least one (1) operable window that has a minimum opening of at least 45% of the minimum glazed area as required above?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?			
<b>6.</b>	<b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Does the door have an interior locking device?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?			
<b>7.</b>	<b>ROOM WIDTH AND HEIGHT</b> Is the width of the room in any plan dimension less than 7'?  Is the ceiling height less than 7'? EXCEPTION: In bedrooms with sloped ceilings, the ceiling height must be 7' over not less than 1/3rd of minimum floor area.			
<b>8.</b>	<b>ELECTRICAL RECEPTACLES/SWITCHES</b> Are there at least two working separate and remote receptacle outlets?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?			

**BEDROOM #3**

	DESCRIPTION	PASS OR FAIL	N/A	REPAIRS REQUIRED
1.	<b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?			
2.	<b>OCCUPANCY LIMITATIONS</b> Does bedroom have at least 70 sq. ft if occupied by one (1) person and at least 50 sq. ft. for each occupant, if occupied by more than one (1) person?			
3.	<b>BEDROOM ACCESS</b> Does bedroom have its own entrance without passing through another bedroom or bathroom?			
4.	<b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?			
5.	<b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation and lighting? (i.e.: 100 sq. ft room must have 8 sq. ft of window glazing)  Is there at least one (1) operable window that has a minimum opening of at least 45% of the minimum glazed area as required above?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?			
6.	<b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Does the door have an interior locking device?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?			
7.	<b>ROOM WIDTH AND HEIGHT</b> Is the width of the room in any plan dimension less than 7'?  Is the ceiling height less than 7'? EXCEPTION: In bedrooms with sloped ceilings, the ceiling height must be 7' over not less than 1/3rd of minimum floor area.			
8.	<b>ELECTRICAL RECEPTACLES/SWITCHES</b> Are there at least two working separate and remote receptacle outlets?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?			

**BEDROOM #4**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>1.</b>	<b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?			
<b>2.</b>	<b>OCCUPANCY LIMITATIONS</b> Does bedroom have at least 70 sq. ft if occupied by one (1) person and at least 50 sq. ft. for each occupant, if occupied by more than one (1) person?			
<b>3.</b>	<b>BEDROOM ACCESS</b> Does bedroom have its own entrance without passing through another bedroom or bathroom?			
<b>4.</b>	<b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?			
<b>5.</b>	<b>WINDOWS</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Is there at least one (1) window facing directly outside, that has a minimum glazed area of 8% of the total floor area for ventilation and lighting? (i.e.: 100 sq. ft room must have 8 sq. ft of window glazing)  Is there at least one (1) operable window that has a minimum opening of at least 45% of the minimum glazed area as required above?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?			
<b>6.</b>	<b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Does the door have an interior locking device?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?			
<b>7.</b>	<b>ROOM WIDTH AND HEIGHT</b> Is the width of the room in any plan dimension less than 7'?  Is the ceiling height less than 7'? EXCEPTION: In bedrooms with sloped ceilings, the ceiling height must be 7' over not less than 1/3rd of minimum floor area.			
<b>8.</b>	<b>ELECTRICAL RECEPTACLES/SWITCHES</b> Are there at least two working separate and remote receptacle outlets?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?			

**UTILITY ROOM**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>1.</b>	<b>GENERAL CONDITION</b> Is the room maintained in good repair, structurally sound, and sanitary?			
<b>2.</b>	<b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, cabinets, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair? Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?  Are all vanity countertops sanitary, maintained in proper condition, and good repair?			
<b>3.</b>	<b>WINDOWS</b> Note: Utility rooms do not require windows. If windows are present, are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?			
<b>4.</b>	<b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?			
<b>5.</b>	<b>ROOM WIDTH AND HEIGHT</b> Is the ceiling height less than 7'? NOTE: There are no width requirements for this room.			
<b>6.</b>	<b>ELECTRICAL RECEPTACLES/SWITCHES/ FIXTURES:</b> Is there at least one working receptacle outlet?  Is there at least one permanently attached working light fixture?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the room free from electrical hazards?  Are all receptacles properly installed, of adequate size, and capable of performing the design function?  Is the room free from electrical hazards?			
<b>7.</b>	<b>PLUMBING SYSTEM &amp; FIXTURES</b> If the washer hook-up is installed in this room, are all plumbing fixtures, including drains and water lines, properly installed and connected to a public utility service, maintained in working order, kept free from obstructions, leaks, and defects, safe, sanitary, and capable of performing the design function?  If washer hook-up is present, is the washer hook-up supplied with hot and cold running water?			

**HALLS & STAIRWAYS**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>1.</b>	<b>GENERAL CONDITION</b> Are the halls and stairways maintained in good repair, structurally sound, and sanitary?			
<b>2.</b>	<b>INTERIOR SURFACE</b> Does any interior surfaces, including windows, doors, and trim have any paint peeling, flaking, chipped, cracking, chalking or showing any other signs of paint deterioration?  Are all walls and ceiling surfaces free of cracks or loose plaster, decayed wood, or other defective surface conditions?  Is all trim maintained in good repair, properly anchored, and in a safe condition?  Are all floors sound and maintained in good repair?  Are floor coverings sanitary, maintained in good repair, and free from hazardous (trip) conditions?			
<b>3.</b>	<b>WINDOWS (IF PRESENT)</b> Are all window frames and trim kept in sound condition, good repair, and weather tight?  Is weather stripping present and in good condition on all windows?  Are all operable windows easily opened and capable of being held in position by window hardware?  Are all operable windows, located 6' or less above ground level, equipped with a working window sash-locking device?			
<b>4.</b>	<b>DOORS</b> Are all doors, frames, and hardware kept in sound condition and good repair?  Do all doors fit reasonably well within its frame and are capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware?			
<b>5.</b>	<b>HALL WIDTH &amp; HEIGHT</b> Is the width at least 36"?  Is the ceiling height less than 7'?			
<b>6.</b>	<b>ELECTRICAL RECEPTACLES/SWITCHES</b> Is there at least one permanently attached working light fixture for the hall?  Is there at least one permanently attached working light fixture for the stairway?  Are all receptacles, switches, fixtures, and cover plates maintained in a safe condition and good repair?  Is the hall and stairway free from electrical hazards?			
<b>7.</b>	<b>HANDRAILS &amp; GUARDRAILS</b> Are handrails and guardrails firmly fastened, capable of supporting normal loads, and maintained in good repair?  Do all stairways having more than four (4) risers have a handrail on one side?  Do all open portion of a landing, balcony, or other walking surface more than 30" above floor level have guardrails?  If handrails are present, are they at less 30" and not more than 42" high?  If guardrails are present, are they at less 30" or more above the floor of the landing, balcony, or other walking surface?			

**MISCELLANEOUS**

	DESCRIPTION	PASS OR FAIL	N/A	REPAIRS REQUIRED
1.	<p><b>MEANS OF EGRESS</b>            Are there at a minimum two (2) egress doors to the exterior?            Do the egress doors open without the need for keys, special knowledge, or effort?            If bars, grilles, grates, or other similar devices are installed on windows and doors, can the devices be released or removed from the inside without the use of a key, tool, or force greater than that which is required for normal operation?</p>			
2.	<p><b>SMOKE ALARMS</b>            Are smoke alarms installed on the ceiling or walls outside the immediate vicinity of bedrooms, in each bedroom, and in each story within a dwelling?            Do smoke alarms receive primary power from the building electrical system?            Exception: Smoke alarms are permitted to be solely battery operated in units which are not undergoing alterations, repairs, or construction of any kind.            Are smoke alarms interconnected so that activation of one alarm will activate all the alarms? Exception: Smoke alarms are permitted to be solely battery operated in units which are not undergoing alterations, repairs, or construction of any kind.</p>			
3.	<p><b>WATER HEATING FACILITIES</b>            Are water heating facilities properly installed, maintained, and capable of providing adequate amount of water to be drawn at every required sink, lavatory, bathtub, shower, and laundry facility at a temperature of not less than 110 degrees?            If a gas-burning water heater is installed, is it located in a non-authorized area such as a bathroom, toilet room, bedroom, or other occupied room normally kept closed?            Does the water heater have an approved combination temperature and pressure-relief valve installed?            Does the water heater have a relief discharge pipe properly installed and maintained?            If a gas-burning water heater is installed, is a supply of air for complete combustion of fuel and for ventilation (flue vent) to exterior of the space provided?            If electrical water heater is installed, is the electrical system properly installed, of adequate size, and capable of performing the design function?</p>			
4.	<p><b>HEATING FACILITIES</b>            Is there a heating system?            Are cooking appliances being used to provide space heating?            Is the heater capable of maintaining a room temperature of 68 degrees in all habitable rooms and bathrooms?            If a gas-burning heater is installed, is it located in a non-authorized area such as a bathroom, toilet room, bedroom, or other occupied room normally kept closed?            If a gas-burning heater is installed, is a supply of air for complete combustion of fuel and for ventilation (flue vent) to exterior of the space provided?            If an electrical heater is installed, is the electrical system properly installed, of adequate size, and capable of performing the design function?            If the heating system is located in the attic, is there at least one permanently attached working light fixture near the system?            Is the thermostat installed properly, maintained in a safe working condition, and capable of performing the intended?</p>			

**MISCELLANEOUS (Continued)**

	<b>DESCRIPTION</b>	<b>PASS OR FAIL</b>	<b>N/A</b>	<b>REPAIRS REQUIRED</b>
<b>5.</b>	<b>DUCT SYSTEMS</b> Are the duct systems maintained free of obstructions and capable of performing the required function?			
<b>6.</b>	<b>WASHER &amp; DRYERS</b> If the washer hook-up is installed, are all plumbing fixtures, including drains and water lines, properly installed and connected to a public utility service, maintained in working order, kept free from obstructions, leaks, and defects, safe, sanitary, and capable of performing the design function?  If washer hook-up is present, is the washer hook-up supplied with hot and cold running water?  If washer hook-ups are installed, is there at least one (1) grounded-type receptacle or a receptacle with a ground fault interrupter?  If the dryer hook-ups are installed, is the electrical system properly installed, of adequate size, and capable of performing the design function?  If a clothes dryer is installed, is the exhaust independent of all other systems?  Is the clothes dryer exhausted to the outside in accordance with manufacturer's instructions?			
<b>7.</b>	<b>MECHANICAL EQUIPMENT</b> Are all mechanical appliances, air conditioning systems, fireplaces, solid fuel-burning appliances, cooking appliances, water heating appliances properly installed, maintained in a safe working condition, and capable of performing the intended use?  Are all required clearances to combustible material maintained?  Are all safety controls for fuel-burning equipment maintained properly?			
<b>8.</b>	<b>MINIMUM SPACE REQUIREMENTS (RENTAL ONLY)</b> <b>Living Room:</b> 1-2 Occupant – No requirements. 3-5 Occupants – Does the living room have at least 120 sq. ft. of space? 6 or more Occupants - Does the living room have at least 150 sq. ft. of space?  <b>Dining Area:</b> 1-2 Occupant – No requirements. 3-5 Occupants – Does the dining area have at least 80 sq. ft. of space? 6 or more Occupants - Does the living room have at least 100 sq. ft. of space?  <b>Combination Living &amp; Dining:</b> 1-2 Occupant – No requirements. 3-5 Occupants – Does the living room have at least 200 sq. ft. of space? 6 or more Occupants - Does the living room have at least 250 sq. ft. of space?			
<b>9.</b>	<b>INFESTATION</b> Is there any evidence of insect and/or rodent infestation?			
<b>10.</b>	<b>GARAGE</b> Are all doors, frames, and hardware kept in sound condition, good repair, and weather tight?  Do all locks tightly secure the doors to provide security for the occupants and property within?			
<b>11.</b>	<b>PLANS/PERMITS/INSPECTIONS</b> All additions and/or conversions were built with required state and local permits and final inspections.			

Inspected by: \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

APPENDIX G

SHARED EQUITY EXAMPLE

NOTE: The following example assumes an initial (a) Gross Sales Price of \$150,000 (b), Net Sales Price of \$135,000 (\$150,000 minus 10% seller fees), (c) 1<sup>st</sup> mortgage balance of \$100,000 and City 2<sup>nd</sup> of \$25,000 (d), Total Equity of \$10,000 (b-c), and a City loan of \$25,000.00 at a 0% interest rate, with an APR of 0%. The table is for the purpose of illustration only. Actual sales price and net sales price will vary. The principal amount of the loan remains due.

# Months After Date Of Agreement	Gross Sales Price (a)	Net Sales Price (b) (a-10% fee)	Mortgage Balances ( c ) (1st \$100k & 2 <sup>nd</sup> \$25K)	Total Equity ( d ) ( b-c )	Buyer's Equity Share Increases 5% Per year	City of Chula Vista's Equity Decreases 5% per year
0-12	\$150,000	\$135,000	\$125,000	\$10,000	\$5,000 (50%)	\$5,000 (50%)
13-24	\$155,000	\$139,500	\$125,000	\$14,500	\$7,975 (55%)	\$6,525 (45%)
25-36	\$155,000	\$139,500	\$125,000	\$14,500	\$8,700 (60%)	\$5,800 (40%)
37-48	\$160,000	\$140,000	\$125,000	\$15,000	\$9,750 (65%)	\$5,250 (35%)
49-60	\$160,000	\$140,000	\$125,000	\$15,000	\$10,500 (70%)	\$4,500 (30%)
61-72	\$165,000	\$148,500	\$125,000	\$23,500	\$17,625 (75%)	\$5,875 (25%)
73-84	\$165,000	\$148,500	\$125,000	\$23,500	\$18,800 (80%)	\$4,700 (20%)
85-96	\$170,000	\$153,000	\$125,000	\$28,000	\$23,800 (85%)	\$4,200 (25%)
97-108	\$170,000	\$153,000	\$125,000	\$28,000	\$25,200 (90%)	\$2,800 (10%)
109-120	\$175,000	\$157,500	\$125,000	\$32,500	\$30,875 (95%)	\$1,625 (5%)
Thereafter	\$175,000	\$157,500	\$125,000	\$32,500	\$32,500 (100%)	\$0 (0%)

In this example, the finance charge could vary between \$1,625 and \$6,525. Your amount will differ, depending upon gross sales price, net sales price, the amount of equity, and the number of months after the date of agreement that the sales occurs.

If the Property is sold in the first year of the term of the Note secured by this Deed of Trust, Borrower shall receive fifty percent (50%) of the Equity in the Property and the City shall receive fifty percent (50%) of the Equity. "Equity" is defined as the dollar amount that constitutes the difference between the sales price of the Property and the sum of the following amounts:

1. Principal on the First Note and the Deed Trust; and
2. Principal on this Second Note and Deed of Trust to the City of Chula Vista; and
3. All costs of sales, including cost of brokers' commissions, escrow fees, title costs and fees, recording cost, etc.; and
4. Current year taxes, including all real estate taxes calculated to the date of sale; and
5. Borrower's down payment not including the loan from the City to Borrower; and
6. All principal paid down on the First Note and Deed of Trust; and
7. Costs of any improvements to the Property, provided such improvements were approved by the City prior to construction and provided that such improvements have been documented to the satisfaction of the City.

The amount of the Borrower's share in the equity of the Property shall increase by five percent (5%) per year, measured on the anniversary date of this Deed of Trust. Correspondingly, the City's

share in the equity of the Property shall decrease by five percent (5%) per annum. For the sake of example, if the Property is sold more than (5) but less than six (6) years after the date of this Deed of Trust, the City would have a twenty five percent (25%) share in the Equity and the Borrower would have a seventy five percent (75%) share in the Equity of the Property.

In the event that no Equity exists at the time of transfer or sale, the HOME funds (item 1b above) will still be due and payable. In the event that a negative Equity situation exists, and the full amount of the HOME funds are not available to be recaptured, the amount of HOME funds required to be repaid to the City will be as set forth in 24 CFR 92.254(a)(ii)(A)(3). The formulas are as follows:

$$\frac{\text{HOME investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{HOME amount to be recaptured}$$

$$\frac{\text{Homeowner investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{Amount to homeowner}$$

“HOME investment” is defined as funds received pursuant to the HOME Investment Partnership Program. “Homeowner investment” is defined as the amount of down payment and capital improvements made by the owner since purchase.

## APPENDIX H

### SEQUENCE OF LOAN PROCESS & SUMMARY SHEET

1. HOMEBUYER
  - Completes Homebuyer Education course.
  - Lender gives homebuyer a City Loan Information Package.
  - Applies to Participating Lender for financing.
  - With Lender, determines loan eligibility.
    - Determines “gap” through subsidy layering analysis.
  - Selects house that is vacant or owner-occupied.
  - Conducts a third-party appraisal to determine Market Value of home and provides to City.
3. CITY
  - Provides seller with the Voluntary Acquisition Form, to be placed on top of Purchase Offer and sent via certified mail or return receipt. *If a purchase offer was issued prior to the identification of City assistance, a revised purchase offer must be submitted with the Voluntary Acquisition Form.*
  - Makes Purchase Offer, which is accepted pending financing.
2. LENDER
  - Starts processing for mortgage loan and City loan.
  - Verifies eligibility for City loan. Prepares and forwards application package to City, including summary sheet below.
  - Processes, underwrites and approves Applicant for first mortgage.
  - Has an Independent Certified Risk Assessor (or certified equivalent) conduct a property inspection and Risk Assessment to ensure the subject property meets Housing Quality Standards (HQS) and HUD lead-based paint regulations. Notifies lender, buyer and Escrow of work needed to cure defects within 15 days of lead-based hazard determination (if applicable), and provides Buyer, Lender, and Escrow a copy of any/all Risk Assessment Report(s).
3. PROGRAM ADMINISTRATOR STAFF AND CERTIFIED LEAD BASED PAINT PROFESSIONALS:
  - The Program Administrator issues Commitment to Lender after approving application package and verifying that the property meets minimum property standards. *(NOTE: The City may choose to issue a Commitment pending receipt of missing documentation and completion of work to cure property of code violations and/or lead-based paint hazards.)*
  - Work to cure property defects and/or lead-based paint hazards takes place by Certified Lead-Based Paint Professionals (if applicable).
  - Re-inspection and clearance of property takes place to ensure Housing Quality Standards and elimination of lead-based paint hazards.
4. ESCROW, LENDER & PROGRAM ADMINISTRATOR
  - Coordinates signing of all closing documents by Sellers and Borrowers.
5. LENDER
  - Sends Close of Escrow Package and all outstanding documentation (per the Commitment) to Program Administrator prior to Commitment expiration.
  - Funds loan through Escrow/Title and Escrow/Title Company and sends Deed of Trust and all recordable documents to the Title Company or County Recorder’s Office (close of escrow).
6. PROGRAM ADMINISTRATOR
  1. Receives and reviews Close of Escrow Package (outstanding documentation, original documents, and certified/executed copies).

2. Wires City loan funds through Escrow/Title and Escrow/Title Company sends Deed of Trust and all recordable documents to the Title Company or County Recorder's Office (close to escrow).
  3. Conducts random audit of Lenders records.
7. HOMEBUYER
- Receives City loan.
  - Signs an Annual Affidavit of Owner-Occupancy.

**SUMMARY SHEET**  
**First Time Homebuyer HOME funds**

Buyer:

Property Address:

APN:

Anticipated Income:

Net Assets at escrow close:

Total Anticipated Income (including income from assets):

Income Limit by Household Size: **(1) \$44,250 (2) \$50,550 (3) \$56,900 (4) \$63,200 (5) \$68,250 (6) \$73,300** as of 02/13/08

Within Income Limit: **Yes / No**

Within 221 d3 Limit: **Yes/No (1 bedroom \$150,449, 2 bedroom \$181,445, 3 bedroom \$232,254, 4 bedroom \$ 258,741** as of 01/01/08)

Within 95% of Median Value: **Yes / No (\$559,550** as of 03/12/08)

Purchase Price:

Market Value\*:

\*Documentation must be provided

Qualifying Ratios: **(36% & 41% FHA/45%)**

Applicant Meets City Program Ratios: **Yes / No**

First Mortgage:

City's Silent Second:

Arms Length Transaction form on File: **Yes / No**

Unit Inspection Complete: **Yes / No**

Subsidy Layering Complete: **Yes / No**

**I certify the source documentation was reviewed and this buyer meets the City's requirements for Down Payment and Closing Costs Assistance and I have provided all required documentation in this application for funding. I also certify the amount of assistance required does not exceed the program requirements. Please attach a copy of the 1003/1008 signed by the borrower.**

Sign: \_\_\_\_\_

## APPENDIX I

### CITY LOAN QUALITY COMMITMENT POLICY

The City of Chula Vista Redevelopment & Housing Department and the Program Administrator invites the entire mortgage lending community to participate in the First-Time Homebuyer Program. Participation will continue to be open to those mortgage lenders who uphold the following work standards:

- Lending company personnel receive training for the program before being assigned to prepare loan packages. This training includes: Program Administrator training sessions (if applicable); knowledge of training manual; knowledge of City-provided update letters.
- Each lender enrolled in the program designates a Program Administrator Contact Person for each participating branch. The Contact's responsibilities include: 1) making Lender Update letters (including attachments) available to all City loan-related personnel in a timely manner; 2) attending at least one training session per year (if applicable); 3) notifying Housing staff of any re-assignment of Contact person and/or changes in company location and or status.
- Expiration of a Loan Commitment without submission of the required paperwork must be addressed in a timely manner by; submitting the documents necessary to make the file current, close the loan, or canceling the pending loan with notification to the City.
- The lender must obtain the Commitment to issue the loan before funding the loan.
- Each funding lender ensures that the closing or funding department of their company is aware of their obligations under the city loan program and are prepared to submit all necessary closing documentation in a timely manner.
- Buyers are treated fairly, receiving a full and accurate explanation about the city loan. For questions that the lender cannot answer, the buyer is referred to housing staff.

APPENDIX J

AUTHORIZATION FOR RELEASE OF INFORMATION

Each household member 18 years or older must read and sign this Authorization Form for Release of Information.



I, \_\_\_\_\_ (legal name), do hereby authorize any agencies, offices, groups organizations or business firms to release to COMMUNITY HOUSINGWORKS (CHW) and the City of Chula Vista any information or materials which are deemed necessary to complete and verify my application for participation and/or to maintain my continued assistance under the First-Time Homebuyer Down Payment and Closing Cost Assistance Program. The information needed may include verification or inquiries regarding my identity, household members, employment and income, assets, allowances or preferences I have claimed, and residency. These organizations are to include, but are not limited to: financial institutions; Employment Security Commission; educational institutions; past or present employers; Social Security Administration; welfare and food stamps agencies; Veteran's Administration, court clerks; utility companies; Workmen's Compensation Payers; public and private retirement systems; law enforcement agencies; medical facilities and credit providers.

I understand that the Department of Housing and Urban Development (HUD), CHW, and/or the City of Chula Vista may utilize third parties to verify information and other computer matching programs in order to verify the information supplied on my application. It is understood and agreed that this authorization or the information obtained with its use may be given to and used by HUD and/or CHW in the administration and enforcement of program rules and regulations and that HUD and/or CHW may in the course of its duties obtain such information from other Federal State or local agencies, including State Employment Security Agencies; Department of Defense; Office of Personnel Management; the Social Security Administration; and State welfare and food stamp agencies. If there is a discrepancy between the information provided by the above sources and the information that I have provided, I understand that CHW may take action to terminate my benefits and will require the repayment of benefits I was not eligible to receive.

*It is with my understanding and consent that a photocopy of this authorization may be used for the purposes stated above. This authorization is valid for one year from the date of my signature.*

_____	_____	_____	_____
Address	City	State	Zip
_____	_____	(____)____-	_____
Date of Birth	Telephone Number		
_____	____/____/____		
Signature	Date Signed		